

28 March 2018

ASX Announcement

ARUMA TO COMMENCE NEXT PHASE OF DRILLING AT SLATE DAM GOLD PROJECT

HIGHLIGHTS

- Aruma to commence next phase of drilling at Slate Dam Gold Project in Eastern Goldfields of WA
- 20 hole RC program designed to further define major gold shoots identified in first phase drilling and expand the gold mineralised system at Slate Dam
- Drilling will investigate strike and down dip extensions plus thickness of gold lodes - mineralised shales to the East also to be investigated
- 6 hole RC drill program also to be conducted at nearby Beowulf Gold Project to test Company's sediment-hosted gold model at initial priority targets

Aruma Resources Limited (ASX: AAJ) is pleased to announce that the next phase of drilling at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia will commence in the first week of next month.

This second phase of drilling at Slate Dam is planned to consist of some 30 reverse circulation (RC) drill holes for a total of up to 4,000 metres, with planned drilling depths up to 200 metres and is shown in Figure 1. Drilling is scheduled to commence in early April 2018.

This phase of drilling is designed to follow up from the Company's highly successful maiden drilling program completed in February (ASX announcements, 1 February and 21st February 2018), which resulted in the discovery of a significant new gold system at Slate Dam.

The drill program will include Extensional holes (blue stars in Figure 1) to follow up the 20 metre thick trend identified in Aruma's maiden drill program and Repetition holes (green stars in Figure 1) with the aim of discovering stratigraphic repetitions of the gold mineralised system to the east.

Drilling will seek to extend the dip and strike potential of the major gold shoots identified in the first phase of drilling, and also define higher grade lodes within these shoots (refer Figures 1 and 2 for planned drill hole locations).

ASX: AAJ

Capital Structure

513M Shares on Issue

16M Options on issue

Cash \$1.6M

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Non-Executive

Chairman

Paul Boyatzis

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Peter Schwann

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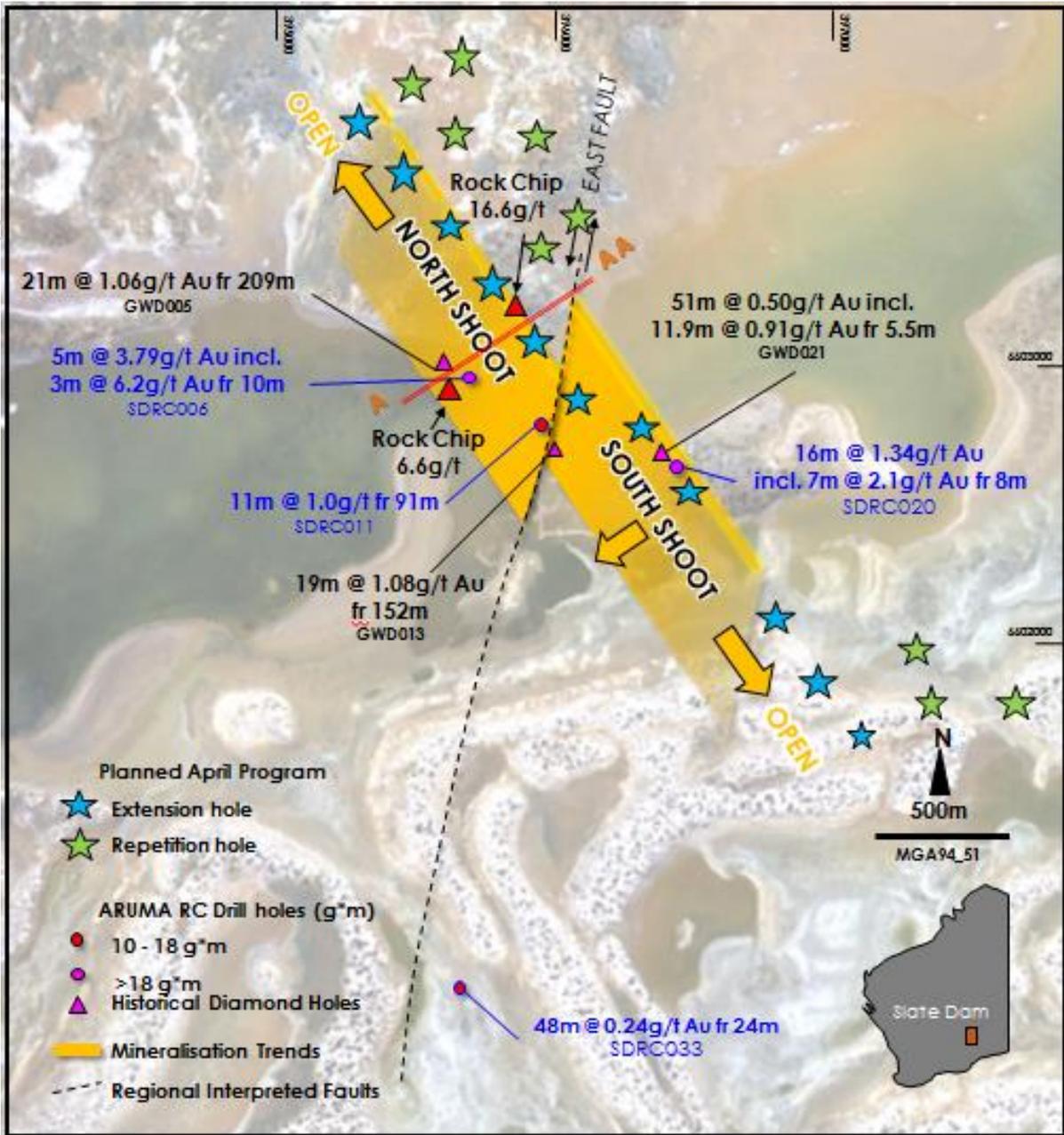


Figure 1. Overview of Slate Dam with planned drill holes with Figure 2 Section A-AA. The extension drill hole locations may have two or more holes as depicted in Figure 2.

The drilling will also target new areas to the northeast of the Company's previous drilling with the aim of discovering new gold zones in potential repetitions of the mineralised sequence, where the mineralisation will be closer to the granites and grades are predicted to be higher. Drill targeting for this component of the program will be guided by results from a soil geochemical program undertaken before the drilling.

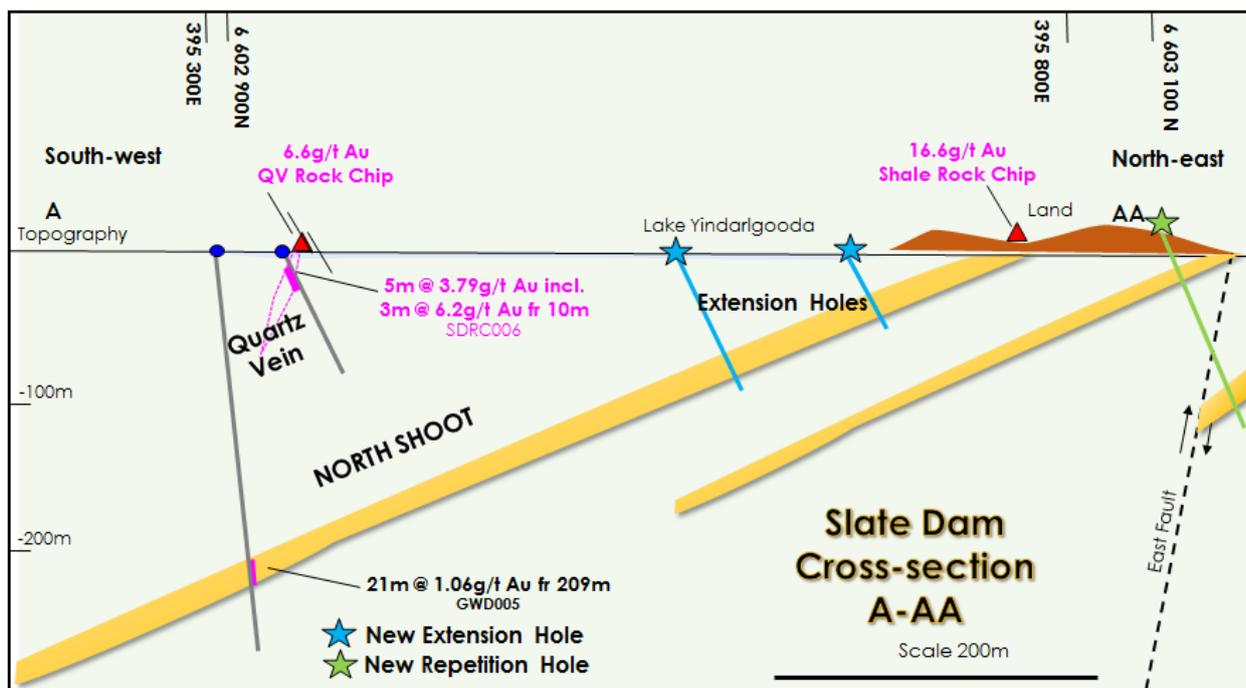


Figure 2. Cross Section at Slate Dam with planned drill holes from Figure 2 Section A-AA.

The Section A-AA above shows the spatial relationships of the planned programs at Slate Dam to identify the extensions of the currently defined 20 metre thick gold mineralisation extending to a depth of 100 metres (Extensional Holes - blue) and the identification of stratigraphic repetitions under the identified 20 metre thick zone (Repetition holes - green).

The two rock chips shown in Figures 1 and 2 were identified as quartz vein (6.6g/t) and shale hosted (16.6g/t) outcrop using the CODES parameters described in the February 21 announcement.

Aruma's first phase of drilling at Slate Dam resulted in the definition of two major, tabular 20 metre thick shoots dipping 30 degrees to the west, which host mineralised sediments grading >1g/t Au. These shoots are offset by the East Fault, and both currently extend for approximately 700 metres either side of the East Fault, and remain open in all directions (Figure 3). The shoots are interpreted to have the potential to host significant gold mineralisation.

In addition, the Company's maiden drilling program also intersected further multiple lodes, typically 3-7 metres in width. The best assay returned was from drill hole SDRC020, **24m @ 1.04g/t Au from 8m, including 16m at 1.34g/t and 7m @ 2.1g/t Au from 11m.**

The results of the first phase drilling are significant and have confirmed Aruma's sediment-hosted gold exploration model for Slate Dam. The addition of historic drill results from the Project has further validated and strengthened the Company's model. The intersections and the outcrop assay demonstrate that the shoots will likely be close to surface. This may impact on the testing methods and result in reduced drilling costs in order to delineate JORC Resources at the Slate Dam Project.

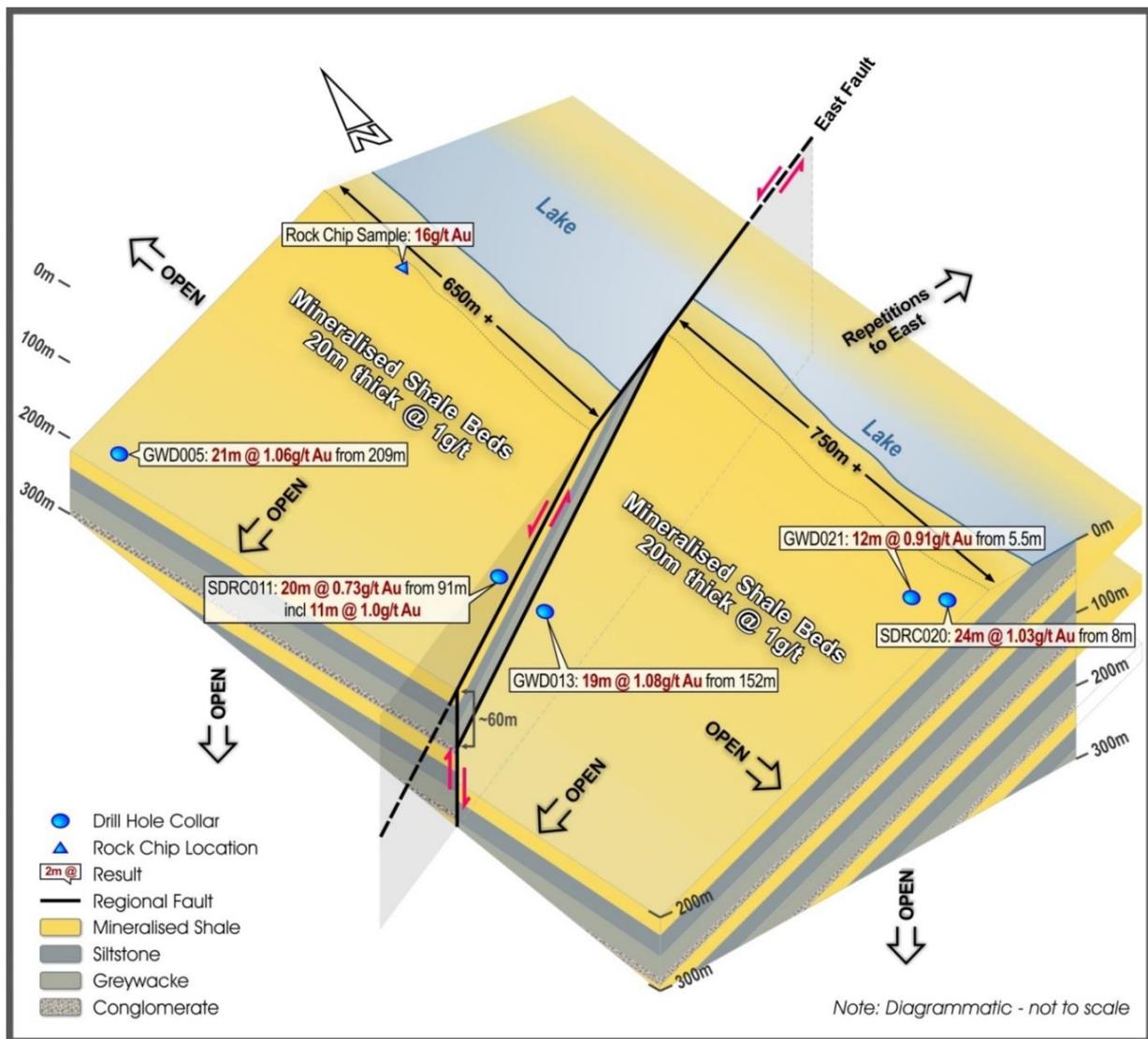


Figure 3. A 3D orthogonal diagram of the two shoots with geology and structure. Note the flat mineralisation open in all directions and possible repetitions beneath.

Background to Slate Dam Exploration Model

Aruma's first phase of exploration drilling delivered multiple significant intercepts in the North and South shoots within the Slate Dam anomaly. It is anticipated that within the shoots there may be lodes of higher grade. Historical diamond drilling results include; 21m @ 1.06g/t Au from 209m (GWD005) and 19m @ 1.08g/t Au from 152m (GWD013).

These intersections when combined with the Aruma holes have helped unlock the thick strata-bound shallow dipping shoots that are the first blocks in the Slate Dam exploration model, represented in Figure 3. These will also provide further exploration targets to the east - and both of these are highlighted in all of the figures.

Historic Diamond Core

The Company has now located more than half of the historic diamond core from the project area and this will be refurbished and relocated for logging in the near future. This will provide Aruma with a deeper insight into the controls and nature of the Slate Dam mineralisation to model the shoots and help evaluate the nature of the rocks. The results of this work will help in targeting for further drilling at the project.

Beowulf Gold Project

Aruma is also pleased to advise that it will conduct a planned six hole RC drilling program at the nearby Beowulf Project in this phase of drilling, with drilling depths of up to 100 metres. Drilling at Beowulf will be initial stratigraphic drilling targeting areas to the west of the nugget areas identified within the Project area, and will test for sediment hosted gold lodes. The Beowulf exploration model is the same as the Company's Slate Dam model - with the nuggets defining the greywacke beds in between the underlying shale, which is the drill target for the discovery of gold lodes.

Results from the drilling at Slate Dam and Beowulf will be reported as they become 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. 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.

