

26 October 2017

ASX Announcement

ASX: AAJ

Capital Structure

436.8M 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

BEOWULF GOLD PROJECT

SHEELA GOLD PROJECT

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PILBARA GOLD PROJECT PEGGED

PILBARA, WESTERN AUSTRALIA

EXPLORATION UPDATE

Aruma Resources Limited (ASX: AAJ) ("Aruma" or the "Company") is pleased to report its recent application for exploration licence (E09/2255), covering a 490km² area of prospective gold hosting sediments to be known as the Sheela Gold Project.

The Sheela Gold Project, located 210km west of Paraburdoo in the Pilbara region of Western Australia, was applied for over known geophysical and geochemical signatures as well as mapped lithologies (Figure 1) consistent with the company's gold exploration model. The project covers the Bangemall Supergroup, which forms the High Range, consisting of Paleoproterozoic metasediments including siltstone, limestone, conglomerate and meta-igneous rocks.

Recent exploration of the Pilbara has identified the application of the 'Witwatersrand Gold Model', which has two accepted theories of gold mineralisation – Placer and Hydrothermal types (Figure 2). The Witwatersrand geochemistry consists of gold with uranium contained in a sulphide-rich sediment package containing carbon-rich shales and sandstones/conglomerates. Although the sediments of the Sheela Project are younger than those in the Witwatersrand and north Pilbara, they possess signatures indicative of both gold systems.

Adjacent to the Sheela Project is the particularly rich privately-owned gold mine; 'Star of Mangaroon' (SoM), producing ~7,500oz from 5,357 tonnes of ore from 1960 to 1983, at a grade of 34.8 g/t Au (R. McDonald, 1985). The gold is hosted within structurally controlled lodes, with structures extending into the Sheela Project, cross-cutting the prospective Bangemall Sediments.

The presence of a high-grade gold mine in close proximity, with structures crossing in the sediments of the Sheela Project, creates a favourable environment for gold mineralisation from either Placer or Hydrothermal sources of mineralisation.

Alluvial workings which are reported along the southern margin of the Sheela Project are down drainage from the sediments (Geoview, 2017). Stream sediment sampling from the SoM area also indicates above background gold values weathering from the Sheela Project (Fox Resources, 2014).

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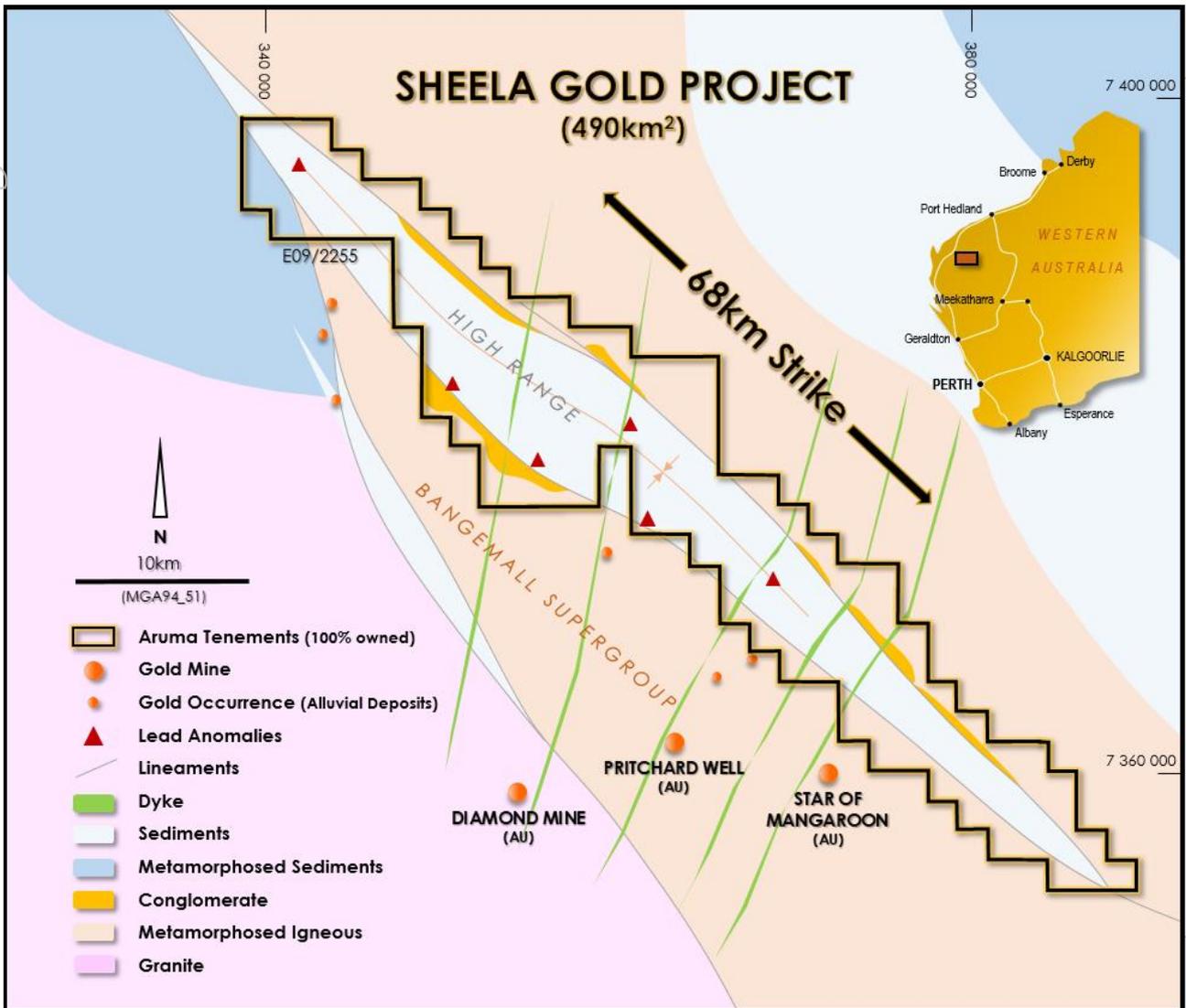


Figure 1. Aruma's new Gold Project of the Pilbara, with geological interpretation and existing gold mines of the locality.

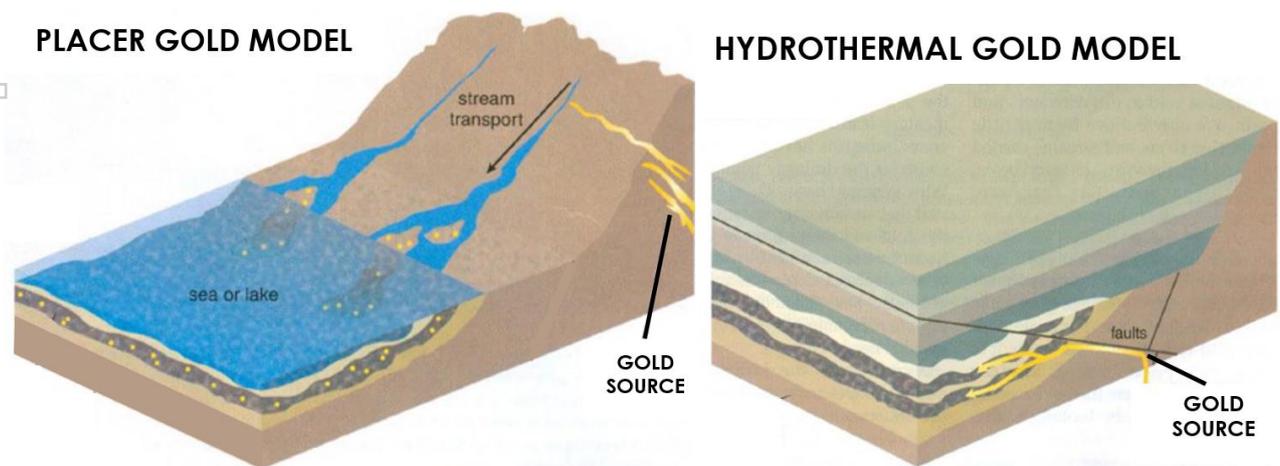


Figure 2. The two main gold mineralisation theories of the Witwatersrand Basin; Placer and Hydrothermal Models, adapted from Kirk et. Al., (American Scientist N.505 2003).

Previous exploration over the project is minimal with a total of 43 drill holes dispersed over the project area. Geochemical samples are likewise minimal, covering <5% of the tenement area, and were dominantly assayed for lead, silver, copper, zinc, uranium and vanadium.

The Company plans to actively explore the Sheela Project when it is granted (expected in early 2018), with a technical update to be provided in coming months.

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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.

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, 2017.

