

4 October 2017

ASX Announcement

ASX CODE : AAJ

Capital Structure

361.8M Shares on Issue
4.6M Unlisted Options

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

Phillip MacLeod

Exploration Manager

Kathryn Cutler

Active Projects

SLATE DAM GOLD PROJECT

BOWULF GOLD PROJECT

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BOWULF – NEW GOLD AREA

Greenfields gold project within the Kalgoorlie Terrane – Beowulf

PROJECT UPDATE

Aruma Resources Limited (ASX:AAJ) ("Aruma" or the "Company") is pleased to report its recent exploration licence (EL) applications for the Beowulf Gold Project, 70km north-east of Kalgoorlie, situated in Greenfields terrane known to be prospective for gold deposits.

The applications consist of five exploration leases (E31/1165, E28/2706, E28/2707, E28/2713 and E28/2714). Upon geological evaluation of the area it was established that the leases adjacent had existing eluvial mining, which has been producing gold for the past decade (samples shown in Figure 1). A binding agreement has been reached to purchase the leases from the local prospectors.



Figure 1. Gold nuggets from the Beowulf Gold Project, approximate scale.

"The Beowulf Gold Project area was pegged because of its desirable stratigraphy and structural complexity, demonstrating potential to host a major gold deposit. The Project had no known gold occurrences, so we were highly encouraged to discover the prospector's results in the central area of the leases. We believe this area has the characteristics to be the next 'hot belt' of Greenstone, and right on Kalgoorlie's doorstep," Managing Director Peter Schwann said.

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Aruma has now secured the granted leases to add to the original Beowulf Project area of strategic gold-endowed country, with the gold bearing stratigraphy structurally contiguous within Aruma's tenements for 50km.

The 490km² tenements extends the Company's land holding over the highly anomalous geology of the Kalgoorlie Terrane to ~ 730km² (Figure 2). The Beowulf Gold Project will add to the gold portfolio available to the exploration team to work concurrently with the Slate Dam Gold Project, continuing the systematic approach to gold exploration in Greenfield areas.

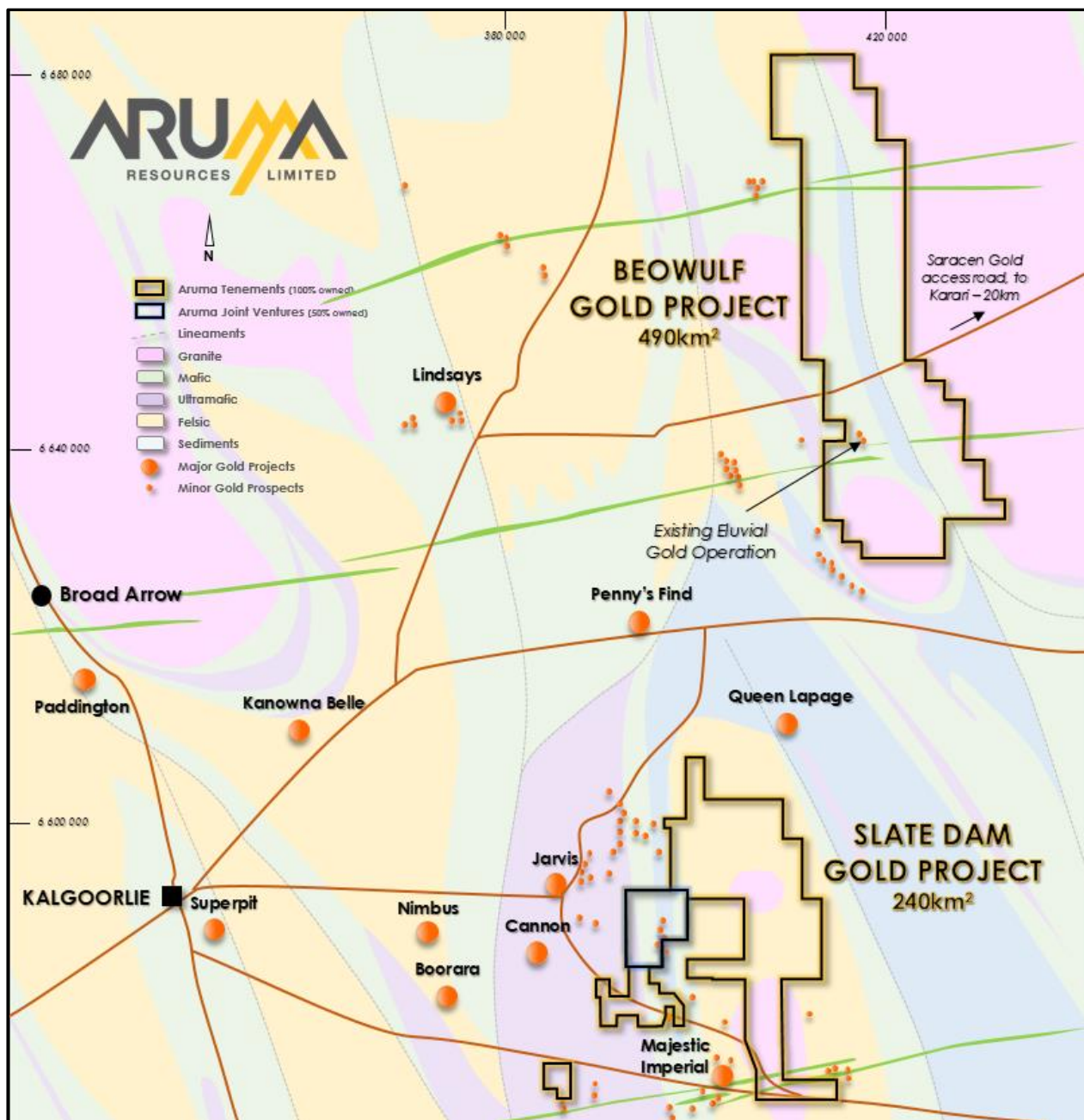


Figure 2. Aruma's Beowulf and Slate Dam Gold Projects of the Kalgoorlie District, with geological interpretation and existing gold mines of the region.

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ARUMA'S EXPLORATION MODEL

Aruma is applying the "Hydrothermal Sediment Hosted Sulphidic Gold Model" (Model) to identify gold targets to Greenfield areas of the Kalgoorlie district. This Model has been used with success in the last few years by several companies to find major gold deposits in the Wiluna-Norseman belt, especially at Invincible (Kambalda) and Baloo and Monsoon (Lake Cowan). Considered for years to be a low grade, low tonnage gold endowment system, this mineralisation Model has not been seriously applied to the Kalgoorlie Terrane, however Aruma plans to use this model and apply it to the Company's land holdings in the district.

LEASE DEAL

Aruma has agreed terms for the purchase of four granted exploration leases (12km²) within the Beowulf project area (E28/1900, E28/1901, E28/2086 and E28/2087). A binding agreement has been signed with staged cash payments totaling \$60,000 and the issue of 5 million Aruma shares with a 5% net smelter royalty. The current owners will be allowed to continue prospecting on the area until mining occurs.

For further information please contact:

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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.

Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2017.

