

6 August 2018

ASX Announcement

Exploration Update – Drilling to resume this Month

HIGHLIGHTS

- Drilling at the Slate Dam Gold Project has focused on a high-tenor, >200ppb gold anomaly in the north of the Project which has highlighted the potential of a significant new gold system
- Drilling has defined two lode positions at Slate Dam including a new steep high grade gold zone;
 - steep >2g/t Au zone from SDRC68 and
 - Shallow dipping 20m thick >1g/t Au zone from Phase 1 drilling
- Drilling to resume this month and is planned to confirm the extent of both
- Detailed project-wide targeting program at Slate Dam and Beowulf to commence – ranking high priority targets for drilling to unlock the Projects' full potential
- Company assessing options to realise value for the Trojan Gold Project which hosts a JORC 2012 Resource of 2.8Mt @ 1.61g/t gold (144,800oz Au)

Aruma Resources Limited (ASX: AAJ) (Aruma, the Company) is pleased to announce the following update on its exploration programs at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia, and its plans to advance the Project's significant potential.

Aruma has completed 8,554 metres of reverse circulation (RC) drilling in three phases at the Slate Dam Project (see Figure 1 Project location map). Each phase focused on a large scale, high-tenor >200ppb, seven square kilometre gold (Au) anomaly in the northern part of the Project. The Company's exploration is aimed at discovering new sediment-hosted gold deposits similar to Goldfields Limited's (JSE: GFI) nearby, world class 3Moz Invincible Gold Deposit.

Aruma's drilling to date has successfully;

- Highlighted a potentially significant new gold system, and intersected multiples zones of thick gold mineralisation plus high-grade gold mineralisation;
- Delineated multiple 15-20 metre thick gold shoot which host mineralised sediments and/or structures grading >1g/t Au, with multiple 7 metre thick >2g/t Au potential ore zones;
- Confirmed the presence of stratigraphic gold mineralisation extending over a total known distance of at least 4 kilometres from the north-west to the south-east; and
- Identified that the gold grade appears to increase to the east of the current drill-defined area - in line with the Company's interpreted

ASX: AAJ

Capital Structure

515M Shares on Issue
12M Options on Issue

Cash \$1.12M (30/06/2018)

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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exploration model for repetitions of the known gold mineralised system to exist to the east and west of the current drill-defined area.

Refer ASX announcements of 6 July, 29 May, 21 February and 1 February 2018 for further information on exploration and drilling results.

Drilling to resume

The Phase 3 drilling program was suspended due to inclement weather conditions at the Project and rig availability. The balance of the program will be completed this month and consist of approximately 20 RC holes for a total of 2,500 metres.

The pause in drilling has provided the opportunity to analyse available drill data generated to date and to further refine drill targets to complete the phase 3 drilling. The remaining component of the phase 3 program will focus on drill targets designed to add strike and dip to the current significant gold intersections (see Figure 2 and 3 for location of drill targets).

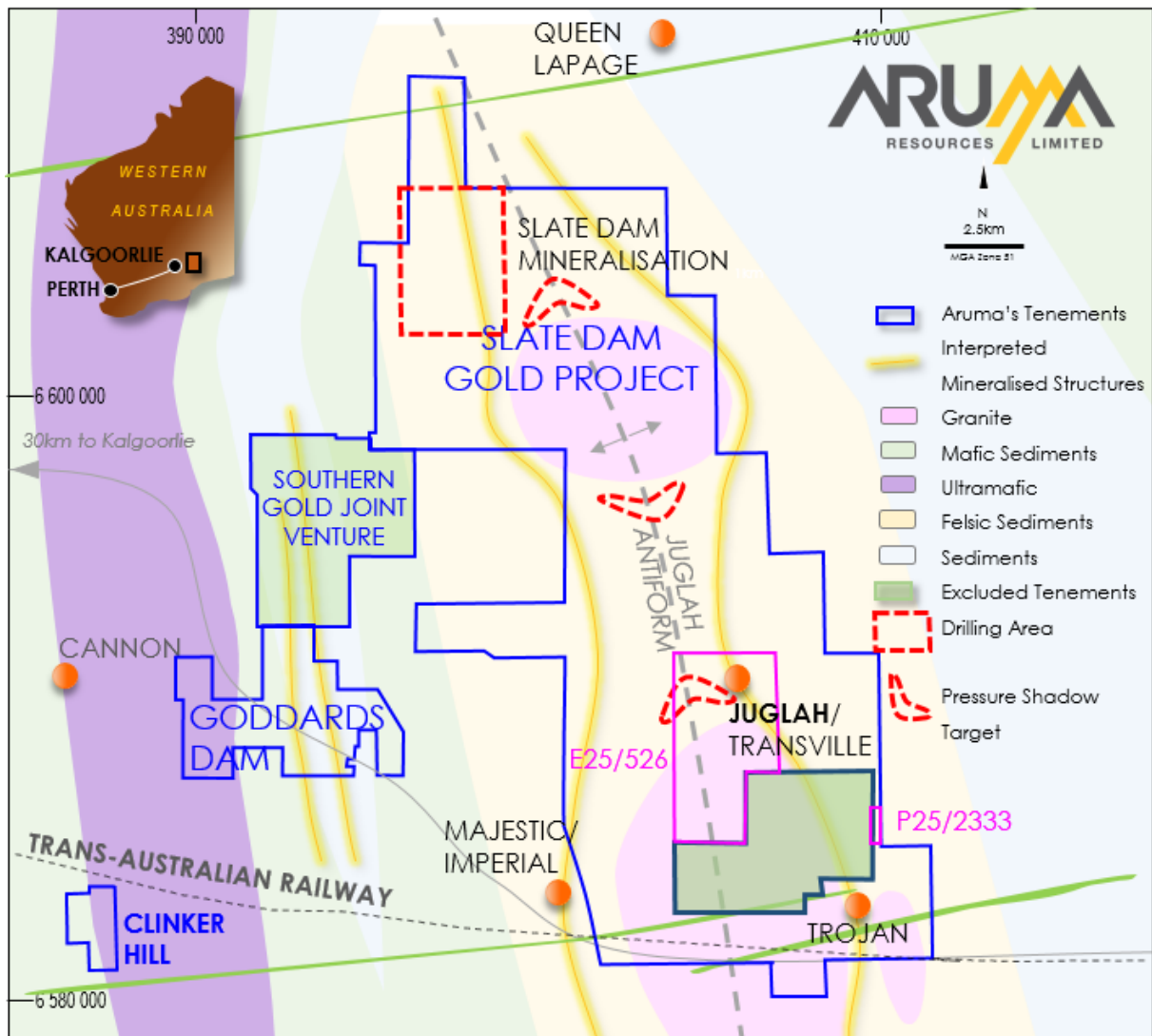


Figure 1: Slate Dam Project area with prospective trends on geology. Red dotted-line square in north of Project shows are of drilling to date in Figure 2

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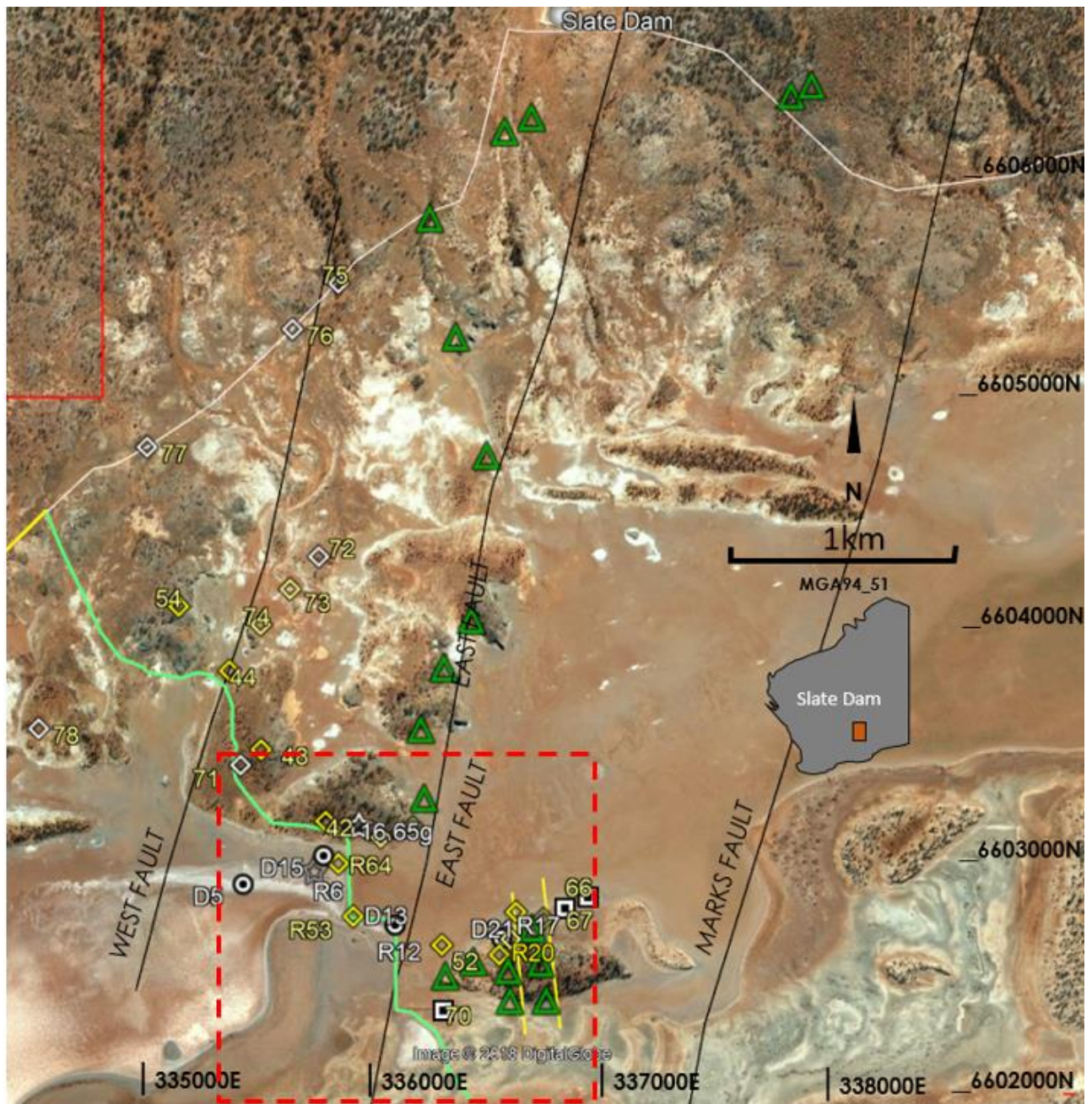


Figure 2: Interpreted Lodes at Slate Dam from drilling on the geochemical anomaly. Holes to be completed in Phase 3 drilling are shown as green triangles and the Island represented in Figure 5 is shown as a red square.

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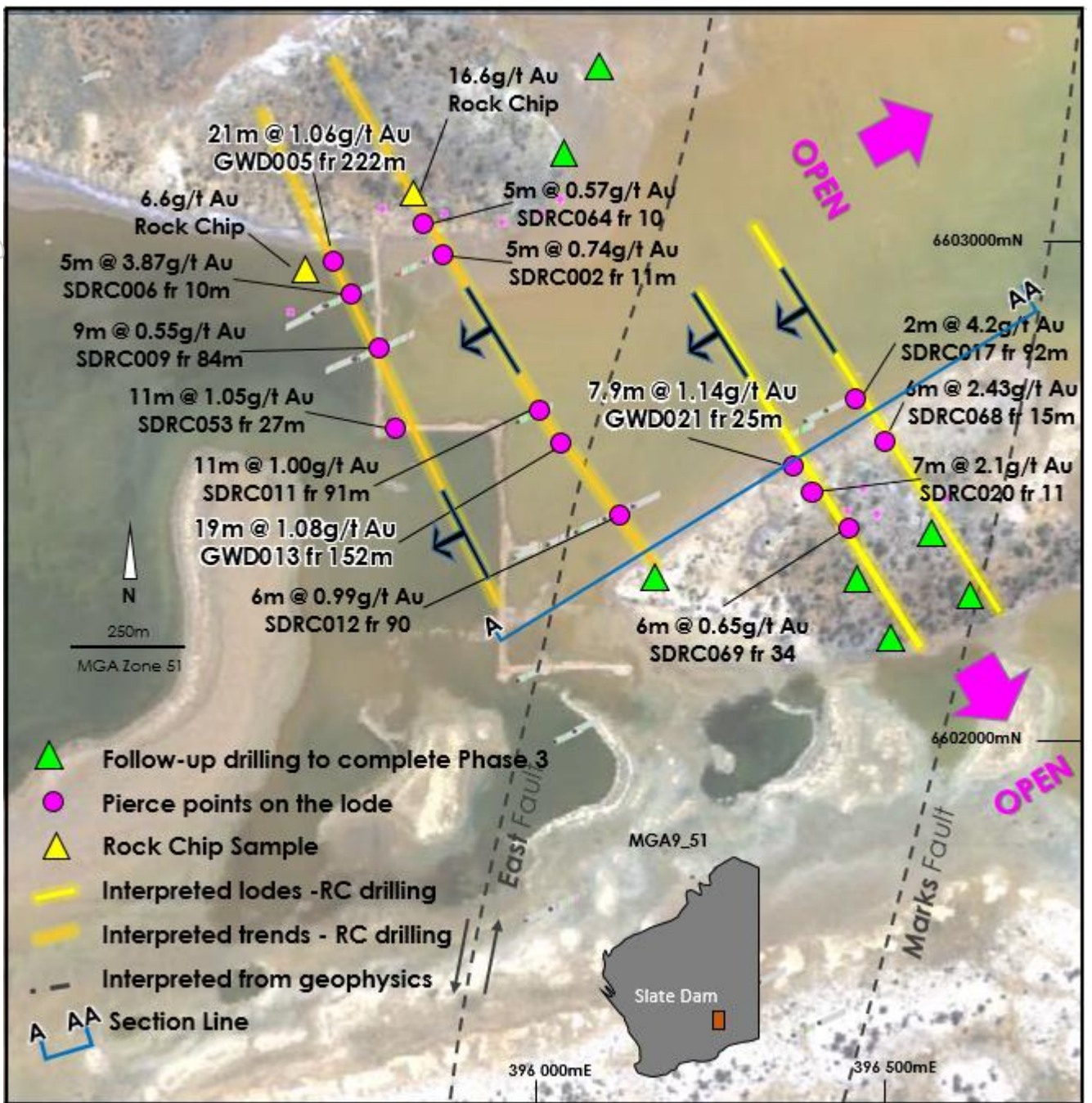


Figure 3: Drilling details on the Island Area from Figure 4. The remaining extensional holes to be drilled to complete Phase 3 drilling are marked as green triangles

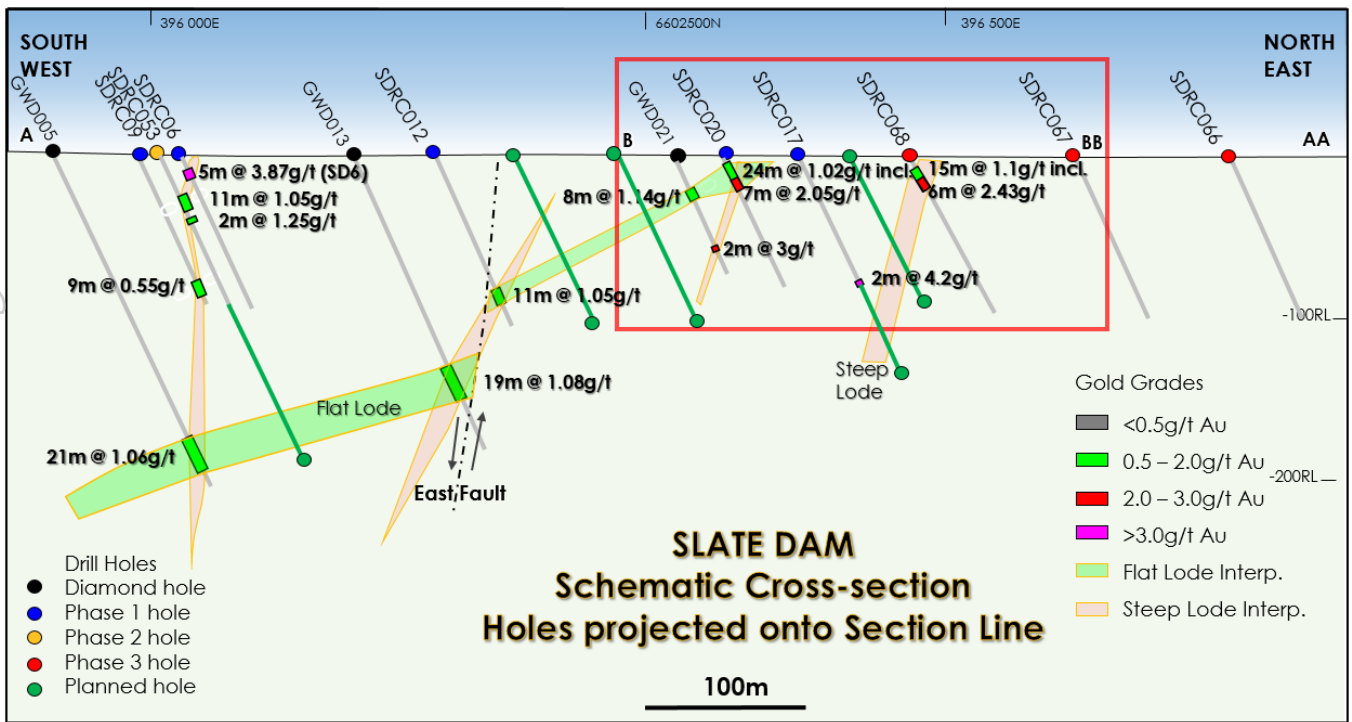


Figure 4: Composite or Schematic cross section. The area marked by the red box is expanded in Figure 5 and the drill holes (green trace) are designed to prove and extend the lodes

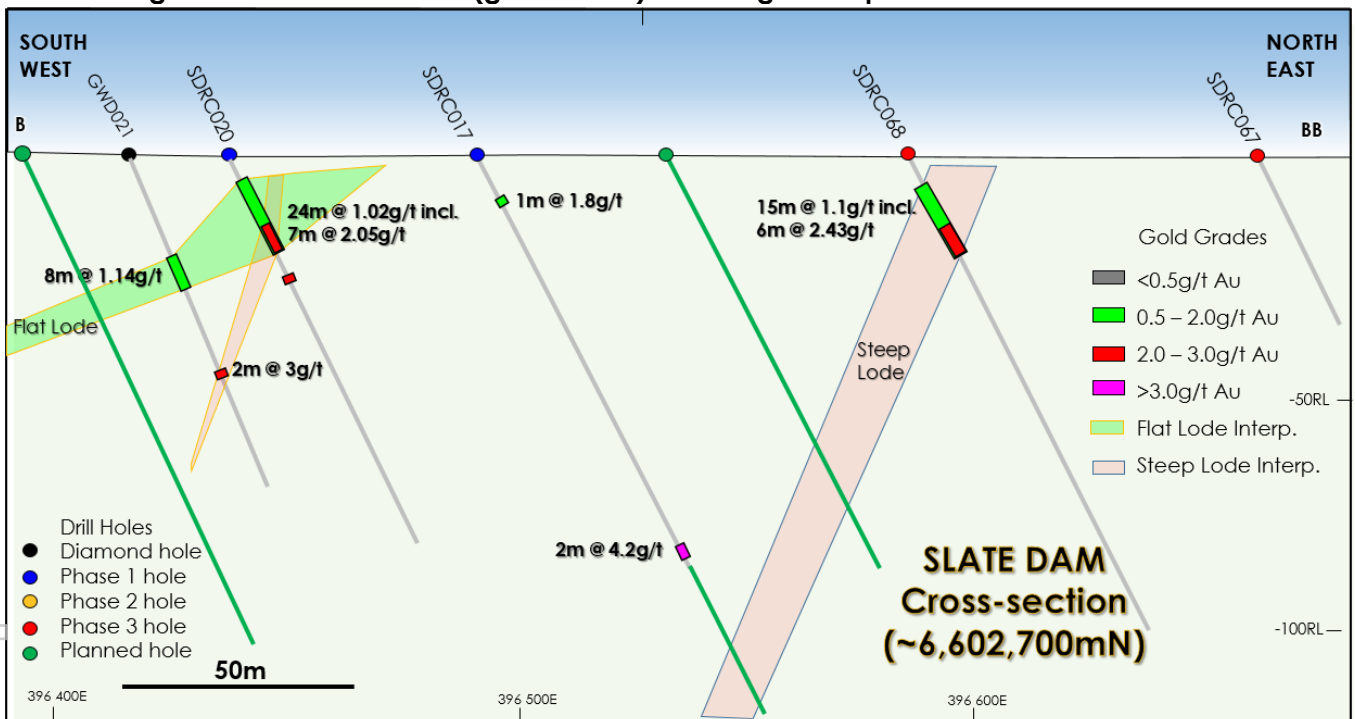


Figure 5: Cross Section at Slate Dam showing the red boxed area from Figure 4 with planned holes in green

Project development strategy

The Company's exploration to date at Slate Dam has focused largely on the major gold anomaly in the north of the Project, and this priority target will continue to be the core focus for Aruma. In parallel, this month the Company will embark on a detailed project-wide targeting program over the entire 266km² Slate Dam Project area, and the nearby 490km² Beowulf Gold Project, to define the next batch of priority drill targets (Table 2 and Figure 6).

This targeting program will include:

- Assembly of a comprehensive combined data base of the existing Aruma data base and the Westgold data base (acquired with Aruma's acquisition of the Trojan Gold Project, ASX announcement 15 March 2018) – this is underway with Maxwell GeoServices;
- 3D modelling will then be used to define trends and identify data gaps across both projects;
- Detailed magnetic surveys to define stratigraphy and structure;
- HyVista airborne survey and airborne electromagnetic (EM) survey to identify conductors (black shales) and the non-conductors in the same stratigraphy.

The results of this targeting program will allow Aruma to generate and rank high priority regional targets across the Slate Dam and Beowulf Projects for the next phases of drilling. It is proposed that this pipeline of targets will be progressively drill tested, with the aim of unlocking the full value of Aruma's highly prospective project holding in the region.

A Section 18 application will be submitted to the WA Department of Planning, Lands and Heritage to facilitate site access for all required Slate Dam licence areas,

The Company expects to be positioned to drill the first of the newly ranked targets in the final quarter of calendar 2018.

Trojan Gold Project

Aruma acquired the Trojan Gold Project (ML25/104) from Westgold Resources Limited (ASX: WGX) in March (ASX announcement, 15 March 2018). This is a strategic acquisition, which significantly expands the Slate Dam Gold Project and complements the Company's sediment-hosted exploration model for the Project.

The Trojan Project hosts a JORC 2012 Resource of 2.8Mt @ 1.61g/t Au for 144,800oz Au, as summarised in the table below and historically has produced 130,000oz of gold from open pit mining.

Classification	Tonnes	Grade	Ounces of gold
Indicated	1,679,908	1.72	93,117
Inferred	1,114,431	1.44	51,696
Total	2,794,339	1.61	144,814

Table 1: Current JORC 2012 Resource Estimate at Trojan Gold Project

The Company is currently assessing options to realise significant value from the Trojan Project. These include;

- Targeted exploration to expand and upgrade the Resource base; and
- Opportunities for near-term revenue generating via ore sales-and-purchase agreements with nearby operating mines in the region.

Trojan hosts multiple substantial geochemical anomalies and exploration targets which extend into the Slate Dam Project area and supported by a comprehensive data base (as outlined above). Evaluation of the opportunities to realise value from Trojan are ongoing and the Company will update the market on this in due course.

Aruma managing director Peter Schwann said;

"Aruma has a clearly defined exploration strategy at Slate Dam. We are currently exploring for three or more zones of Invincible-style mineralisation with dimensions of approximately 10 metres in width and 1,000 metres in length, potentially mineable to a depth of 120 metres as an open cut in the range of 3 g/t gold for one million ounces of gold, plus underground potential. If our drilling continues to validate this exploration model, the Company will be in a position to deliver significant value to shareholders, and the resumption of drilling this month is the next step in the process. In addition, we are excited to advance our project-wide targeting program. The ability to have multiple high priority targets to be drilled progressively at Slate Dam and Beowulf will assist the Company derive the maximum value for shareholders from its project portfolio."

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Lease	Data cover	Mapping	Gold	Geochem	Geophys.	Sampling	Drilling
Slate Dam 266km ²	50% Inc. Trojan	minor	pits drilling	drillholes and soils north	Mags - HyMap	Minor rock chip	RAB, RC Aircore Diamond
Beowulf 490km ²	<10%	minor	Nuggets	Central and NE soils	Mags	Bronton detecting	15 RC shallow

Table 2: Details of two main Project areas

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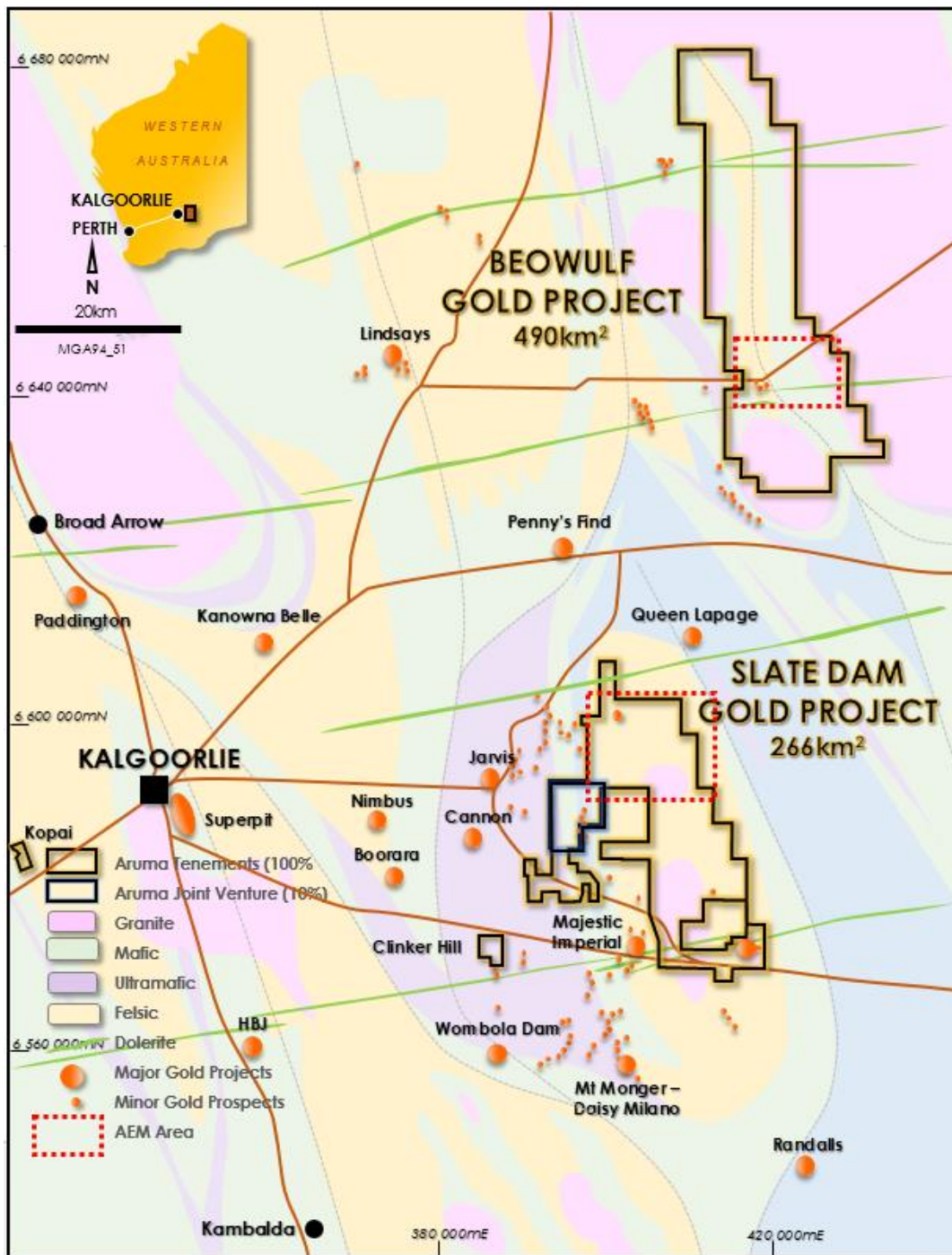


Figure 6: Aruma's Kalgoorlie Project Areas with the proposed test areas for AEM and Magnetics in red dashed rectangles

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.

