# ARUMA

## **Aruma Resources Limited**

ABN 77 141 335 364 ASX: AAJ

ASX ANNOUNCEMENT 28 July 2014

## **QUARTERLY ACTIVITIES STATEMENT**

For the quarter ending 30 June 2014

## **HIGHLIGHTS**

- Bulloo Downs Copper Project exploration
  - 2000km<sup>2</sup> of leases optioned around Bulloo Project
  - Drilling hits 4m at 2.2% Copper at Madison (1% Cu cut-off)
  - All lines intersect copper mineralisation
  - Heritage survey completed over 15km of strike length
- Glandore
  - Lake Yindarlgooda Native Title Claim dropped
  - Drilling of prospects scheduled to commence in August 2014
- Corporate
  - Cash of \$2.49M (as at 30 June )
  - \$560,000 raised in April
  - R&D refund of \$536,000 received after costs

Aruma Resources Limited (ASX: AAJ), an active Western Australian gold and copper explorer, has increased its exciting new Bulloo Downs Copper Project (in WA's Ashburton region) in area to over 2000km<sup>2</sup> (up to 1400km<sup>2</sup> at close of quarter).

**Aruma** entered into an option agreement with Atlas Iron Limited (ASX: AGO) ("Atlas"), to farm-in to 10 leases, expanding the Bulloo Downs project. Following initial sampling and drilling which demonstrated the potential for copper prospects on the initial 200km<sup>2</sup> project, the additional leases make the project landholding a strategic asset in this quickly expanding copper province.

After **Aruma** successfully negotiated Native Title access on the **Glandore Gold Project**, the Native Title Claimants dropped their claim, opening the total project area for exploration.



## **Results of RC Program at Bulloo Downs**

First-pass drilling encountered a significant copper intersection at Bulloo Downs. The drilling confirmed the mineralisation model for the project and opened the path for systematic exploration of the full lease package. The results confirmed the **hydrothermal copper in deep crustal structures model** postulated when picking up the project and the intersection in the first-pass drilling program is a pointer for further success in the area.

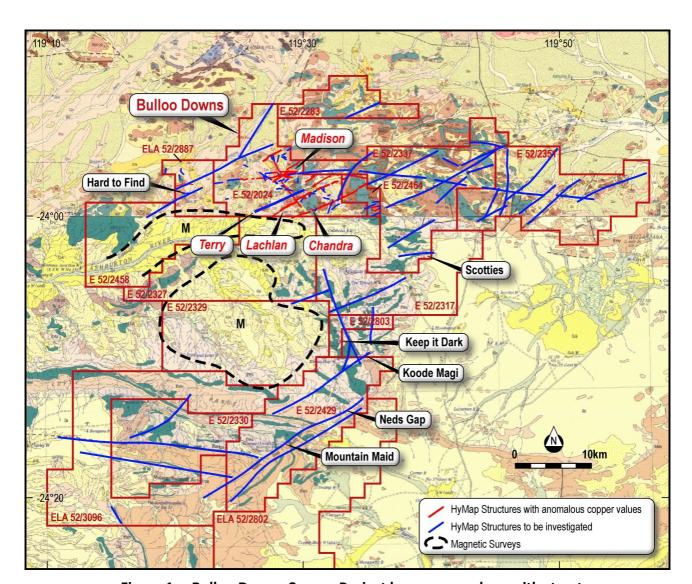


Figure 1 Bulloo Downs Copper Project leases on geology with structures



HOLE ID	Easting	Northing	RL	Depth	Azimuth	Dip	Line	From	То	Cu%
BMRC13	750640	7348758	567	60	345	-60	Madison	51	52	1.14
BMRC13	750640	7348758	567	60	345	-60	Madison	52	53	2.15
BMRC13	750640	7348758	567	60	345	-60	Madison	53	54	2.78
BMRC13	750640	7348758	567	60	345	-60	Madison	54	55	2.78
BMRC13	750640	7348758	567	60	345	-60	Madison	55	56	0.81
BMRC13	750640	7348758	567	60	345	-60	Madison	56	57	0.68
BMRC13	750640	7348758	567	60	345	-60	Madison	57	58	0.33
BMRC13	750640	7348758	567	60	345	-60	Madison	58	59	0.21

Table 1 Significant (>0.1% Cu) assays in BMRC 13. (Full hole details are listed in Table 3 below). End of hole was 60m.

HOLE ID	Easting	Northing	RL	Depth	Azimuth	Dip	From	То	Int.	Cu%
BMRC02	750709	7348736	568	150	330	-60	0	1	1	0.11
BMRC05	750832	7348780	572	120	330	-60	71	72	1	0.07
BMRC07	751021	7348819	554	120	350	-60	78	80	2	0.06
BMRC08	751078	7348800	559	150	356	-60	141	142	1	0.22
BMRC09	751194	7348885	564	120	355	-60	28	29	1	0.06
BMRC09	751194	7348885	564	120	355	-60	91	93	2	0.09
BMRC12	751507	7348828	563	150	355	-60	14	17	3	0.07
BMRC13	750639	7348757	567	60	345	-60	20	22	2	0.07
BMRC13	750639	7348757	567	60	345	-60	25	26	1	0.05
BMRC13	750639	7348757	567	60	345	-60	51	52	1	1.14
BMRC13	750639	7348757	567	60	345	-60	52	53	1	2.15
BMRC13	750639	7348757	567	60	345	-60	53	54	1	2.78
BMRC13	750639	7348757	567	60	345	-60	54	55	1	2.78
BMRC13	750639	7348757	567	60	345	-60	55	56	1	0.81
BMRC13	750639	7348757	567	60	345	-60	56	57	1	0.68
BMRC13	750639	7348757	567	60	345	-60	57	58	1	0.33
BMRC13	750639	7348757	567	60	345	-60	58	59	1	0.21
BMRC13	750639	7348757	567	60	345	-60	59	60	1	0.08
BLRC01	752636	7345021	567	172	330	-60	119	121	2	0.06
BLRC01	752638	7345020	567	172	330	-60	137	138	1	0.05

Table 2 Drillhole details of RC at Bulloo Downs with all intersections over 0.05% Cu (500ppm Cu). Co-ordinates are from GPS (GDA94 Datum). BMRC holes are on the Madison Trend and BLRC are on the Lachlan Trend.



Bulloo Downs is considered a premier project with the potential to be a new copper district and contains many mapped deep-seated, structurally controlled potential hydrothermal copper mineralised outcrops. The area is also considered highly prospective for gold, silver, lead and zinc.

The extra leases have been added to the agreement with Atlas Iron Limited (ASX: AGO) ("Atlas"), with Aruma earning up to 100% of the leases and Atlas maintaining its iron ore interests and retaining a 1% royalty. Additional leases are also being negotiated with other leaseholders and Aruma has pegged an ELA (52/3096) in the southern area (Figure 1).

Aruma is now a major landholder in the area and has secured access to additional mineralised structures. The best assays from the new areas have confirmed the widespread mineralisation.

The newer leases contain the extensions of the previously announced structures as well as the additional Mountain Maid, Ned's Gap, Koode Magi and Keep it Dark copper prospects. Sampling at Scotties (previously announced) returned copper values to 42.9%, 1.51 g/t gold and 10.3 g/t silver.

Several anomalous gold results will be resampled in the current program and check assayed by commercial laboratory.

The data from Atlas and Dynasty Resources Limited (Dynasty) (ASX: DMA), is now being collated and augmented with new surveys to give comprehensive magnetics and HyVista maps. New magnetics will help to locate structures under the recent material in the dash outlined areas on Figure 1 with the **M** in the centre. The databases have been placed with a specialist company for restructuring to allow maximum value to be gained from all the data.

Confirmation assays were completed on a representative suite of the Niton portable XRF rock and soil samples at Bulloo. These laboratory assays confirmed the Niton assays with a variance of 15% over some 20 samples. Full results are included in Table 1 below.

Sampling by hand-held XRF and rock chip sampling was completed along the Scotties, Keep It Dark, and Hard To Find prospects on part of the newly acquired tenement holding outside of the original Bulloo Downs lease holding of E52/2024.

On E52/2024, sampling extended the known copper anomalism along the Terry mineralisation to the east, and also to the eastern extension of the Chandra line of mineralisation.

The interference of the laterite surface in depleting the copper assays has been overcome by the associated HyMap response and mappable features. In some locations, the copper with gold and silver (lead and zinc) has been fixed in gossans and not affected by lateritisation.

## **Sampling Notes**

## Scotties E52/2337

Mineralisation occurs as malachite and chrysocolla. The zone of mineralisation is some 200 metres long, identified from historical workings and shallow costeans. Historical rock chip sampling results are shown in the following Table 3. Anomalous XRF results are also shown.



Sampling using an Olympus InnovX XRF produced similar results with anomalous copper up to 16% in a malachite-rich sample AB502. Anomalous lead 985ppm with 273ppm zinc was also detected in ironstone (AB503) away from the main lode with no associated copper anomalism.

Location	Sample ID	Easting	Northing	Cu %	Pb ppm	Zn ppm	Method
Scotties	VRC10001	770759	7338315	42.93	8	4	Assay
Scotties	AB502	770750	7338329	16.35*	1	1	XRF O+
Scotties	AB503	770793	7338332	0.01	985	273	XRF O
Scotties	AB519	770742	7338299	0.45	20	75	XRF O
Keep It Dark	AB552	759075	7326953	0.008	205215*	1	XRF O
Chandra	AB698	758000	7345200	0.14	599	187	XRF O
Chandra	AB695	757926	7345180	0.14	37	120	XRF O
Chandra	AB704	758120	7345244	0.12	957	250	XRF O
Terry's	AB663	755978	7347507	0.06	1195	307	XRF O
Terry's	AB665	755999	7347542	0.12	1	116	XRF O
Terry's	AB668	756031	7347566	0.57	872	590	XRF O
Terry's	AB674	756035	7347565	0.01	1392	366	XRF O
Hard to Find	AB556	728937	7344033	>10*	1	1551	XRF O
Hard to Find	AB557	728952	7344075	0.19	80	90	XRF O

Table 3 Portable XRF Sampling Results (including an assay from Scotties)

NB \* In soil mode assays >10% are unreliable and should be treated as >10%

+ "XRF O" is an Olympus InnovX portable X Ray Fluorescence analyser

#### Keep It Dark E52/2803

XRF samples were taken from a small pit near to the Mindax reported site of Keep It Dark Mineralisation. A best result of 20.5%\* lead was obtained with sample AB552. No anomalous copper, zinc or silver was measured here.

## Chandra E52/2024

Sampling by XRF extended the known anomalous strike of the Chandra zone for another 800m from the previous sampling. The anomalous zone has now been traced and sampled by XRF for a strike length of 5.4km. The zone is hidden to the south-west by recent colluvium. Further sampling on the north-eastern extent is planned.

## Terry's E52/2024

Terry's was extended by 100m to the north-east with sampling by XRF. Better results are shown. Anomalous lead and zinc were also recorded. Terry's anomalous zone has now been sampled for a strike length of 300m and is open to the north east.

## Hard To Find E52/2887

A small zone of copper mineralisation was sampled at the historic Hard To Find workings. The zone of anomalism was identified over a small strike extent of 100m in the Discovery Chert.



## **Current Exploration Program**

Gaining access to a larger landholding with multiple targets has required a major data accumulation and additional geophysics in HyVista and magnetics to be flown. So that the project can be evaluated as a whole, with targets ranked for drilling, the previously proposed drilling will now take place in the December quarter. The areas will again be Heritage cleared for drilling where necessary (with some 15km in first order targets already done), including the east gossan at the east end of Madison and the high values at Scotties. The other prospects will be evaluated and sampled prior to drilling.

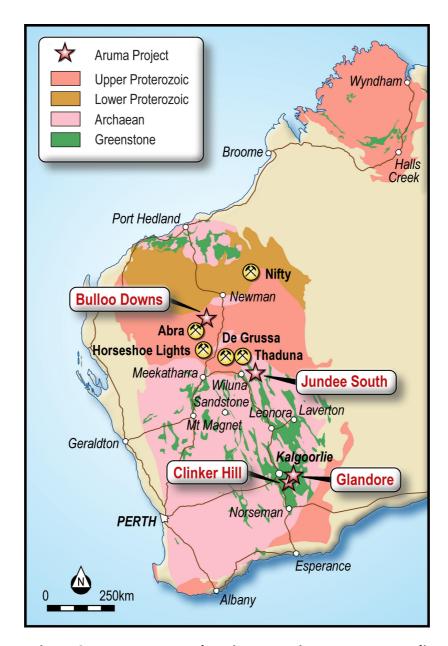


Figure 2 Aruma Exploration Areas in Western Australia



		1	
		•	Glandore Gold Project - 40km east of Kalgoorlie-Boulder
Hub		•	Drill ready awaiting dry Lake
	dore	•	Glandore Project now has no Native Title Claim
SGT	Glandore Hub	•	Clinker Hill Gold Lease - 35 km east of Kalgoorlie-Boulder
LDFIE		•	Status – ready to drill
EASTERN GOLDFIELDS		•	Jundee South Gold Project - 20km south of Jundee Mine
ASTE	jects	•	Status - RC drilling completed with strong mineralisation found
	Pro	•	JV discussion in progress
	Regional Projects	•	Bulloo Downs Copper Project optioned
	R	-	Status – First pass RC drilling hits 4m at 2.2% Copper
		•	Area upgraded to 2000km <sup>2</sup>

Table 4 Aruma Project Status with descriptions and activities

## Glandore

The aircore programme will now take place in August, whilst the HyMap and magnetics are being collected and processed at Bulloo Downs. Some 3000m is programmed to cover the HyMap and Fluid Flow targets on the lake.

Glandore is considered to be both highly prospective for gold as well as highly amenable for the development and exploitation of new deposits. The June quarter's program consisted of the breakthrough meeting with the Native Title group to allow exploration on the previously disputed lake areas. Shortly after this meeting, Aruma were informed that the Native Title Claimants had dropped their claim, negating any need for Heritage Agreements and heritage surveys.

After Aruma was informed that the Central East Native Title group had dropped their claim, the previously disputed leases P25/2215 and P25/2216 were granted after the end of the quarter.

Figures 3 and 4 below show the area to be drilled and the relationships with the lake and the geology, with the targets and drilling being done on the Fluid Flow areas reported in various quarterly, half yearly, and annual reports and also public presentations.



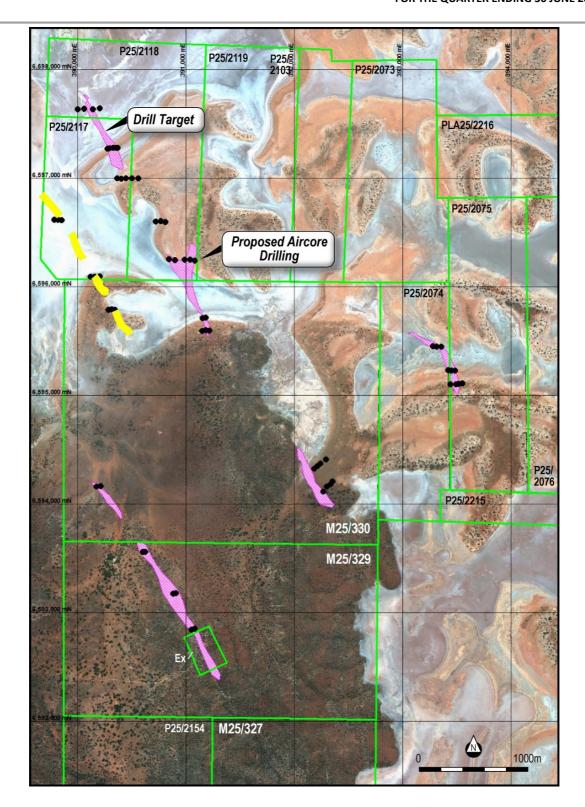


Figure 3 Google ® image with Fluid Flow drilling targets at Glandore.

The pink areas are >1.0g/t Au outlines from previous work and Fluid Flow.

The yellow dashes are the Steves Line trend.



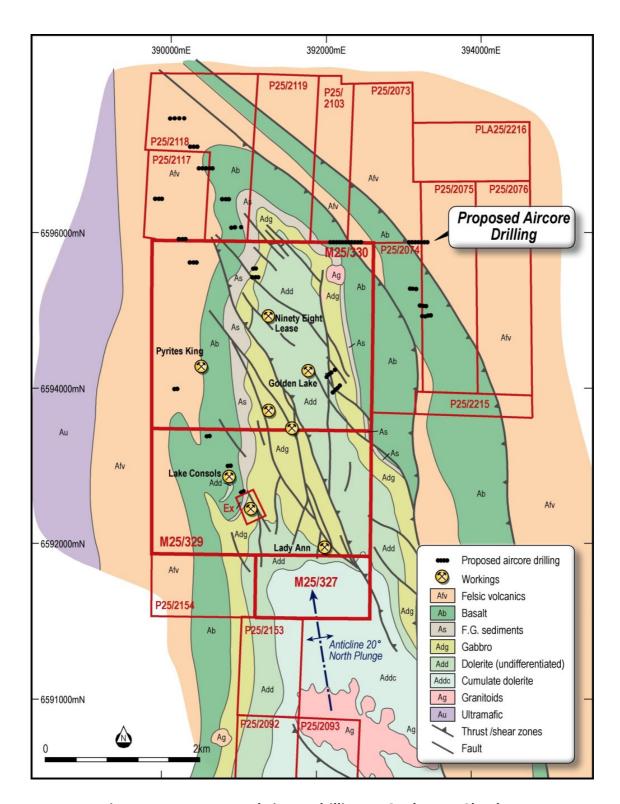


Figure 4 Proposed aircore drilling on Geology at Glandore



## **Clinker Hill**

No work was done in the quarter.

#### **Jundee South**

Discussions are currently underway to JV or sell this project to a major operator in the district

# **Proposed Exploration Activities for Q1 FY2014-15**

Aruma's lease holdings are constantly being appraised and are currently approximately 2300km<sup>2</sup>.

All of Aruma's projects have strong metal indicators and proven high grade potential. The ongoing work comprises:

- **Bulloo Downs Copper Project** rock and soil sampling and mapping planned for July, magnetic and HyMap surveys in August and interpretation for drilling in October
- Glandore PoW approved for a large-scale drill program on Lake Yindarlgooda in August, including drilling six targets defined by Fluid Flow and extension of Steves Prospect trend
- Glandore Hub Clinker Hill quantifying geochem anomalies by drilling
- Jundee South JV discussions

Aruma completed a placement of 20 million shares during April 2014 to raise \$560,000. The Company also received a net R&D refund of approximately \$536,000 during the June quarter. With cash of \$2.49M at 30 June 2014, Aruma is funded for the coming exploration year.

Aruma will also be appraising leases that are becoming available in the Wiluna-Kalgoorlie terrain, especially where adjacent to current projects or with resources or intersections.

In addition to its current projects in Western Australia, Aruma continues to evaluate potential project opportunities.

## For further information please contact:

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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 Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology). Mr Schwann is a full time employee of the Company. Mr Schwann has sufficient relevant experience to qualify as a Competent Person as defined in the JORC Code (2012) and consents to the inclusion of this 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 present have not been materially modified from the original announcements.

#### **SUMMARY OF TENEMENTS**

AUSTRALIA	Interest at beginning of Quarter	Interest at end of Quarter
Glandore (Gold)		
M25/327		
M25/329		
M25/330		
P25/2089		
P25/2090		
P25/2091		
P25/2092		
P25/2093		
P25/2094	100% Aruma Exploration Pty Ltd	
P25/2103	(wholly owned subsidiary of Aruma	100% Aruma Exploration Pty Ltd
P25/2117	Resources Limited)	
P25/2118		
P25/2119		
P25/2153		
P25/2154		
P25/2199		
P25/2202		
P25/2203		
P25/2204		
P25/2073		
P25/2074	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
P25/2075	under transfer from Plasia Pty Ltd	under transfer from Plasia Pty Ltd
P25/2076		
Bulong (Gold)		
E25/469	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd



Clinker Hill (Gold)							
P25/2201	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd					
Bulloo Downs Copper Project							
_	Option to farm-in for up to a 90%	Option to farm-in for up to a 90%					
E52/2024	interest (Dynasty)	interest (Dynasty)					
		Option to earn-in up to a 90% interest					
E52/2283	Nil	(Atlas/Warwick)					
		Option to earn-in up to a 90% interest					
E52/2317	Nil	(Atlas/Warwick)					
FF2 /2227	N. C.	Option to earn-in up to a 90% interest					
E52/2327	Nil	(Atlas/Warwick)					
EE2/2227	Nil	Option to earn-in up to a 90% interest (Atlas/Warwick)					
E52/2337	INII	Option to earn-in up to a 90% interest					
E52/2351	Nil	(Atlas/Warwick)					
202/2001	Option to farm-in for up to a 90%	Option to farm-in for up to a 90%					
E52/2464	interest (Dynasty)	interest (Dynasty)					
·	, , , ,	Option to earn-in up to a 90% interest					
E52/2803	Nil	(Atlas/Warwick)					
	100% Aruma Exploration Pty Ltd.	100% Aruma Exploration Pty Ltd.					
E52/2887	Under application and transfer from	Under application and transfer from					
	Plasia Pty Ltd.	Plasia Pty Ltd.					
E52/3096	Nil	100% Aruma Exploration Pty Ltd					
Jundee South (Gol	ld)						
E53/1461	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd					
Twin Hills							
	Option with LSA Exploration Pty Ltd						
E29/823	relinquished.	Nil					
E29/852	100% Aruma Exploration Pty Ltd	Nil					
Gindalbie (Gold)							
	Option with LSA Exploration Pty Ltd						
E27/397	relinquished.	Nil					
E27/436	100% Aruma Exploration Pty Ltd	Nil					
E27/453	100% Aruma Exploration Pty Ltd	Nil					
E27/462	100% Aruma Exploration Pty Ltd	Nil					
P27/2096	100% Aruma Exploration Pty Ltd	Nil					
P27/2097	100% Aruma Exploration Pty Ltd	Nil					
Kurnalpi South (Gold)							
	Option with LSA Exploration Pty Ltd						
E29/743	relinquished.	Nil					