6 July 2018 ASX Announcement

DRILLING INTERSECTS WIDESPREAD GOLD MINERALISATION AT SLATE DAM GOLD PROJECT

Repetitions of gold mineralised trend to the east confirmed by drilling

HIGHLIGHTS

- **New gold trend of 6m at 2.43g/t from 15m in hole SDRC68 discovered to the east of current drill defined area**
- **Located parallel to intersection of 7m at 2.1g/t Au from 11m in hole SDRC20 in Phase 1 drilling**
- **15 holes for 1,660m completed to date in Phase 3 drilling**
- **7 out of the 8 holes assayed to date have intersected anomalous gold mineralisation**
- **Drilling of 25 hole – 3,000m Phase 3 program to resume this month**

Aruma Resources Limited (ASX: AAJ) is pleased to announce the first batch of assay results from its Phase 3 drilling program at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia.

Assays have been received for the first eight holes (holes SDRC64 to 71) of a planned 25 hole – 3,000 metre reverse circulation (RC) drill program, with planned drilling depths of up to 150 metres.

The first assays from the Phase 3 program have continued to deliver results consistent with the Company's sediment-hosted gold model for Slate Dam and confirm the increasing grades to the east at the Project.

The current phase of drilling was designed to further expand the Slate Dam gold mineralised system beyond its current mineralised footprint which extends over a total distance of at least four kilometres (from the north-west to the south east), and to test for repetitions of mineralisation to the east and west of the current drill defined area.

Highlight results returned to date in the Phase 3 drilling include (see Figure 1 and Table 1);

- **6m @ 2.43g/t Au** from 15m; within a broader zone of
- **15m @ 1.1g/t Au** from 6m in hole SDRC68.

Hole	EAST	NORTH	DEPTH	AZIM	INCL	From	To	Interval	Au Avg.
SDRC64	395805	6603070	120	60	-60	12	14	2	0.95 g/t
SDRC64	395805	6603070	120	60	-60	82	84	2	0.98 g/t
SDRC68	396580	6602735	120	60	-60	6	21	15	1.1 g/t
SDRC68	396580	6602735	120	60	-60	15	21	6	2.4 g/t

Table 1 Significant Results (Au > 0.5g/t) with all measurements down hole.

Aruma Resources Limited
ABN 77 141 335 364 ASX: AAJ
Level 1, 6 Thelma St, West Perth, WA 6005
Locked Bag 2000, Nedlands WA 6909, Australia
T+61 8 93210177 I F +61 8 92263764 I Wwww.arumaresources.com

Aruma has completed 1,660 metres of drilling (plus 114 repeat assays) in 15 holes in the current program to date. Drilling was initially planned to be completed in June but the program was interrupted due to unforeseen rig unavailability and wet conditions onsite.

Aruma managing director Peter Schwann said;
"Slate Dam continues to develop. The broad intersection of strong gold mineralisation to the east of the previously drill defined area is highly encouraging and was a key aim of this phase of drilling. The first assay results in the Phase 3 drilling have returned multiple broad zones of gold mineralisation plus further strong grades. The significant gold intersection in hole SDRC68 is of substantial importance as it duplicates the similar intersection of 7 metres at 2.1g/t gold in the nearby drill hole SDRC20 reported in our first phase of drilling. This is an important result for the Project and we will seek to extend these two near surface gold zones along strike and look for more repetitions to the east in the remaining holes in the Phase 3 program."

Observations from Phase 3 drilling results to date

The drilling completed has intersected widespread shallow gold mineralisation, with seven out of the eight holes assayed to date having intersected anomalous gold (>0.1g/t Au).

Significant sulphide-carbonate-mica alteration in the form of pyrite-ankerite-sericite, which is a key indicator of the presence of gold mineralisation, has been intersected in multiple holes in this first batch of assay results.

In drill hole SDRC68, pyrite-ankerite-sericite was intersected over a broad zone, which assayed at 2.43g/t Au over a six metre interval from 15 metres down hole. The intersection is quite visible in having pyrite carbonate mica quartz and is bleached, which completely fits the Slate Dam exploration model.

This result is significant as SDRC68 is situated in close proximity (140 metres to the east) to hole SDRC20 which returned an intersection of 7 metres @ 2.1g/t Au from 11 metres (within a broader zone of 16 metres @ 1.34g/t Au) in Aruma's Phase 1 drilling program (as shown in Figure 1). The Company will now undertake drilling along strike of these two holes as well as targeting further repetitions of these mineralised strata to the east in the remaining holes of the Phase 3 drill program (shown in Figure 1 by the yellow arrows).

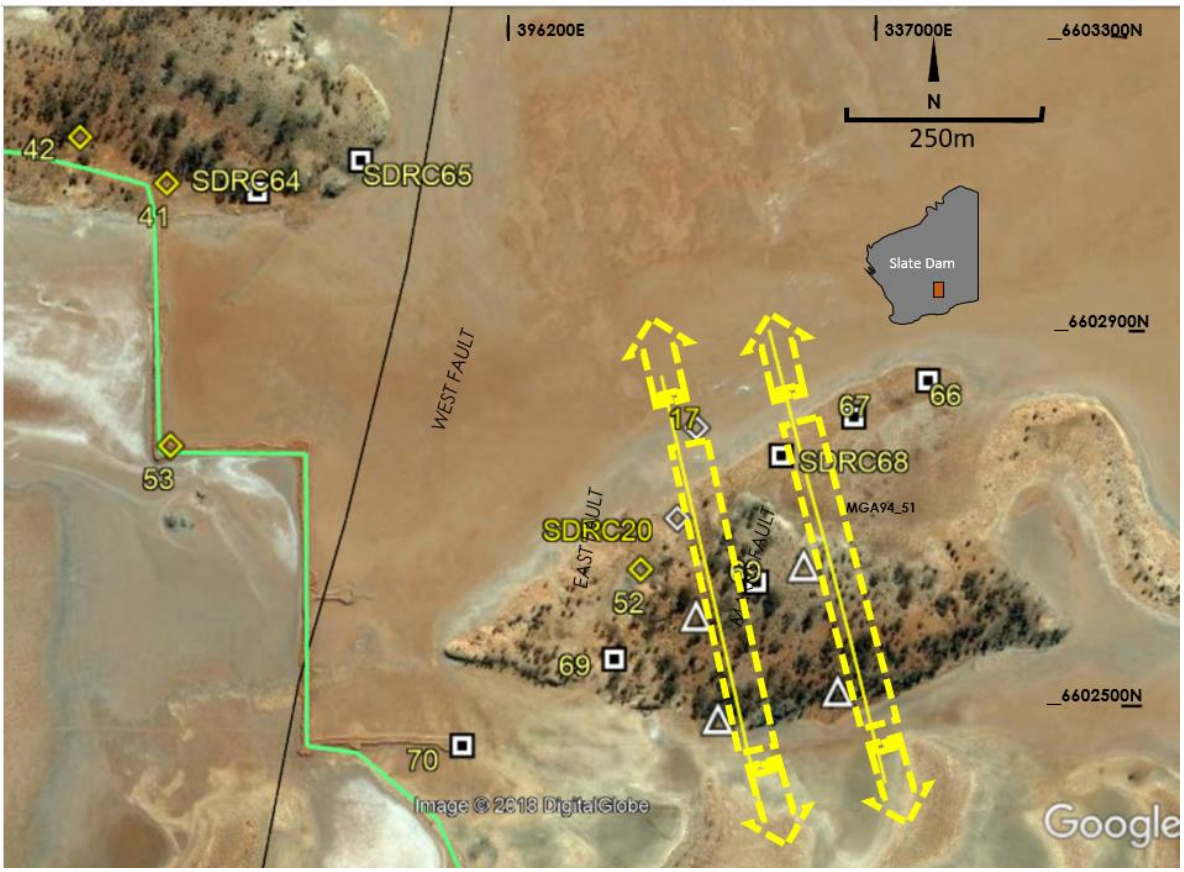

Figure 1 **The locations of the Phase 3 drilling in June, showing**

- Significant holes from Phase 2 in yellow diamonds, and
- Completed Phase 3 holes as square targets
- SDRC 20 and 68 in yellow boxes with extension target holes as triangles
- Both zones open at both ends

Next Steps

The Phase 3 drilling program is scheduled to resume this month, and further results will be released when available. The remainder of the program will focus on the extensional drilling designed to expand the Slate Dam gold system (as outlined in ASX announcement, 1June 2018) and infill drilling of the target areas along strike of drill holes SDRC20 and SSRC68, which both host significant broad zones of gold mineralisation – see yellow boxed areas in Figure 1.

The Company also advises that Section 18 Heritage clearance surveys in respect of all the leases within the Slate Dam Project and Goddards Dam Project have now been completed and will be submitted for Ministerial Approval.

ENDS

For further information please contact:

Peter Schwann
Managing Director

Aruma Resources Limited
Telephone: +61 8 9321 0177
Mobile: +61 417 946 370
Email: info@arumaresources.com

James Moses
Media and Investor Relations

Mandate Corporate
Mobile: +61 420 991 574
Email: james@mandatecorporate.com.au

Competent Person's Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Schwann who is a Fellow of the AIG and Australasian Institute of Mining and Metallurgy. Mr Schwann is Managing Director and a full time employee of the Company. Mr Schwann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Mr Schwann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. All exploration results that have previously been released to ASX are available to be viewed on the Company website www.arumaresources.com.au . The Company confirms it is not aware of any new information that materially affects the information included in the original announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Forward Looking Statement

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. There can be no assurance that Aruma plans to develop exploration projects that will proceed with the current expectations. There can be no assurance that Aruma will be able to conform the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic and will be successfully developed on any of Aruma's mineral properties. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

***Aruma Resources Limited** is a proud supporter and member of the Association of Mining and Exploration Companies, 2018.*

AMEC
ASSOCIATION OF MINING AND EXPLORATION COMPANIES
2018 MEMBER

APPENDIX 1 –

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• RC drill samples are taken from various depth holes and sampled in 1m intervals • Samples from depth down hole. • All samples were 25g charge assayed according to Fe and Cl content to ensure best accuracy. High Cl precludes FA and High Fe, S and CO3 is not recommended for AR.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling was done with RC rigs using industry standard sampling methods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The best endeavors were used to ensure sample recovery and splitting gave the best quality possible.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All samples were logged geologically and qualitatively. Quantitative logging was not undertaken due to smearing and density differences of the different constituents
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples rotary split and noted wet or dry. Where sample quality precluded riffle splitting, the material was tube sampled. • The sample size satisfied the Gy size requirements.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory standards and methods are industry standards. • Duplicate samples were taken every 20m
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All significant intersections were inspected by at least two competent and relevant geologists. • No holes were twinned as this is not required in grass roots exploration.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Initial hole layout was by GPS. Australian Standard licenced surveyors were used to position the drill holes where required. • All locations are GDA94 • All holes were ratified on the ground by the competent person
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing was chosen to give overlapping holes • No compositing was done
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All holes drilled as close to tangential as possible.
Sample security	• *The measures taken to ensure sample security.*	• All samples logged and numbered on site and checked as drilled, as logged, as loaded to Laboratory and as submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The last program used internal standards and this program used duplicates

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All tenements and issues required are detailed in the reports. • All work done under PoWs.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Listed in Previous Work
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The gold prospect is categorized as an orogenic gold deposit - intrusive related deposit with similarities to most other gold deposits in the Yilgarn Craton. The Slate Dam project is located within the Eastern Goldfields Superterrane Greenstones made predominantly of volcanic/volcanoclastic rocks..

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Supplied in Table 1 of the report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drill holes are oriented to get intersections as close to true widths as possible. As all samples are 1m intervals there has been no weighting applied. Intervals are reported in a simple arithmetic mean grade. • Significant mineralisation considered >0.1g/t Au, with max internal dilution of 5m, high grade zones considered >0.5g/t Au, with max 2m internal dilution. • Metal equivalents never used.
Relationship between mineralisation widths and	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there*	• Sections are used but no estimates are made unless the angle of intersection is consistent.

Criteria	JORC Code explanation	Commentary
intercept lengths	*should be a clear statement to this effect (eg 'down hole length, true width not known').*	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• As done
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Null results are not reported and minimum intersection grades are reported and detailed in each table.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Hyvista Data and figures and the relationship with the Aruma exploration and genesis model are detailed.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As detailed in the report.