

31 October 2017

ASX Announcement

ASX : AAJ

Capital Structure

436.8 Shares on Issue
\$6.5m Market Cap

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

Phillip MacLeod

Exploration Manager

Kathryn Cutler

Active Projects

SLATE DAM GOLD
PROJECT

BEOWULF GOLD PROJECT

SHEELA GOLD PROJECT

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QUARTERLY ACTIVITIES STATEMENT

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

HIGHLIGHTS

- **Beowulf Gold Project Acquired**
- **Slate Dam progressing**

Aruma Resources Limited is a West Australian focused gold exploration company, with advanced projects in the Kalgoorlie gold district. Aruma's leases, inclusive of applications cover 760km² of which 30km² are under joint venture (Southern Gold Ltd) with the remainder wholly operated by Aruma.

KALGOORLIE PROJECT UPDATES

The Kalgoorlie Projects will be the focus for the Aruma exploration team in the next three months, with a systematic approach to gold exploration under cover in Greenfields areas with highly prospective geology, Figure 1.

The new Beowulf Gold Project tenements extend the Company's land holding over the highly anomalous geology of the Kalgoorlie Terrane to ~ 760km² (Figure 1). Beowulf also adds to the gold portfolio available to the exploration team to work concurrently with the Slate Dam Gold Project, continuing the Company's systematic approach to gold exploration in Greenfield areas.

BEOWULF GOLD PROJECT

The Beowulf Gold Project comprises four granted Exploration Licences, E28/1900, 1901, 2086 and 2087, and five Exploration Licence applications E31/1165, E28/2706, E28/2707, E28/2713 and E28/2714, located 70km north-east of Kalgoorlie (announced 4 October 2017). The 100% Aruma owned leases cover a major belt (490km²) of Greenfields terrane that is now known to host significant gold deposits.

Geological evaluation of the area established that the granted leases had existing eluvial mining, which has been producing gold for the past decade. These leases now form the central part of the 490km² Beowulf Gold Project.

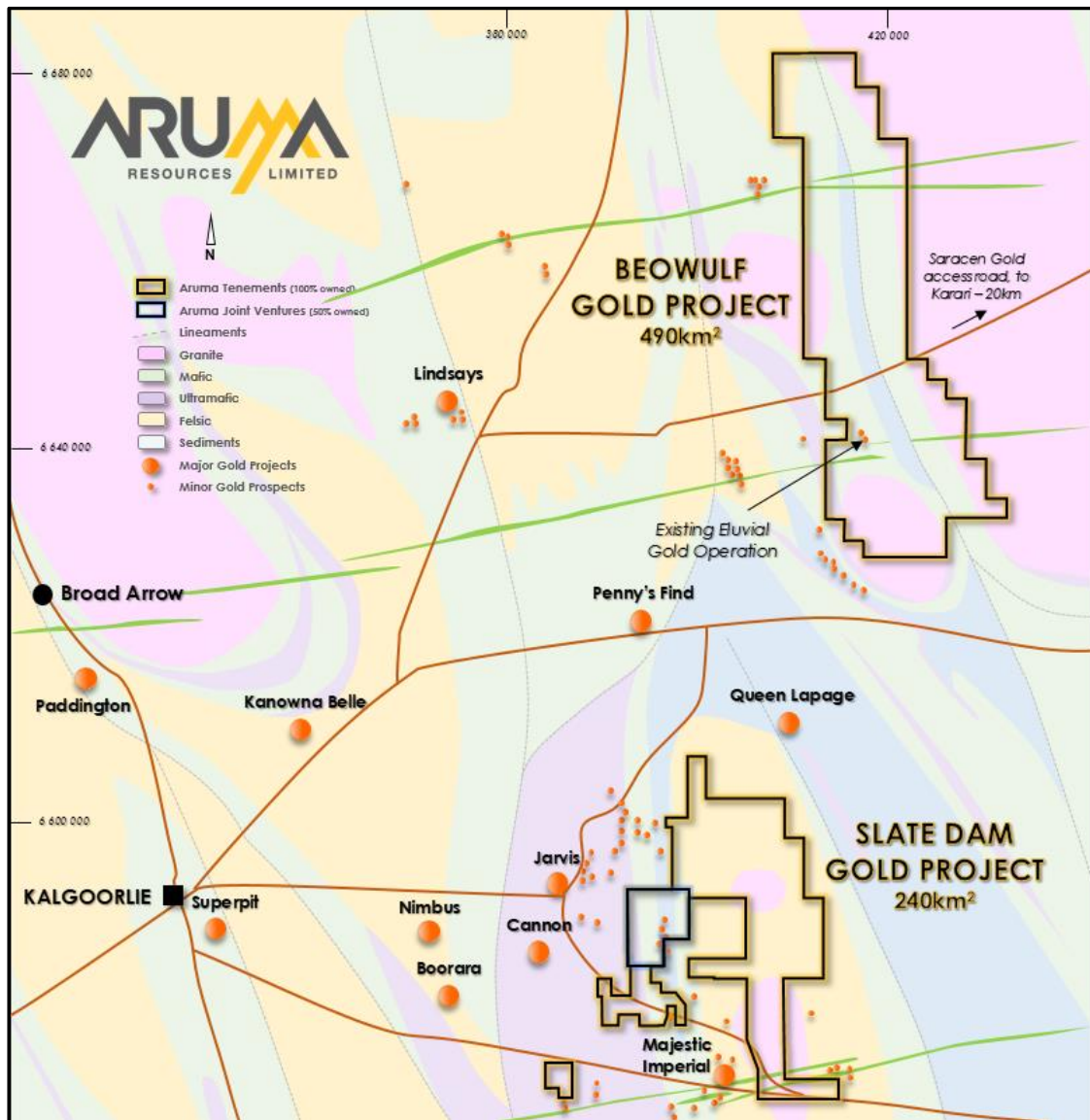


Figure 1 Aruma's Beowulf and Slate Dam Gold Projects of the Kalgoorlie District, with geological interpretation and existing gold mines of the region.

SLATE DAM GOLD PROJECT

The granted Slate Dam, Mulga Dam and Juglah exploration licenses (E25/553, E25/534, E25/556 and E25/558) cover 209km² of felsic sediments to the east of the Glandore Gold Project, held in joint venture with Southern Gold Ltd. The leases were applied for when geological evaluation of the felsic units identified similarities to the style gold modelled in sediments at Gold Fields Ltd.'s large scale Invincible gold projects near Kambalda.

The previously reported 7km² 200ppb gold anomaly of Slate Dam (Figure 2) is indicative of this type of orebody and amply demonstrates this area to be a large gold system. The highly anomalous Slate Dam Project (100% AAJ, 209km²) is expected to have the Section 18 Ministerial Consent issued in mid-November that will allow planned drilling to commence.

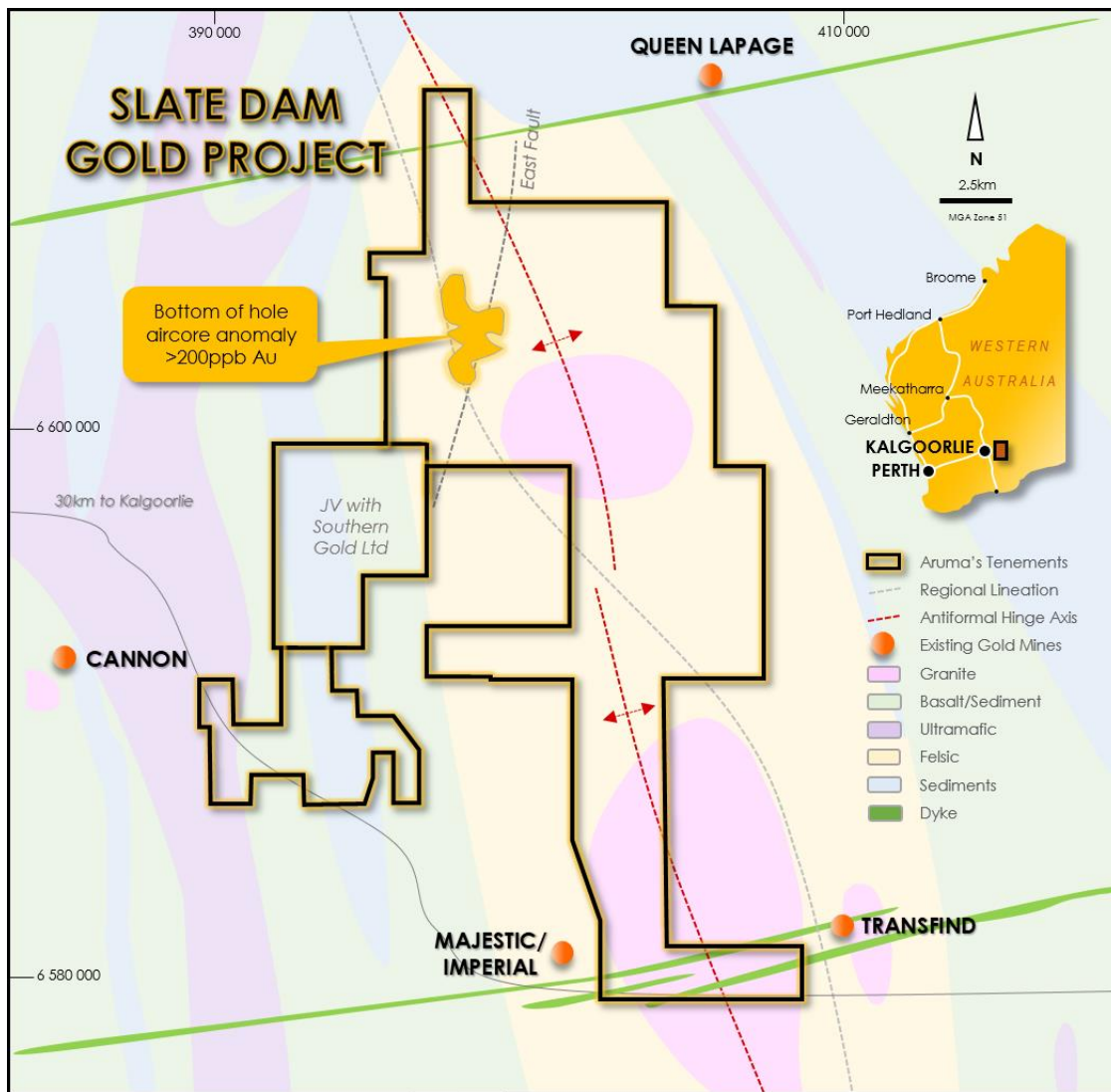


Figure 2. Aruma's Slate Dam Gold Project cover 209km² of highly prospective gold geology of the Kalgoorlie Terrane.

Conceptual targeting, given the geological setting, identified the pressure shadows surrounding the granite domes as likely structural targets. However, the presence of lake sediments and the felsic nature of the host rocks precluded standard soil techniques, and the absence of outcrop has hindered exploration in previous years.

The Company looks forward to progressing these projects with its maiden drill programs for Slate Dam and Beowulf scheduled for the next two Quarters.

CORPORATE

The Company had a cash balance at 30 September 2017 of \$0.89M. Subsequent to the end of the quarter, the Company raised \$770,000 (before costs) in a placement to sophisticated investors with the assistance of Armada Capital & Equities and State One Stockbroking. The funds raised will be used for exploration on the advanced Slate Dam and Beowulf projects.

Projects Summary

Table 1. Project Status and Activity Table

EASTERN GOLDFIELDS	Kalgoorlie Projects	<ul style="list-style-type: none">▪ Glandore Gold Project - JV underway with Southern Gold Limited (SAU) and has completed its 75% earn in the second year
		<ul style="list-style-type: none">▪ Slate Dam - 209km² ELs over anomalous areas▪ 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

Proposed Exploration Activities for Q2 FY2018

- **Glandore** – JV continues and stage three is underway
- **Slate Dam:**
 - Awaiting Section 18 approval
 - RC drilling scheduled
- **Beowulf:**
 - RC drilling planned for purchased area
 - Soil sampling program planned
- **Clinker Hill:**
 - Soil sampling program planned

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.

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 to 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.

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	100%	75%
P25/2103	Southern Gold Limited JV	Southern Gold Limited JV
P25/2117	Southern Gold can earn up to 90%	Southern Gold can earn up to 90%
P25/2118		
P25/2119		
P25/2154		
P25/2215		
P25/2216		

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	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
P25/2203		
P25/2204		
P25/2388		
P25/2400		
P25/2401		
P25/2402		
P25/2389	Under application by Aruma Exploration Pty Ltd	Under application by Aruma Exploration Pty Ltd

Slate Dam	Interest at beginning of Quarter	Interest at end of Quarter
E25/553 E25/534	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
E25/556 E25/558	Under application by Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

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

Beowulf	Interest at beginning of Quarter	Interest at end of Quarter
E28/1900 E28/1901 E28/2086 E28/2087	Nil	100% Aruma Exploration Pty Ltd Purchased on 2 nd October 2017
E28/2706 E28/2707 E28/2713 E28/2714 E31/1165	Nil	Under application by Aruma Exploration Pty Ltd

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

Hickman's Find	Interest at beginning of Quarter	Interest at end of Quarter
P25/2426 P25/2427 P25/2428	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 Pty Ltd	Under application by Aruma Exploration Pty Ltd



Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2017.