

31 July 2018

ASX Announcement

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 JUNE 2018

HIGHLIGHTS

- Slate Dam Phase 2 drill program completed
- Slate Dam Phase 3 drill program 50% complete
- Intersections suggest two mineralisation trends

Aruma Resources Limited has several advanced Gold projects in the Kalgoorlie Region which cover over 800km² of which 780km² are wholly operated by Aruma.

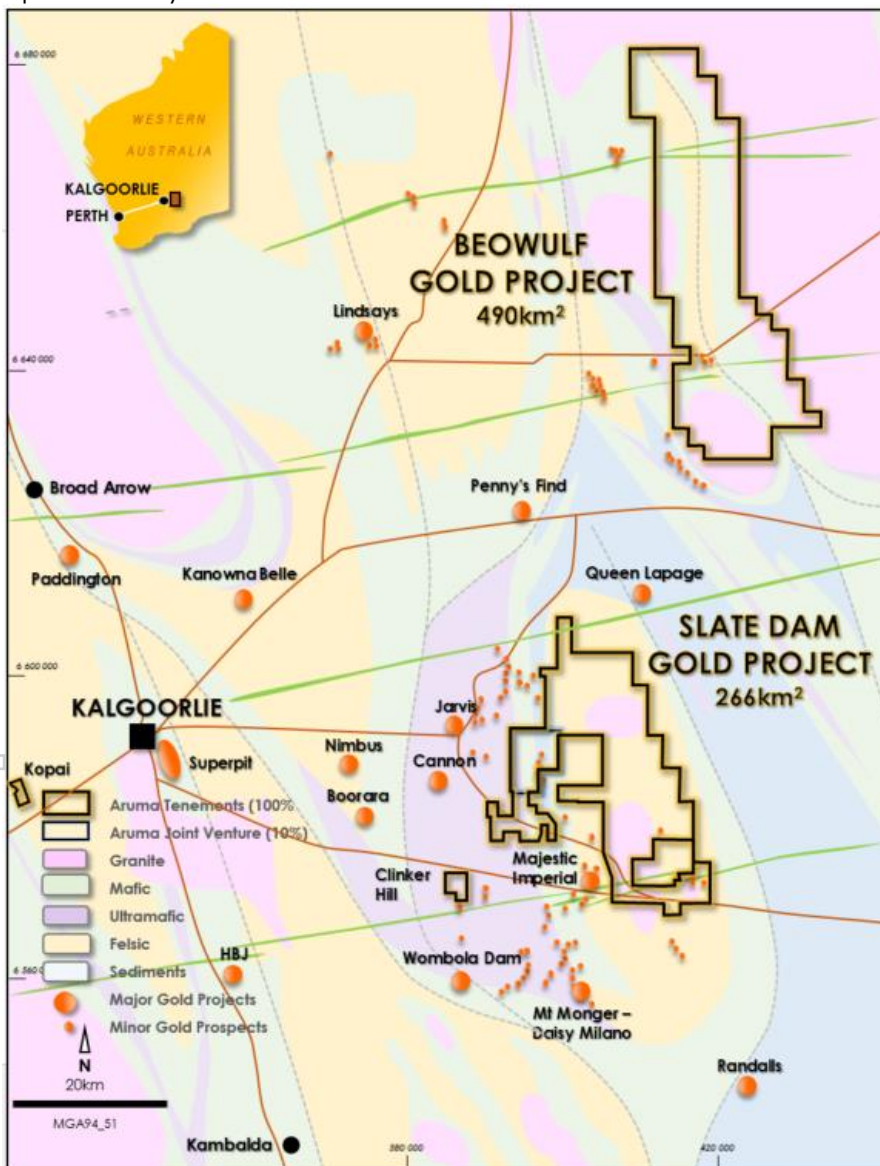


Figure 1 Aruma's Gold Projects of the Kalgoorlie District, with geology and existing gold mines and prospects

ASX: AAJ

Capital Structure

515M Shares on Issue

12M Options on issue

Cash \$1.12M

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

Phillip MacLeod

Active Gold Projects

SLATE DAM PROJECT

BEOWULF PROJECT

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KALGOORLIE PROJECTS

The Company advanced the Slate Dam project during the quarter, by drilling two RC programs totaling 4,558m and defining several shoots at Slate Dam, as well as purchasing the Transville lease, E25/526, and a small prospecting licence, P25/2333 (Figure 2). This has increased the coverage over the prospective gold trends at Slate Dam to 80% or 266km² of 100% owned leases. The area around Slate Dam and Beowulf has become of interest to several major producers and exploration companies with lease acquisition and drilling around both projects.

Beowulf is now 100% granted and covers 490km² of rocks similar to that which cover the west limb of Saracen Mining Limited's Carosue Project. It has proven gold endowment from the gold mining carried out on several leases purchased last year and located towards the center of the project.

SLATE DAM GOLD PROJECT

The Slate Dam Project comprises exploration licenses E25/526, E25/534, E25/553, E25/556, E25/558 and ELA25/571 together with mining lease M25/104 and prospecting licence P25/2333 covering some 266km² of Black Flag Group felsic sediments strategically located only 50km east of Kalgoorlie.

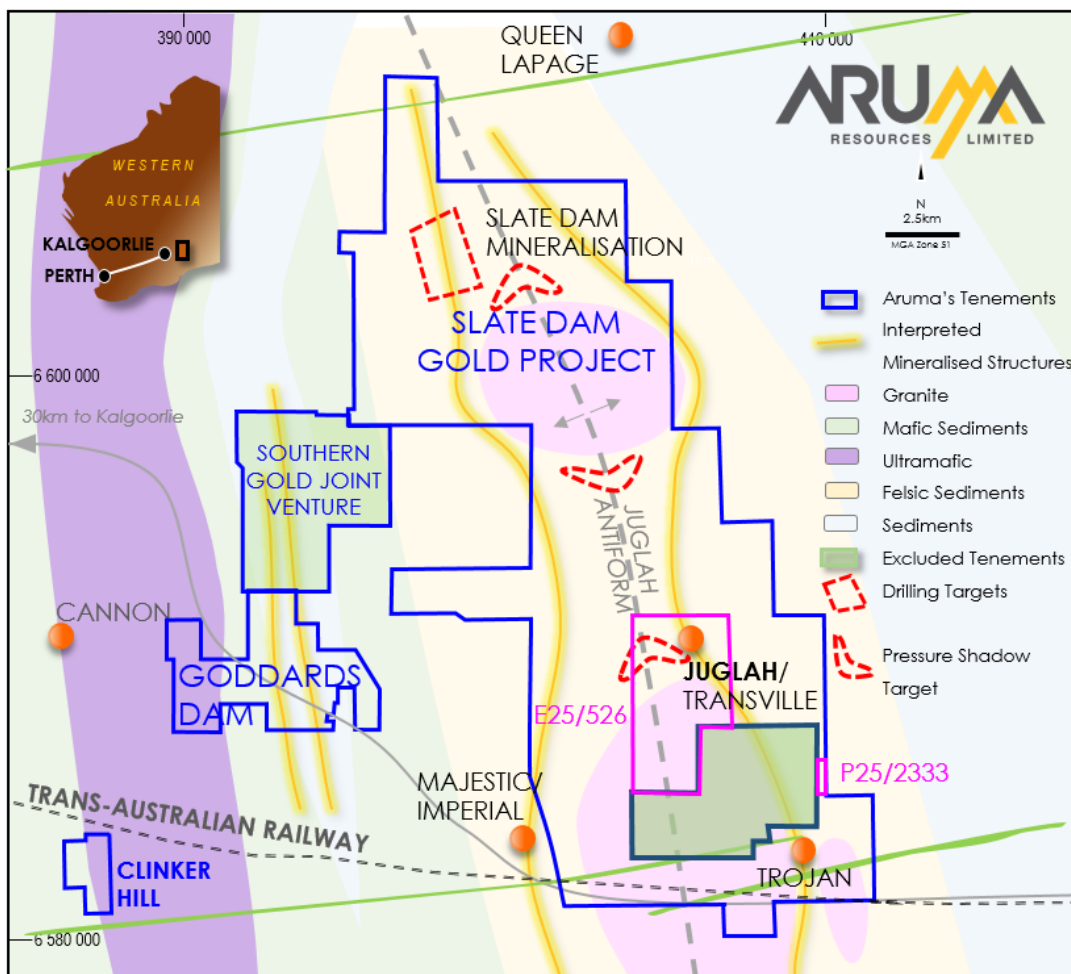


Figure 2. The Slate Dam Gold Project area with the new leases (Cyan) and target areas defined

Drilling Programs

Aruma completed a total of 41 RC holes for 4,558 metres in two phases of drilling at Slate Dam in the quarter. The Phase 1 and historic drill results, have confirmed and strengthened the Company's exploration model for Slate Dam to host significant sediment-hosted gold deposits. The current program brought the total metres drilled to 8,554m in seven months.

Aruma's first phase of drilling (SDRC1- SDRC40 for 3,996m) at Slate Dam (reported in the March 2018 Quarter) resulted in the delineation of a faulted tabular 20 metre thick shoot dipping 30 degrees to the west, which hosts mineralised sediments and/or structures grading >1g/t Au. The Phase 1 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 Phase 2 drilling (SDRC41- SDRC63 for 2,778m) in April confirmed Aruma's sediment-hosted gold exploration model and were in line with the exploratory nature of the program. Broad zones of 0.2g/t are defining structure in siltstones and will warrant later follow up drilling. The drilling again gave multiple intersections of anomalous gold mineralisation, with >50% of completed holes (twelve of 23 holes) intersecting gold mineralisation (0.1g/t Au) Three holes intersected grades of >1g/t (Table 1). All holes were drilled at -60° inclination at 60° azimuth

RC Hole	Easting GDA94	Northing GDA95	From m	to m	Width m Downhole	Au FA25 Avg g/t Au
SDRC48	395342	6603458	0	1	1	18.10
SDRC50	397304	6601622	35	36	1	1.04
SDRC53	395750	6602738	33	37	4	1.48
SDRC53	395750	6602738	27	38	11	1.05
SDRC53	395750	6602738	45	47	2	1.24

Table 1 Phase 2 drilling significant assays (>1.0g/t);

Of equal importance are the thicknesses seen in the mineralisation with three intersections of 10m or more with the 11m at 1.05g/t in the main shoot with the 20m at 0.36g/t Au being the south east extension as shown in Table 2 and Figure 1.

RC Hole	Easting GDA94	Northing GDA95	From m	to m	Width m downhole	Au FA25 Avg g/t Au	Zone
SDRC50	397304	6601622	24	44	20	0.36	S Extension
SDRC53	395750	6602738	27	38	11	1.05	Main Shoot
SDRC50	397304	6601622	33	43	10	0.45	S Extension
SDRC53	395750	6602738	87	95	8	0.21	Main Shoot
SDRC50	397304	6601622	24	31	7	0.37	S Extension
SDRC53	395750	6602738	45	50	5	0.84	Main Shoot
SDRC41	395743	6603091	30	35	5	0.29	Main Shoot
SDRC41	395743	6603091	55	60	5	0.13	Main Shoot

Table 2 Phase 2 drilling significant widths (>= 5m)

The first result above in Table 2 of 20m at 0.36g/t Au in hole SDRC50 was from the southern-most line of drilling and is significant as it confirms the presence of stratigraphic gold mineralisation over a total distance of at least 4 kilometres. Hole SDRC53 was an infill hole on the previous programme with the gold hosted in a pale carbonate altered siltstone with significant pyrite mineralization and the fresh chips have a distinctive pink hue which is interpreted as trace hematite. Hole SDRC50 is hosted in oxidized limonitic siltstone. There is no RC drilling to the south or immediate north so there is plenty of scope for proving a new mineralization trendline in this area.

The first half of the Phase 3 (SDRC64 to SDRC 78 for 1,780m) drilling program have continued to deliver results consistent with the model, and confirm the increasing grades to the east. Drilling was suspended in June/July due to a rain event and subsequent rig availability.

This phase of drilling was designed to further expand the Slate Dam gold mineralised system beyond its current mineralised footprint which extends over a total distance of at least four kilometres (from the north-west to the south-east), and to test for repetitions of mineralisation to the east and west of the current drill defined area.

The standout result from Phase 3 to date is 15m of 1.1g/t Au in SDRC68, which is a new line of mineralisation to the east, and included 6m at 2.43g/t Au.

Hole	EAST	NORTH	DEPTH	AZIM	INCL	From	To	Interval	Au Av'ge
SDRC64	395805	6603070	120	60	-60	12	14	2	0.95 g/t
SDRC64	395805	6603070	120	60	-60	82	84	2	0.98 g/t
SDRC68	396580	6602735	120	60	-60	6	21	15	1.1 g/t
SDRC68	396580	6602735	120	60	-60	15	21	6	2.4 g/t

Table 3 Phase 3 significant results (Au > 0.5g/t) with all measurements down hole.

BEOWULF GOLD PROJECT

A geochemical sampling program was completed over central area to the north of the Carosue road at Beowulf but did not produce any anomalies most likely due to soil depth. A drill line was cleared in the central area adjacent to historical workings near a dolerite dyke for a proposed RAB drilling program in the next quarter

CORPORATE

CASH BALANCE

The Company had a cash and term deposits balance at 30 June 2018 of \$1.12 million.

Projects Summary

Table 4. Gold Project Status and Activity Table

EASTERN GOLDFIELDS	Kalgoorlie Projects	<ul style="list-style-type: none"> ▪ Glandore Gold Project - JV continuing with Southern Gold Limited (SAU) to earn 90% in the third year
		<ul style="list-style-type: none"> ▪ Slate Dam - 266km² leases over prospective stratigraphy ▪ Beowulf- 9 leases for 490km² on prime stratigraphy ▪ Goddards Dam - PoW is approved and cleared for RC drilling ▪ Clinker Hill - PoW approved for south east extensions ▪ Kopai – Two PLs (1 granted, 1 pending) along strike of Mungari

Proposed Exploration Activities for Q1 FY2018-2019

- **Glandore** – JV continues with SAU and stage three is underway to 90%
- **Slate Dam:**
 - Section 18 over full project submitted to ACMC for September hearing
 - Third Phase drilling to be completed
 - Assays received and processed
 - Database construction by Maxwell GeoServices
- **Beowulf:**
 - Site access clearing completed
 - Soil sampling program results failed due to depth of cover
- **Clinker Hill:**
 - Lease amalgamation
- **Kopai:**
 - Second lease granted to be granted in August
 - Soil sampling program completed and RAB drilling planned
- **Mt Deans Lithium:**
 - Negotiations with DBCA on Timber Reserve to allow granting of lease

Aruma will also be appraising leases that become available in the Sediment Terranes in WA, especially where adjacent to current projects or with resources or intersections.

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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. The information in this report that relates to Mineral Resources at the Trojan Gold Project is based on information prepared by Metals X Limited as announced to the ASX on 18 August 2016 in its 2016 Annual Update of Mineral Resource and Ore Reserves.

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.



Summary of tenements

Glandore	Interest at beginning of Quarter	Interest at end of Quarter
M25/327 M25/329 M25/330 P25/2073 P25/2074 P25/2075 P25/2076 P25/2103 P25/2117 P25/2118 P25/2119 P25/2154 P25/2215 P25/2216	75% Southern Gold Limited JV Southern Gold can earn up to 90%	75% Southern Gold Limited JV Southern Gold can earn up to 90%

Goddards Dam (Gold)	Interest at beginning of Quarter	Interest at end of Quarter
P25/2089 P25/2090 P25/2091 P25/2092 P25/2093 P25/2094 P25/2153 P25/2202 P25/2203 P25/2204 P25/2388 P25/2400 P25/2401 P25/2402 P25/2389	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Slate Dam	Interest at beginning of Quarter	Interest at end of Quarter
E25/553 E25/534 E25/556 E25/558 P25/523 M25/104	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
E25/526 P25/2333	Nil	100% Aruma Exploration Pty Ltd
E25/571	Under application by Aruma Exploration Pty Ltd	Under application by Aruma Exploration Pty Ltd

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Clinker Hill	Interest at beginning of Quarter	Interest at end of Quarter
P25/2201 P25/2319 P25/2320 E25/568	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Beowulf	Interest at beginning of Quarter	Interest at end of Quarter
E28/1900 E28/1901 E28/2086 E28/2087	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
E28/2706 E28/2707 E28/2713 E28/2714 E31/1165	Under application by Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Kopai	Interest at beginning of Quarter	Interest at end of Quarter
P15/6145	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
P15/6146	Under application by Aruma Exploration Pty Ltd	Under application by Aruma Exploration Pty Ltd

Mt. Deans	Interest at beginning of Quarter	Interest at end of Quarter
P63/2063	Under application by Aruma Exploration	Under application by Aruma Exploration Pty Ltd