1 February 2018

ASX Announcement

INITIAL DRILL RESULTS CONFIRM NEW GOLD SYSTEM

HIGHLIGHTS

– 40% of results received
– Results confirm the Sediment Hosted Gold Model
– Strong grades and thick gold mineralisation zones intersected
– Mineralisation from surface
– 95% of all drill holes intersected gold mineralisation

SIGNIFICANT DRILLING RESULTS

– 5m @ 3.8g/t Au from 9m incl. 1m @ 15.6g/t Au from 10m (SDRC006)
– 2m @ 4.2g/t Au from 92m to EOH (SDRC017)
– 16m @ 1.3g/t Au from 8m incl. 7m at 2.1 from 11m (SDRC020)

RESULTS

Aruma Resources Limited (ASX: AAJ) is pleased to announce the results from the first 20 holes of its maiden drilling program at Slate Dam. The program was designed to test the large historical 7km^2 gold anomaly identified at Slate Dam (EL25/553).

The best results returned so far have been significant with **5m @ 3.8/t Au** from 10m (SDRC006) and **7m @ 2.1g/t Au** from 11m (SDRC020), Figure 1 and Table 1.

The true significance of the intersection in SDRC20 is the discovery of a mineralised zone of **16m @1.34g/t Au from 8m** (including 7m @ 2.1g/t Au from 11m). The presence of outcropping mineralisation to the south of the drill hole is shown in Figure 2 below. All intersections are open along strike and more repetions are likely to occur to the east.

Aruma's Managing Director, Peter Schwann, said;

"These results justify the drilling the previously known gold anomalism. The extent of the historic gold anomaly is limited only by drilling and sampling and will continue in the favourable stratigraphic trends to the north and south. The decision to control the whole stratigraphic belt is now becoming important both at Slate Dam and Beowulf. Major producers are now acquiring land positions in the underexplored Kurnalpi-Bulong terranes."

The drilling program was completed yesterday with 40 holes completed for 4,020m. Less than half the assay results have been returned to date, with the remaining results expected before the end of February.

ASX: AAJ

Capital Structure
437M Shares on Issue
12M Options on issue

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

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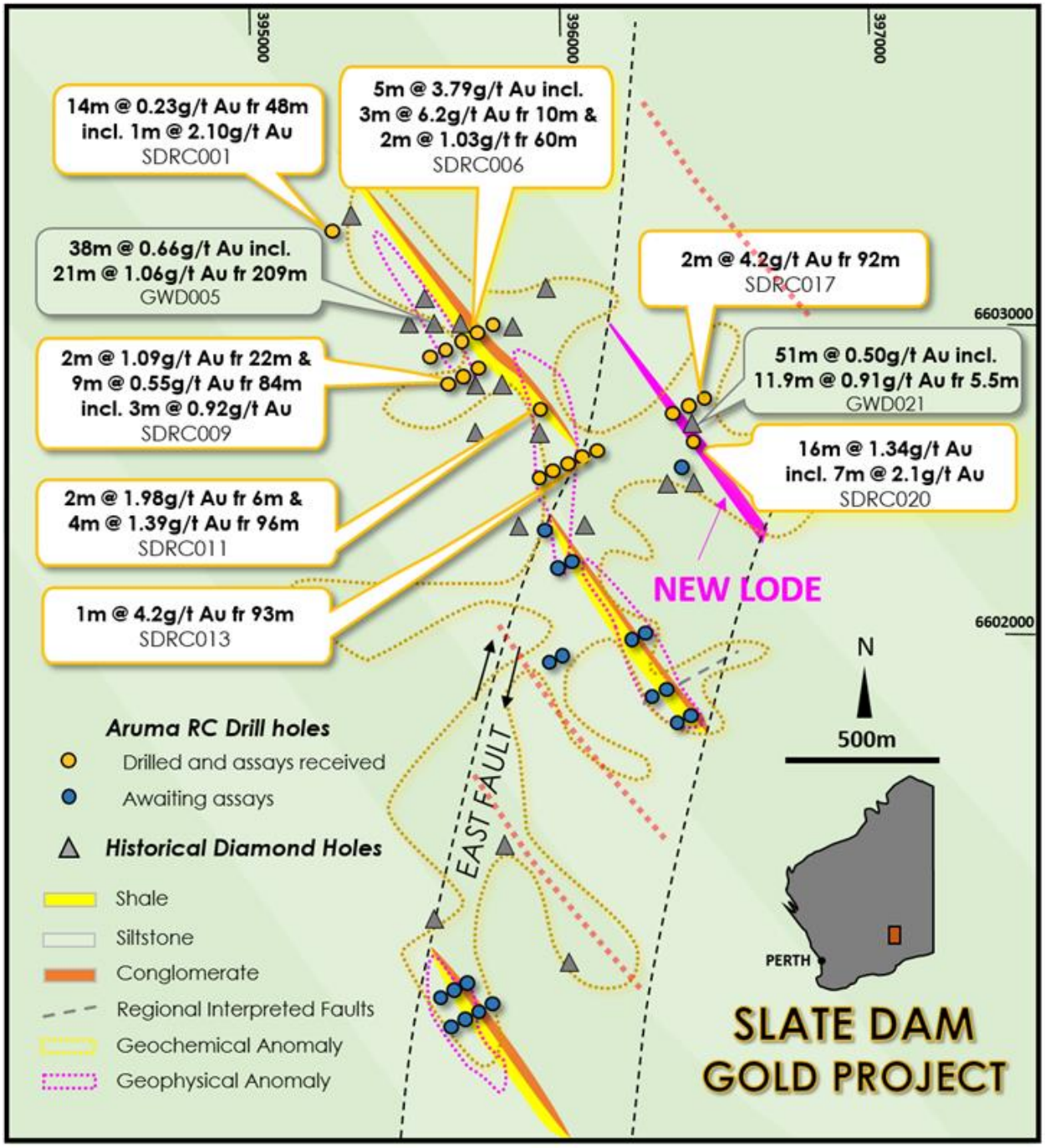

Figure 1. Slate Dam drill intercepts returned to date with the new lode in Purple.

The points to note in Figure 1 are the regular spaced repetitions of mineralisation and the apparent combination of structure and mineralisation in shales as predicted in the model. The red dashed trends are defined by gold anomalies below the new lode and are possibly extending above the new lode. This will be tested in the follow up drilling after all the data has been assessed.

Figure 2 **Surface expression of the mineralised stratigraphy outlined by yellow dashed line (looking south)**

Geology Summary

The lithologies intercepted were consistent and typical Archaean greenstone rock-types, namely conglomerate, greywacke, siltstone and shale. Where mineralised, the shale was sulphidic or iron stained after sulphides as predicted in the model. A full interpretation of geology will be done after all the assays are back and the historic drill core is studied prior to the next drilling phase.
The assay results reported are based upon 1m intervals where gold values >0.1g/t has been reported as anomalous, with significant grade zones >0.5g/t Au with no more than 2m internal dilution. A complete record of all results to date is shown in Tables 1, 2 and 3.

Some holes were terminated in mineralisation, due to issues with keeping samples dry and uncontaminated, due to the groundwater inflow. The drilling rig was upgraded to re-enter and extend these holes, and the results of these extensions will be released as soon as available.

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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.

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2017 MEMBER

Figure 1. Slate Dam significant assays >1g/t Au from RC drill holes SDRC001 to SDRC020

SLATE DAM >1g/t INTERSECTIONS										
Hole_ID	**Easting**	**Northing**	**RL**	**Dip**	**Azi**	**Hole Depth**	**From**	**To**	**Interval (m)**	**Au (g/t)**
SDRC001	395245	6603319	340	-60	65	94	54	55	1	2.1
SDRC006	395683	6602967	341	-60	65	100	10	15	5	3.79
						incl	10	13	3	6.2
						incl	11	12	1	15.6
						100	60	61	1	1.6
SDRC013	396092	6602597	342	-60	65	112	93	94	1	4.2
SDRC014	396035	6602575	341	-60	65	118	25	27	2	1.24
SDRC017	396460	6602764	340	-60	65	100	14	15	1	1.79
SDRC017	396460	6602764	340	-60	65	100	92	94	2	4.21
SDRC020	396428	6602641	340	-60	65	80	8	32	24	1.03
						incl	8	24	16	1.34
						incl	11	18	7	2.07

Table 2. Slate Dam significant assays >0.5g/t Au from RC drill holes SDRC001 to SDRC020

SLATE DAM SIGNIFICANT INTERSECTIONS										
Hole_ID	**Easting**	**Northing**	**RL**	**Dip**	**Azi**	**Hole Depth**	**From**	**To**	**Interval (m)**	**Au (g/t)**
SDRC001	395245	6603319	340	-60	65	Incl.	54	55	1	2.1
						Incl.	59	60	1	0.57
						Incl.	92	94	2	0.53
SDRC002	395796	6603017	339	-60	65	Incl.	11	16	5	0.74
						Incl.	52	53	1	0.57
						&	58	60	2	0.83
						&	64	65	1	0.56
						&	78	79	1	0.72
SDRC003	395614	6602932	318	-60	245	Incl.	68	71	3	0.65
SDRC005	395637	6602946	340	-60	65	Incl.	21	24	3	0.94
						&	38	39	1	0.54
SDRC006	395683	6602967	341	-60	65	**Incl.**	**10**	**13**	**3**	**6.2**
						100	**10**	**15**	**5**	**3.79**
						Incl.	**11**	**12**	**1**	**15.6**
						Incl.	33	34	1	0.53
						&	46	47	1	0.8
						&	54	55	1	0.93
						&	60	61	1	1.6
SDRC006	395683	6602967	341	-60	65		65	67	2	0.66
SDRC007	395752	6602997	340	-60	65	Incl.	8	14	6	0.53
						Incl.	44	45	1	0.7
							86	87	1	0.51
SDRC009	395688	6602859	341	-60	65	100	22	25	3	0.81
							84	93	10	0.5
SDRC011	395949	6602756	340	-55	65	Incl.	2	8	6	0.97
						100	79	100	21	0.55
SDRC012	396138	6602617	340	-60	65	100	15	24	9	0.69
SDRC013	396092	6602597	342	-60	65	112	15	23	8	0.64
						112	32	33	1	0.51
						112	**93**	**94**	**1**	**4.2**
						Incl.	106	108	2	0.78
SDRC014	396035	6602575	341	-60	65	118	25	27	2	1.24
						118	77	79	2	0.72
SDRC015	395989	6602555	341	-60	65	100	42	45	3	0.71
SDRC016	395944	6602533	341	-60	65	100	87	91	4	0.9
						100	87	94	7	0.62
SDRC017	396460	6602764	340	-60	65	100	14	15	1	1.79
SDRC017	396460	6602764	340	-60	65	100	**92**	**94**	**2**	**4.21**
SDRC018	396420	6602757	340	-60	65	112	37	38	1	0.72
SDRC020	396428	6602641	340	-60	65	80	**8**	**24**	**16**	**1.34**
						80	**12**	**44**	**36**	**0.72**

able 3. Slate Dam anomalous assays >0.1 to <0.5g/t Au from RC drill holes SDRC001 to SDRC020

SLATE DAM ANOMALOUS INTERSECTIONS										
Hole_ID	**Easting**	**Northing**	**RL**	**Dip**	**Azi**	**Hole Depth**	**From**	**To**	**Interval (m)**	**Au (g/t)**
SDRC001	395245	6603319	340	-60	65	94	48	62	14	0.23
							82	94	12	0.13
SDRC002	395796	6603017	339	-60	65	94	2	17	15	0.43
							44	79	35	0.24
							89	94	5	0.21
SDRC003	395614	6602932	318	-60	245	73	67	74	7	0.34
SDRC005	395637	6602946	340	-60	65	43	19	41	22	0.27
SDRC006	395683	6602967	341	-60	65	100	45	84	39	0.24
SDRC007	395752	6602997	340	-60	65	100	3	18	15	0.38
							43	60	17	0.18
							77	91	14	0.19
SDRC008	395680	6602859	341	-60	244	106	66	73	7	0.2
SDRC009	395688	6602859	341	-60	65	100	32	60	28	0.12
SDRC010	395735	6602880	341	-60	65	100	26	37	11	0.17
							66	78	12	0.2
							91	99	8	0.15
SDRC011	395949	6602756	340	-55	65	100	3	25	22	0.35
							19	25	6	0.13
							38	72	34	0.23
SDRC013	396092	6602597	342	-60	65	112	105	110	5	0.46
SDRC014	396035	6602575	341	-60	65	118	14	28	14	0.32
SDRC015	395989	6602555	341	-60	65	100	20	33	13	0.19
							40	52	12	0.27
SDRC018	396420	6602757	340	-60	65	112	2	13	11	0.24
							61	69	8	0.22
							100	106	6	0.37
SDRC019	396380	6602739	340	-60	65	106	38	64	26	0.28
							70	76	6	0.3

APPENDIX 1 –

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg 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 (eg submarine nodules) may warrant disclosure of detailed information.	• (RC) drill chips were sampled in 1m intervals from a rig-mounted cone-splitter. The splitter was levelled at the beginning of each hole using a bulls-eye spirit level. A sample of approximately 3kg was produced. All samples were submitted for assay. The splitter reject material was collected every metre in green bags and put aside. • (HDD) core was submitted consistently every 1m, as well as based on geological intervals and at geological contacts. Half core was sampled throughout the hole.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).	• Reverse Circulation (RC) • Historical Diamond Drilling (HDD)

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	• (RC) Sample recovery was visually estimated by volume for each 1m bulk sample bag, and recorded digitally in the sample database. Very little variation was observed. • (HDD) Core – Core measured by tape.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	• (RC) The cone splitter was regularly cleaned with compressed air at the completion of each rod.
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 of quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• (RC) All samples were geologically logged in full. Logging is qualitative in nature, for geology, alteration, mineralisation, and weathering. • (HDD) all core was logged in full including lithology, alteration and structures.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half of all core taken. • If non-core, whether fiffled, tube-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 duplicates/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• (RC) Samples were taken using a static cone splitter. Material sampled was dry, however could be wet from ground water intersected in the drilling. The sample wetness was recorded in the logging. The sample size is considered to be appropriate to the style of mineralisation. A separate sample is sieved from the splitter reject material into chip trays and used for geological logging. Duplicate samples were collected from the cone splitter directly off the rig, every 50 samples. Certified reference material samples were submitted to the laboratory every 100 samples, to ensure 2 standards every sample batch. Certified reference material submitted was similar in geological nature and mineralogy to the type of mineralisation anticipated at this project. • (HDD) half core was sampled.
Quality of assays data and	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• (RC) Samples were submitted to Intertek Kalgoorlie, where they were prepared and processed and then sent to Intertek Perth for fire assay. Fire assay is a total digestion method.

Criteria	JORC Code explanation	Commentary
laboratory tests	• 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 deviations, etc.	The lower detection limit of 0.005ppm Au are considered fit for purpose. • (HDD) Samples were assayed for Au and As by fire assay at ALS Kalgoorlie. Detection limit of 0.01ppm for gold analysis and 5ppm for arsenic analysis.
	• 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.	• (RC) Standard CRM was submitted every 100 samples, and duplicate samples were taken every 50 samples. • (HDD) N/A
Verification of sampling and assaying	• The verification of significant intersections by either independent of 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.	• (RC) No independent geologists were engaged to verify results. Aruma's Project geologist is supervised by the Aruma Exploration Manager. No adjustments were made to any assays or data. • (HDD) N/A
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other location used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• (RC) All co-ordinate information was collected using a hand-held GPS utilising GDA94, Zone 51. Approximately 10% of holes in the drill program were surveyed down-hole to determine any deviation. • (HDD)
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.	• (RC) drill holes were drilled on NE-SW traverses (065-245◦). The collar locations are recorded in Table 1 of this release. No sample compositing has been applied to the data. • (HDD) Diamond holes are sparse >200m apart.
Orientation of data in relation to geological structure	• Whether the orientation is 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.	• (RC) Angled holes were drilled approximately orthogonal to the dip of the target lithology. In places where the causeways built over the salt lake ended, the rig drilled the opposite direction to test the extents of lithologies. • (HDD) diamond holes were drilled either sub-vertical or orthogonal to the dip of the stratigraphy.

Criteria	JORC Code explanation	Commentary
Sample Security	• The measures taken to ensure sample security.	• Standard QAQC protocols followed. • Samples submitted to the laboratory at the end of the day they were drilled. • (HDD) N/A
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• (RC) Not applicable as no audits or reviews of sampling techniques have been undertaken. • (HDD) N/A

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 of material issues with third parties such as joint ventures, partnerships, overriding royalties, native title intersects, 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.	• These results are from the Aruma Resources Ltd's Slate Dam Project. These results are on E25/553, which is owned 100% by Aruma Resources Ltd, through a 100% owned subsidiary.
Exploration done by other parties	• Acknowledgement and appraisal of exploration by other parties.	• Previous exploration of gold mineralisation has occurred on the Slate Dam project, pre-dominantly through air core drilling for gold (Au) and diamond drilling by Delta Gold and Placer Dome.
Geology	• Deposit type, geological setting and style of mineralisation.	• The gold prospect is categorized as an orogenic gold 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: o Easting and northing of the drill hole collar. o Elevation of RL (Reduced Level – elevation above sea level in metres) of the drill hole collar. o Dip and azimuth of the hole.	• Drilling data is supplied in Table 1.

Criteria	JORC Code explanation	Commentary
	○ Down hole length and interception depth. If the exclusion of the 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.	
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.	• (RC) 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. • (HDD) N/A
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).	• (RC) For the holes drilled at -60° the true thickness is approximately equal to the interval thickness. • (HDD) diamond holes were drilled either sub-vertical or orthogonal to the dip of the stratigraphy.
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.	• See figures in release. Collar details are published in Table 1.
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.	• All currently received results have been reported.
Other substantive exploration data	• Other exploration data, if meaningful and Material, should be reported including (but not limited to): geological observations; geophysical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• See release details.

Criteria	JORC Code explanation	Commentary
Further work	• The nature and scale of planned further work (eg test for lateral extensions of 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 the information is not commercially sensitive	• Aruma plans to continue its planned 4,000m initial RC program at its Slate Dam Gold Project.