3 October 2018

ASX Announcement

DRILLING CONTINUES TO EXPAND MINERALISED SYSTEM AT SLATE DAM GOLD PROJECT

HIGHLIGHTS

- **Final assay results received from last 19 of 34 holes – totalling 3,748m. Phase 3 RC drill program at Slate Dam Gold Project**
- **Drilling continues to intersect widespread gold mineralisation plus repetitions of gold mineralisation in multiple holes**
- **15 out of the 19 holes intersected anomalous gold mineralisation**
- **98 RC holes drilled in 3 completed phases of drilling in past nine months - 63 out of 98 holes intersected anomalous gold mineralisation**
- **Database completed of all existing drill data at Slate Dam Project. Results from the drilling will be added to database to help plan next phase of drilling**

Aruma Resources Limited (ASX: AAJ) is pleased to announce final 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 now been received for remaining nineteen holes for 2,088m (holes SDRC80 to 98) of the 3,748m program which was completed in August 2018.

The assays from the Phase 3 program have continued to deliver results consistent with the model in the Slate Dam anomaly area in the northern part of the Project, and have further strengthened the Company's geological model for the Slate Dam Project to host significant sediment-hosted gold deposits. Best results are as follows;

- **6m @ 1.06g/t Au** from 91m in hole SDRC80
- **5m @ 1.25g/t Au** from 110m in hole SDRC91
- **5m @ 1.24g/t Au** from 88m in hole SDRC98; and
- **6m @ 2.43g/t Au** from 15m; within a broader zone of
- **15m @ 1.1g/t Au** from 6m in hole SDRC68 (which was previously reported in ASX announcement, 6 July 2018).

Observations from Phase 3 drilling results

Drilling has intersected widespread gold mineralisation, with fifteen out of the nineteen holes drilled having intersected anomalous gold (>0.1g/t Au).

Alteration was evident, with Pyrite-Carbonate-Mica-Quartz showing up and indicating gold. The newly rehabilitated core from previous project owners is now able to be logged and this will commence next month, and should contribute to a fuller understanding of the mineralisation at Slate Dam. Aruma has completed 98 reverse circulation (RC) drill holes in three phases of drilling for 10,500m over the past nine months, and 63 out of the 98 holes have intersected anomalous gold mineralisation.

ABN 77 141 335 364 ASX: AAJ
1st Floor, 6 Thelma St West Perth W.A. 6005
PO Box 152, West Perth WA 6872, Australia
T +61 8 9321 0177 I F +61 8 9226 3764 I W www.arumaresources.com

The success of the drilling in defining extensions to the flat and steep mineralisation intersected in hole SDRC68 can be seen in Figure 1, with the holes defining multiple lodes both steep and flat.

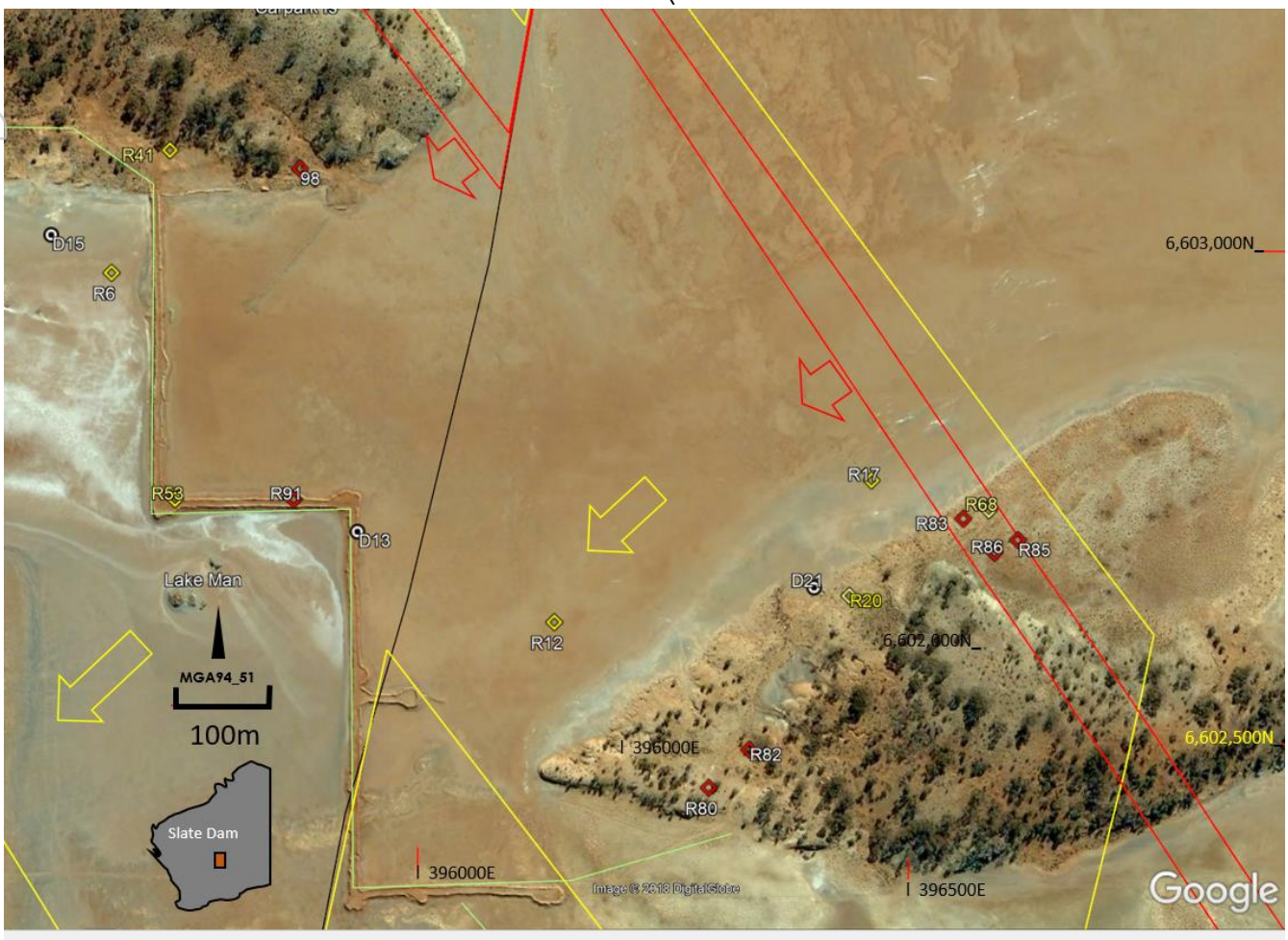

Figure 1: The locations of the successful holes in Phase 3 drilling in June, showing intersection holes (Table 1) in red diamonds and lode trends, steep outlined in red and flat-shallow outlined in yellow. (Image 1.2km by 900m)

The Company has completed construction of a database of all available drill data across the entire Slate Dam Project area. All results from the Company's drilling to date will be added to the database and the Slate Dam sediment-hosted gold model to help plan the next phase of drilling.

The thick and multiple highly anomalous zones in Table 2 below repeat the trend established in previous drilling and will be interpreted in the new database. The recently completed drilling was designed to follow up on the mineralisation discovered in the first part of the Phase 3 program and test targets to the north-east. What is very pleasing is the multiple mineralised intersections in holes such as SDRC82, SDRC85, SDRC86 and SDRC98. Highlight results returned in the Phase 3 drilling include (see Figure 1 and Table 1);

SLATE DAM >1g/t INTERSECTIONS										
Hole ID	Easting	Northing	RL	Dip	Azi	Hole Depth	From	To	Interval (m)	Average Au (g/t)
SDRC80	396297	6602451	340	-60	60	120	91	97	6	1.06
SDRC82	396338	6602490	340	-60	60	120	26	27	1	1.35
SDRC82	396338	6602490	340	-60	60	120	49	50	1	1.13
SDRC83	396554	6602726	340	-60	60	120	71	72	1	1.28
SDRC85	396610	6602705	340	-60	60	120	24	25	1	1.30
SDRC85	396610	6602705	340	-60	60	120	40	41	1	1.57
SDRC86	396586	6602692	340	-60	60	120	15	16	1	1.12
SDRC86	396586	6602692	340	-60	60	120	99	101	2	1.05
SDRC91	395871	6602739	340	-60	60	126	110	115	5	1.25
SDRC98	395875	6603074	340	-60	60	120	64	67	3	1.09
SDRC98	395875	6603074	340	-60	60	120	88	93	5	1.24
SDRC98	395875	6603074	340	-60	60	120	117	119	2	1.32

Table 1: Significant Results (Au > 1.0 g/t) with all measurements down hole

SLATE DAM >0.5g/t INTERSECTIONS										
Hole ID	Easting	Northing	RL	Dip	Azi	Hole Depth	From	To	Interval (m)	Average Au (g/t)
SDRC80	396297	6602451	340	-60	60	120	91	99	8	0.82
SDRC84	396540	6602719	340	-60	60	120	98	102	4	0.55
SDRC86	396586	6602692	340	-60	60	120	13	17	4	0.70
SDRC86	396586	6602692	340	-60	60	120	98	103	5	0.59
SDRC91	395871	6602739	340	-60	60	126	5	8	3	0.56
SDRC91	395871	6602739	340	-60	60	126	108	120	12	0.67
SDRC98	395875	6603074	340	-60	60	120	64	71	7	0.54
SDRC98	396297	6602451	340	-60	60	Inc.	64	68	4	0.85
SDRC98	395875	6603074	340	-60	60	120	88	92	4	0.85
SDRC98	395875	6603074	340	-60	60	120	103	107	4	0.89

Table 2: Significant Results (Au > 0.5 g/t) with all measurements down hole

Aruma managing director Peter Schwann said;

"Slate Dam continues to intersect widespread gold mineralisation consistent with the Company's sediment-hosted gold model for the Project, with the assay results in the Phase 3 drilling returning multiple zones of ~1.2g/t and ~0.7g/t gold mineralisation. These results will now be modelled in 3D using our new drilling database. This will help plan for the next phase of drilling and also help identify new priority drill targets across the wider 255km^2 Slate Dam Project area."

Results from all phases drilled

The results from the three phases of drilling on the Slate Dam 200ppb gold anomaly are significant in that the drilling;

- confirmed the model in identifying thick mineralised zones
- encouraged acquisition of additional belt-scale exploration ground
- enabled the purchase the Trojan gold project with JORC resources
- produced the opportunity to purchase the Juglah-Transville project.

The most important take-away is that 20 of the 95 holes drilled in the Slate Dam anomaly area intersected ≥1.0g/t Au and these are in an area of 2.5km north-south and 1.4km east-west.

The thick mineralisation holes are listed below in Table 3 are in the main area of interest around the Turtle Island with the exception of SDRC37 which is located to the south.

SLATE DAM >1g/t INTERSECTIONS ≥3m THICK										
Hole ID	Easting	Northing	RL	Dip	Azi	Hole Depth	From	To	Interval (m)	FA25 Au Avg (g/t)
SDRC6	395683	6602967	341	-60	65	100	10	15	5	3.79
SDRC6	395683	6602967	341	-60	65	Inc.	10	13	3	6.20
SDRC12	396138	6602617	340	-60	65	100	15	21	6	1.00
SDRC20	396428	6602641	340	-60	65	80	8	32	24	1.03
SDRC20	396428	6602641	340	-60	65	Inc.	8	24	16	1.34
SDRC20	396428	6602641	340	-60	65	Inc.	11	18	7	2.07
SDRC37	395661	6600878	340	-60	65	103	15	19	4	1.10
SDRC40	396004	6601959	340	-60	65	100	21	24	3	1.07
SDRC53	395750	6602738	340	-60	65	108	27	38	11	1.05
SDRC68	396594	6602743	340	-60	65	120	14	23	9	1.70
SDRC68	396594	6602743	340	-60	65	Inc.	15	21	6	2.43

Table 3: Significant results in thickness and grade from all drilling at Slate Dam anomaly

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 reported have previously been released to ASX and 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 announcement. 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

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.
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*	• All samples were logged geologically and qualitatively. Quantitative logging is a waste of time due to smearing and SG differences of the different constituents

Criteria	JORC Code explanation	Commentary
	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.*	
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 30m
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.
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.*	• Initial hole layout was by GPS. Australian Standard licenced surveyors were used to position the drill holes where required.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All locations are GDA94
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.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Listed in Previous Work

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Detailed in exploration model.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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.*	• Complete.
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. • Metal equivalents never used.
Relationship between mineralisation widths and intercept lengths	• *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 should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Sections are used but no estimates are made unless the angle of intersection is consistent.
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

Criteria	JORC Code explanation	Commentary
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.