27 March 2019

ASX Announcement

Airborne Electromagnetic Survey Identifies Multiple Priority Targets

Highlights

Eastern Goldfields explorer, **Aruma Resources Limited** (**ASX: AAJ**) (**Aruma** or **the Company**) is pleased to provide results from its recently completed extensive Airborne Electromagnetic (AEM) Survey over the Slate Dam and Beowulf Gold Projects (the 'Projects'), located 45km west and 70km northeast of Kalgoorlie respectively.

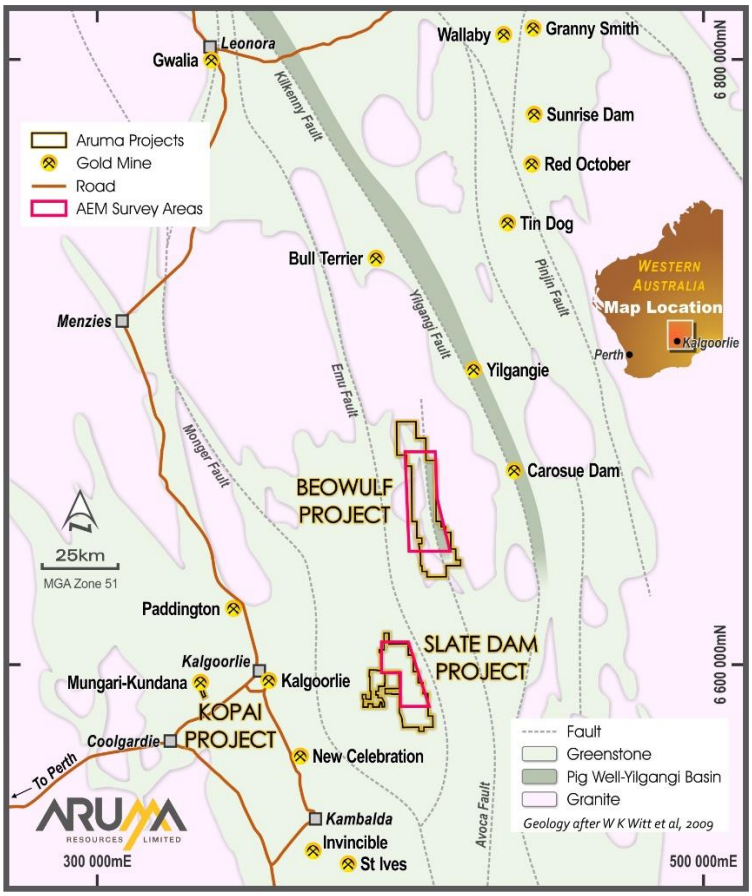

Figure 1 **Regional Geological plan of the Aruma leases with the AEM survey areas shown in red**

Aruma has now completed a full interpretation of the AEM Survey at both Projects, which has produced exceptional results, with multiple high-potential anomalies which have been ranked according to the AEM intensity and geochemical response with the structure along with stratigraphy from magnetics and gravity data.

AIRBORNE ELECTROMAGNETIC SURVEY

Processing and interpretation of the survey totaling 411km² of airborne electromagnetic (AEM/Xcite) and magnetic data has recently been completed with the objective of defining EM conductors potentially representing semi-massive to massive sulphides associated with gold mineralisation. The AEM Survey targeted areas with high prospectivity for stratabound (Invincible-type) and pressure shadow (Kanowna Belle-type) sediment-hosted gold targets - which are both sulphide rich.

ASX: AAJ

Capital Structure
595M 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

Active Gold Projects

KOPAI PROJECT

SLATE DAM PROJECT

BEOWULF PROJECT

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Figure 2 AEM Survey Helicopter in action

Details of the AEM Surveys

- Employed the high resolution Xcite time domain, helicopter borne EM system from NRG New Resolution Geophysics Australia (Fig. 2).
- The survey covered 1,944 line km with a line spacing of 200m and east west orientation, with a total area of 411km².
- Average EM loop terrain clearance was 33m.
- Interpretation and targeting undertaken by independent geophysical consultants Terra Resources of Perth in conjunction with Aruma personnel.
- Fifteen (15) very high and high class AEM targets have been identified for follow up work.

Results of the AEM Surveys

The AEM Survey identified 27 targets (12 at Slate Dam and 15 at Beowulf) considered to potentially represent sulphides associated with gold mineralisation (Table 1).

Targets	Class	Slate Dam	Beowulf
7	very high	4	3
8	high	4	4
3	medium-high	1	2
2	medium	1	1
7	low	2	5
27		**12**	**15**

Table 1 Target Distributions

Targets were ranked using EM conductors, alteration, structure, stratigraphy and intrusive relationships along with new gold geochemistry (Tables 2 and 3).

This process involved using data from the high resolution AEM Survey, new magnetics as well as the new geochemistry at Beowulf, and regional databases at Slate Dam. In addition, public domain gravity was used to confirm the stratigraphy.

DISCUSSION OF RESULTS

Slate Dam

The AEM Survey at Slate Dam outlined several targets as well as multiple magnetic highs that will be further investigated. The conductive lake cover did interfere with the results of the AEM in the central part of the survey, but the area of the original Slate Dam gold anomaly was highlighted. The ranked targets T8 and T9 are on structures linked to the high grade Kanowna Belle-style Juglah mine.

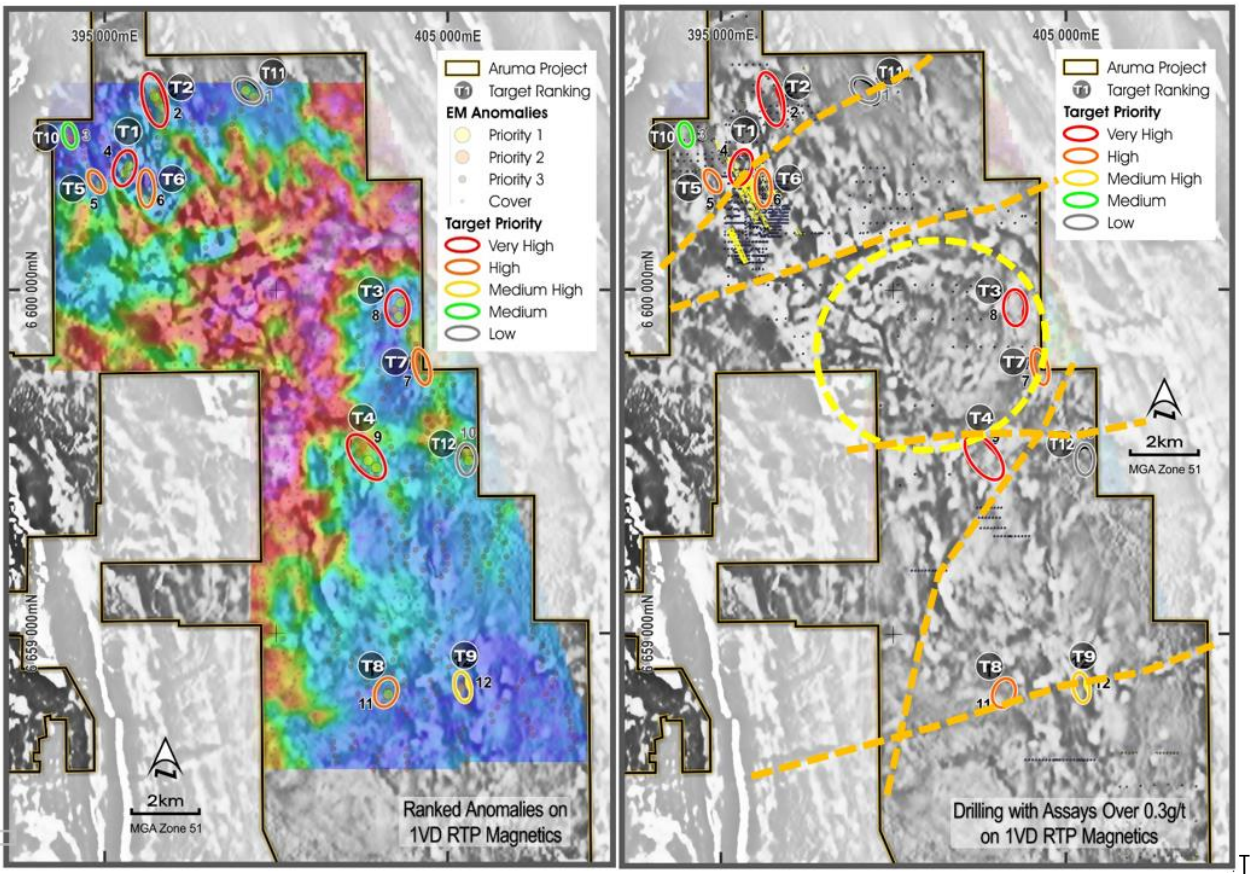

Figure 3 **AEM Survey outcome at Slate Dam (left) with the drilling results (right) with key structures shown**

The salient points shown in the interpreted anomalies in Figure 3 are:-

- Targets 1, 5 and 6 are on the original Slate Dam anomaly
- Targets 10, 2 and 11 close to the original Slate Dam anomaly
- Significant east northeast structures which are fluid pathways (tan)
- Ring structures contain targets 4, 7and 3 (yellow)
- North northwest stratigraphy contains some highly magnetic possible intrusions

Slate Dam GDA51		Target Number	Rank	EM Anomaly Description	Target Comments
East	North				
395550	6603550	**4**	**1**	Strong to moderate discrete early to late time anomaly, asymmetric, east dipping.	Good structure, stratigraphy, alteration and intrusive relationship.
396450	6605500	**2**	**2**	Moderate early to late time anomaly, double peak early to mid-times, sub vertical.	Good structure, stratigraphy, alteration and intrusive relationship.
402650	6595159	**9**	**3**	Moderate late time anomaly, shielded, broad.	Good structure, alteration and intrusive relationship. Moderate stratigraphy.
403500	6599500	**8**	**4**	Moderate early to mid-time anomaly in area of basement outcrop. West dipping.	Good structure and alteration. Moderate stratigraphy and intrusive relationship.
394700	6603200	**5**	**5**	Moderate early to late time anomaly, asymmetric, west dipping.	Good structure and stratigraphy. Weak alteration and intrusive relationship.
396300	6602950	**6**	**6**	Strong, discrete early to late time anomaly, asymmetric, west dipping.	Good stratigraphy. Moderate structure, alteration and intrusive relationship.
404150	6597800	**7**	**7**	Moderate, broad early to late time anomaly, asymmetric, east dipping.	Good stratigraphy. Moderate structure, alteration and intrusive relationship.
403200	6588300	**11**	**8**	Moderate early to late time anomaly, double peaked at early time, strong migration, east dipping.	Good alteration. Moderate structure, stratigraphy and intrusive relationship.
405450	6588450	12	9	Moderate to weak early to late time anomaly, broad, west dipping.	Good stratigraphy. Moderate alteration and intrusive relationship. Moderate to weak structure.
394000	6604450	3	10	Moderate discrete early to late time anomaly, double peak, west dipping.	Moderate structure, alteration and intrusive relationship. Weak stratigraphy.
399,200	6605800	1	11	Moderate early to late time anomaly, strong migration, dip changes along strike.	Good alteration. Weak structure, stratigraphy and intrusive relationship.
405500	6595199	10	12	Moderate late time anomaly, shielded, asymmetric, west dipping.	Good alteration. Moderate to weak structure. Weak stratigraphy and intrusive relationship.

Table 2 Slate Dam gold target descriptions, with Targets 4 to 6 in the original gold anomaly

Beowulf

The results of the AEM Survey and the new low level magnetics, together with commercially available gravity were plotted with the results of the recently completed gold soil sampling from which the best targets were selected (Figure 4).

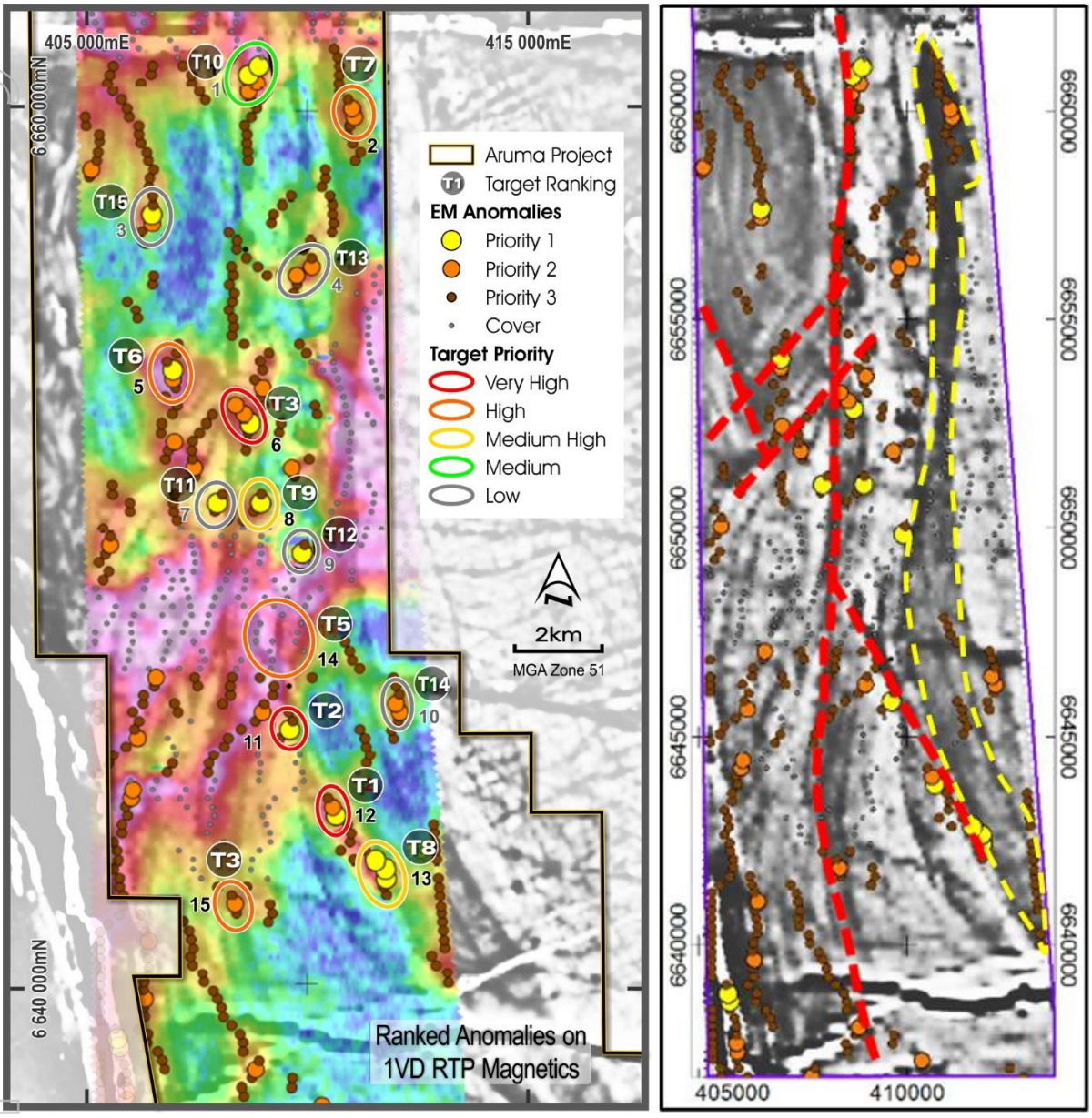

Figure 4 Ranked anomalies shown on 1VD RTP Magnetics with lease boundary (left) and Structures (right) with the magnetic low to the east similar to the Carosue gold deposit

The salient points shown in the interpreted anomalies in Figure 4 are:-

- Airborne EM targets sorted and ranked on structure and gold geochemistry
- Significant north south structure (Avoca Fault extension) shown in red with conductors
- Magnetic low, possibly representing Pig Well or Mt Belches (fold axis) in eastern part of survey area shown as the yellow shape
- Northwest faults cross cutting the southern part of magnetic low (sediments) with conductors
- Geological setting analogous to the Kilkenny Structure at the Carosue gold mine (Figure 1)

The definition from the magnetics was instrumental in defining the magnetic low as shown in Figure 4 on the right hand image, possibly representing unstable phase sedimentary rocks (fold axis) in eastern part of survey area similar to the Pig Well stratigraphy at Carosue gold deposit.

The ranking of the AEM-Magnetic anomalies had the benefit of the major soil sampling program of some 3,000 samples undertaken by Aruma in 2018 and 2019. These samples were sieved at 80 microns and assayed by ALS in Perth using the Au-ST43 method involving a 25g aqua regia extraction, with ICPMS finish for a detection limit of Au 0.0001ppm (0.1ppb) for soil and sediment samples.

The survey was undertaken as part of Aruma's student employment program and involved 3 students from Curtin and UWA who collected the samples on 500m spaced E-W lines at 100m spacing.

The results of the survey showed a maximum value of 29.5ppb Au with some 92 samples above 5ppb Au. This is considered an outstanding result in an area that has thick soil cover as well as a paleochannel that can be seen in the AEM results.

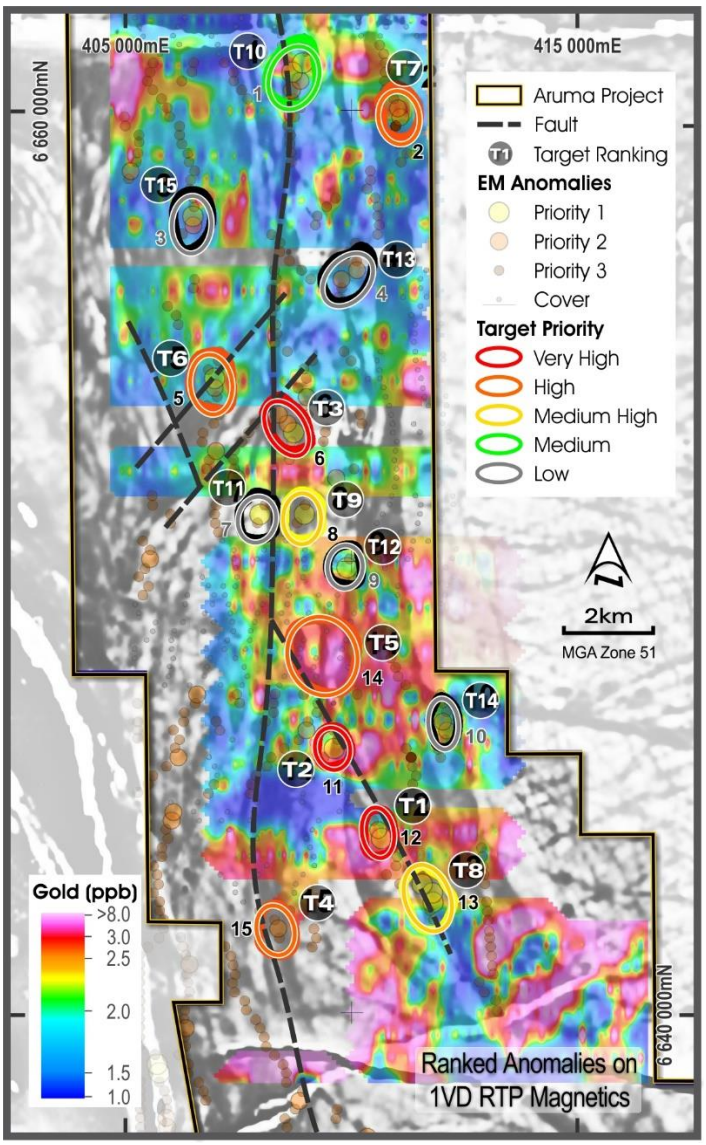

Figure 5 Ranked anomalies shown on 1VD RTP Magnetics with soil sample results shown as colour contours with pink being >3ppb

Figure 5 shows the results to date of the soils and the coincidence of soil grade and AEM response can be seen for the Priority 1 anomalies. Further work will be done in ground truthing the anomalies to reinforce the drilling priorities.

Beowulf GDA51		Target Number	Rank	EM Anomaly Description	Target Comments
East	North				
410600	6644000	**12**	**1**	Discrete early to late time anomaly, west dipping.	Good structure, stratigraphy, alteration and geochemistry. Weak intrusive relationship.
409550	6645900	**11**	**2**	Strong and discrete early-mid time anomaly, weak at late time.	Good structure, stratigraphy, alteration, geochemistry and intrusive relationship.
408550	6653050	**6**	**3**	Discrete and strong double peaked anomaly, dipping west at late times.	Good structure, stratigraphy, alteration and intrusive relationship. No geochemistry.
408300	6641850	**15**	**4**	Early to late time anomaly, double peaked at early time, single at late time, west dipping.	Good structure, stratigraphy, geochemistry and intrusive relationship. Moderate alteration.
409350	6648000	**14**	**5**	No distinct EM anomalies.	Good structure, stratigraphy, geochemistry and intrusive relationship. No alteration.
406850	6654050	**5**	**6**	Strong early to late time, weak double peaked anomaly, west dipping.	Good structure, geochemistry and intrusive relationship. Weak stratigraphy.
411000	6660000	**2**	**7**	Moderate early to late time double peaked anomaly, west dipping.	Good structure, geochemistry and intrusive relationship. Moderate stratigraphy and alteration.
411650	6642550	13	8	Strong early to late time asymmetric anomaly, west dipping.	Good structure, stratigraphy and alteration. Weak intrusive relationship. No geochemistry.
408900	6651050	8	9	Moderate early to late time asymmetric anomaly, west dipping.	Good structure, stratigraphy and alteration. Moderate intrusive relationship. No geochemistry.
408700	660800	1	10	Strong early to late time asymmetric anomaly, dip changes along strike.	Good structure, stratigraphy, and alteration. Weak intrusive relationship and geochemistry.
407900	6651050	7	11	Strong discrete early to late time anomaly, double peak at early to mid-times.	Good structure, stratigraphy, and alteration. Weak intrusive relationship and geochemistry.
409850	6649950	9	12	Strong early to late time anomaly, double peak at early time, sub vertical.	Good stratigraphy and alteration. Moderate geochemistry. Weak structure and intrusive relationship.
409900	6656400	4	13	Moderate to strong early to late time anomaly, dip changes along strike.	Good structure and stratigraphy. Moderate alteration and intrusive relationship. Weak geochemistry.
412000	6646450	10	14	Moderate early to late time anomaly, double peak at early time, west dipping.	Moderate structure, alteration and intrusive relationship. Weak stratigraphy and geochemistry.
406450	6657650	3	15	Moderate at early and mid-times, strong at late time anomaly, asymmetric, west dipping.	Good alteration. Moderate structure. Weak stratigraphy, intrusive relationship and geochemistry.

Table 3 Beowulf target descriptions

Outcomes

These results have defined high order targets for exploration in the coming year. This exploration is "Greenfields" being associated with interpreted new greenstone belts by Aruma that have proven gold endowment and mineralised structure in rocks that host very large Tier 1 deposits in the surrounding areas. These targets will be refined in the coming quarter and then are planned to be progressively drill tested.

Managing Director Peter Schwann stated: *"This AEM study has defined exciting new drill targets with defined gold anomalies in both Project areas, especially at Beowulf. The initial identification of a possible greenstone belt has now been validated with gold anomalies and structure located on EM conductors that represent very high priority drill targets in geology very similar to the major Carosue gold deposit 30km to the east."*

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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 historic exploration results reported have been sourced from the Western Australian Mineral Exploration reports (WAMEX) on the DMIRS site and are available to be viewed on the WAMEX open file site of the DMIRS under the reference number supplied. The Company confirms it is not aware of any new information that materially affects the information included in the original reports.

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, 2019.*

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2019 MEMBER

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Soil samples were collected by digging down approximately 150mm at each location and sieving the sample at 80 micron and bagging up. • Sieving at this mesh size precludes sample preparation and the risk of contamination
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	• None undertaken in this program
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• None undertaken in this program
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*	• None undertaken in this program

Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether 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 duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples rotary split and noted wet or dry. Where sample quality precluded riffle splitting, the material was tube sampled. • The sample size satisfied the Gy size requirements.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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 derivation, etc.* • *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.*	• All samples were assayed by ALS Perth using the accepted Au-ST43 method involving a 25g aqua regia extraction, with ICPMS finish for a detection limit of Au 0.0001ppm (0.1ppb) for soil and sediment samples. • Laboratory standards and methods are industry standards. • Enough material, a nominal 200g, was taken to allow for re-assay
Verification of sampling and assaying	• *The verification of significant intersections by either independent or 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.*	• Internal standards were used by the laboratory
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Sampling location was by GPS. • All locations are GDA94

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	
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.*	• The sampling was done on a nominal 500m or 1,000m spaced east-west lines with samples taken at 100m intervals
Orientation of data in relation to geological structure	• *Whether the orientation of 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.*	• Sample lines are as close to tangential as possible.
Sample security	• *The measures taken to ensure sample security.*	• All samples logged and numbered on site and checked as taken, then logged into boxes, as loaded to Laboratory and as submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The program used internal standards

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 or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, 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.*	• All tenements and issues required are detailed in the reports. • All work done under PoWs.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Listed in Previous Work

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The targets are sediment hosted hydrothermal gold deposits of the Invincible and Kanowna Belle styles. The model has been published and presented previously.

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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this 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.*
		• None undertaken in this program.

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.*	• None undertaken in this program
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').*	• None undertaken in this program
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.*	• As done

Criteria	JORC Code explanation	Commentary
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 results are used for the contouring
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• AEM Excite methodology and figures and the relationship with the Aruma exploration and geological targets are detailed. • The survey was done on 200m spaced lines continuously measured for conductivity and magnetics and recorded in real time. • The data was processed by Terra Resources Pty Ltd and figures produced with recommendations.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or 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 this information is not commercially sensitive.*	• As detailed in the report.