

12 June 2018

ASX Announcement

SULPHIDES INTERSECTED IN FIRST HOLE OF PHASE 3 DRILLING AT SLATE DAM GOLD PROJECT

HIGHLIGHTS

- Aruma has intersected strong zones of sulphide-carbonate alteration over a 26m zone in the first hole (SDRC64) of its Phase 3 drilling at Slate Dam
- The sulphide-carbonate alteration – present as pyrite-ankerite – is a strong indicator gold mineralisation and demonstrates the sediment hosted mineralising system at Slate Dam
- Pyrite also identified in a further 7 holes in the current program
- SDRC64 is situated in the northern drill-defined shoot at Slate Dam adjacent to a high grade 16.6g/t Au rock chip sample
- Aruma's Phase 3 drilling comprises 25 RC holes for 3,000m and is designed to expand the Slate Dam gold mineralised system and test for repetitions of mineralisation to the east and west
- Program expected to be completed this month and results to be released when available – first assays sent for laboratory analysis

Aruma Resources Limited (ASX: AAJ) is pleased to announce that it has intersected sulphide mineralisation in the first hole of its Phase 3 drilling program currently underway at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia.

The Company is undertaking a reverse circulation (RC) drilling program of approximately 3,000 metres across a total of 25 holes (with planned drilling depths of up to 150 metres). Drilling is designed to further expand the Slate Dam gold mineralised system, and to test for repetitions of mineralisation to the east and west of the current drill defined area.

Aruma advises that it has completed 1,894 metres of drilling in 16 holes in the current program to date. Drilling has delivered highly encouraging initial observations with significant sulphide-carbonate alteration, in the form of pyrite-ankerite, intersected over 26 metre zone in the first hole (SDRC64) - and pyrite has also been identified in a further seven of the sixteen completed holes to date.

SDRC64 is situated in the northern drill-defined shoot discovered in Aruma's Phase 1 drilling program, adjacent to a very high grade

ASX: AAJ

Capital Structure

514.8M Shares on Issue

12M Options on Issue

Cash \$1.2M

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

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rock chip sample of 16.6g/t gold returned from the Company's geochemical rock chip sampling program completed in December 2017 (ASX announcement, 15 February 2018).

Sulphides with carbonates represent a key indicator of the presence of gold mineralisation style alteration. The sulphide-carbonate alteration encountered in hole SDRC64 is significant as it was present in previous holes which intersected the mineralised system at Slate Dam, which is situated within the major high tenor (>200ppb gold) gold anomaly defined over an area of 7km².

The current phase of drilling is expected to be completed in June, and the first batch assays have already been sent for laboratory analysis. The results will be released as they become available.

Aruma managing director Peter Schwann said;

"The successful intersection of sulphide-carbonate in the first hole of our current drilling program at Slate Dam is most encouraging, and is consistent with our model for the Project to host a significant sediment-hosted gold system. The presence of strong pyrite in hole SDRC6 provides a strong indicator of gold mineralisation, and, subject to assay results, will provide further continuity of gold mineralisation through the system and also expand the mineralised system at Slate Dam - which was a key aim of this phase of drilling."

Initial Observations from Phase 3 Drilling Program

SDRC64 was drilled to a depth of 120 metres and is now complete. Sulphide-rich carbonated sediments were observed from a depth of 64 metres down hole to 90 metres. The alteration seen in the strong pyrite sections of the hole (72m to 77m and 84m to 90m, with trace pyrite from 64m to 72 and 77m to 84m) is similar to previous intersections in Aruma's Phase 1 and 2 drilling.

Eight out of the sixteen holes drilled to date have intersected pyrite, indicating the structural corridor between Marks fault and West fault at Slate Dam is the focus of the mineralisation drilled to date, with higher grade gold in the more shaly units plus low tenor gold in siltstones. This is consistent with the sediment hosted gold model driving the exploration of Aruma's gold projects.

In laying out the drill sites, the East fault was identified and mapped between holes to the south east of SDRC75 and SDRC76. The East fault is a key structural feature to the east of the current drill defined area. Also, surface disturbances in shafts and earth works was evident at several locations demonstrating previous prospecting at or near drilling locations.

Background to Phase 3 Drilling Program

Aruma's Phase 3 drilling is targeting priority areas to the north and south of the currently drill defined shoots at Slate Dam, which are interpreted to extend for at least 1,000 metres both to the north and to the south (and are intersected by the East fault).

Drilling is designed to extend the Slate Dam gold mineralised system beyond the current mineralised footprint which extends over a total distance of at least four kilometres (from the north-west to the south east). This drilling is also seeking to identify repetitions of the mineralised system to the east and to the west of the current drill defined area.

The program is designed to extend the dip and strike potential of the major gold shoots identified in drilling to date, and also to delineate any higher grade lodes within these shoots that are located in the sulphidic shales seen in previous drillholes. See Figure 1 for drillhole locations for the Phase 3 drilling program.

Specifically the program includes:

- Eight holes to target gold extensions to the north of current drill defined area;
- Six holes to target gold extensions to the south of the new S2 gold shoot discovered in Phase 2 drilling;
- Nine holes to seek repetitions of Slate Dam mineralised system to the east of the current drill defined area; and
- Two holes to seek repetitions of Slate Dam mineralised system to the west of the current drill defined area.

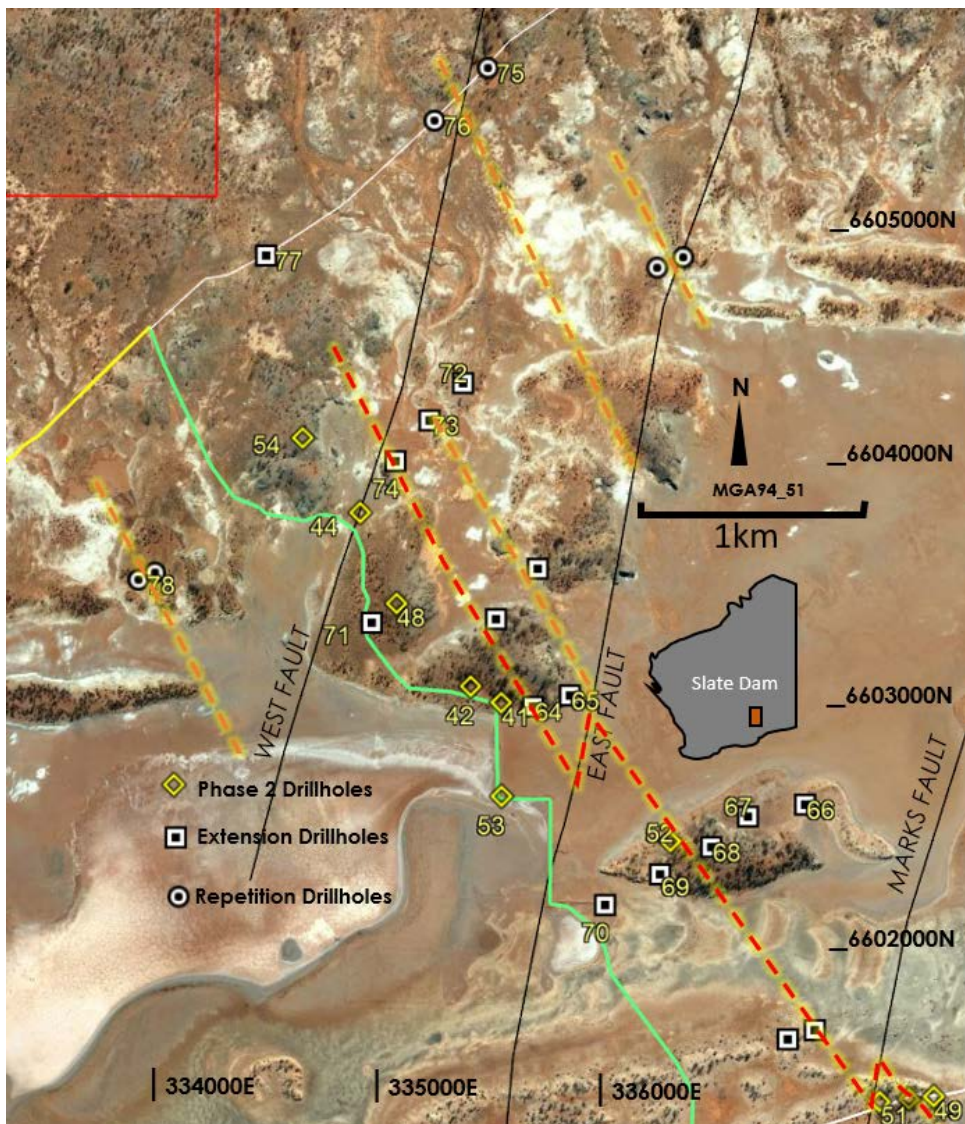


Figure 1 The locations of the Phase 3 drilling in June, showing

- Significant holes from Phase 2 in yellow, and
- Phase 3 extensions holes as square targets
- Phase 3 repetition holes as round targets
- Shale hosted targets (orange) with the known mineralised shoots (red)

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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.

