

18 April 2018

ASX Announcement

DRILLING UNDERWAY AT SLATE DAM GOLD PROJECT

HIGHLIGHTS

- **2nd Phase Drilling Program underway at Slate Dam - 9 RC holes for ~1,000m completed to date**
- **Program designed to expand the gold mineralised system discovered in 1st Phase drilling program at Slate Dam**
- **Program includes:**
 - **12 holes to test grade and dimensions of mineralised zones**
 - **8 holes to seek repetitions of mineralised shales to the east**
 - **6 holes will test the 440ppb gold soil anomaly to the north**
- **Alteration and structure with stratigraphy visible in drill chips from the current program, with fine grained pyrites evident in shales**
- **First assays sent for laboratory analysis – drilling to be completed by end of month**
- **Stratigraphic drilling program then to commence at nearby Beowulf Gold Project**
- **Slate Dam further expanded by acquisition of Exploration Licence in southern area of Project**

Aruma Resources Limited (ASX: AAJ) is pleased to announce that the second phase of drilling at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia has commenced and is now well underway.

Drilling at Slate Dam commenced Wednesday the 11th of April, and the program has made strong progress.

To date, Aruma has completed nine holes for a total of approximately 1,000 metres of Reverse Circulation (RC) drilling, out of a planned program of up to 30 holes for approximately 4,000 metres (with planned drilling depths up to 200 metres).

The Company advises that in line with its sediment-hosted gold model at the Slate Dam Project, alteration and structure with stratigraphy are visible in drill chips from the current program, with fine grained pyrites evident in shales.

The first assays from completed holes have been sent for laboratory analysis. Results from the drilling at Slate Dam and Beowulf will be reported when they are all received and interpreted.

ASX: AAJ

Capital Structure

515M Shares on Issue

16M Options on issue

Cash \$1.4M

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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This phase of drilling at Slate Dam is also expected to be completed by the end of the month. A stratigraphic program will then commence at the nearby Beowulf Gold Project.

About the Slate Dam Drilling Program

The second phase of drilling at Slate Dam is designed to follow up from the Company's successful maiden drilling program completed in February (ASX announcements, 1 February and 21 February 2018), which resulted in the discovery of a significant new gold system at Slate Dam.

The current drill program includes;

- Completed holes to date are red stars in Figure 1
- Extensional holes (blue stars in Figure 1) which will follow up the 20 metre thick trend identified in Aruma's maiden drill program;
- Repetition holes (green stars in Figure 1) with the aim of discovering stratigraphic repetitions of the gold mineralised system to the east; and
- Drilling will also target the recently discovered major, 440ppb gold anomaly, located to the north of the Company's previous drilling at Slate Dam (ASX announcement, 15 February 2018).

Drilling will seek to extend the dip and strike potential of the major gold shoots identified in the first phase of drilling, and also define higher grade lodes within these shoots (refer Figure 1 for planned drill hole locations).

Background to Slate Dam Project

Aruma's first phase of drilling at Slate Dam resulted in the definition of two major, tabular 20 metre thick shoots dipping 30 degrees to the west, which host mineralised sediments grading >1g/t Au. These shoots are offset by the East Fault, and both currently extend for approximately 700 metres either side of the East Fault and remain open in all directions.

The results of the first phase drilling are significant and have confirmed Aruma's sediment-hosted gold exploration model for Slate Dam. The addition of historic drill results from the Project has further strengthened this model. The intersections and the outcrop assay demonstrate that the shoots will likely be close to surface. This may impact on the testing methods and result in reduced drilling costs in order to delineate significant deposits at the Slate Dam Project.

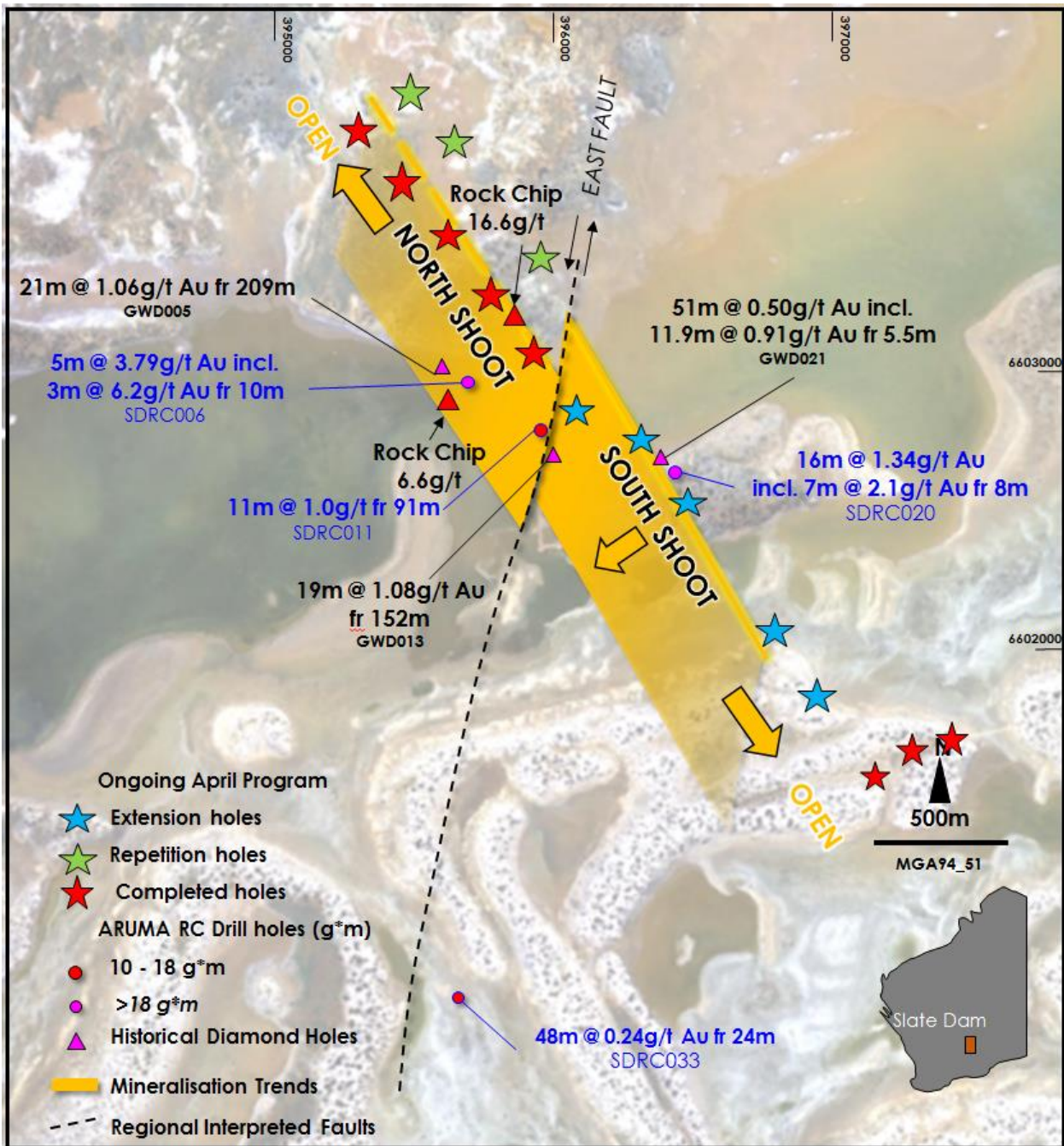


Figure 1. Overview of current drill holes at Slate Dam - the extension drill hole locations may include two or more holes with the currently completed holes in red.

Slate Dam Project Area Expanded

Aruma is also pleased to advise that it has further expanded the Slate Dam project area with the strategic acquisition of Exploration Licence (EL) E25/526, in the southern region of the Project.

The new EL comprises six blocks and covers an area of 19km² (See Figure 2). The EL hosts the historic Transville (and Mt Juglah) gold mines, which are reported to have historically produced 970 tonnes of gold ore at 26.7g/t gold for 25.76 kg (1923–1927 (Minedex records 17655 and 17564). The old shafts at Transville are shown Plate 1 below.

The EL was acquired from Rare Earth Contracting Pty Ltd for total consideration of \$20,000 and 2 million Aruma shares.

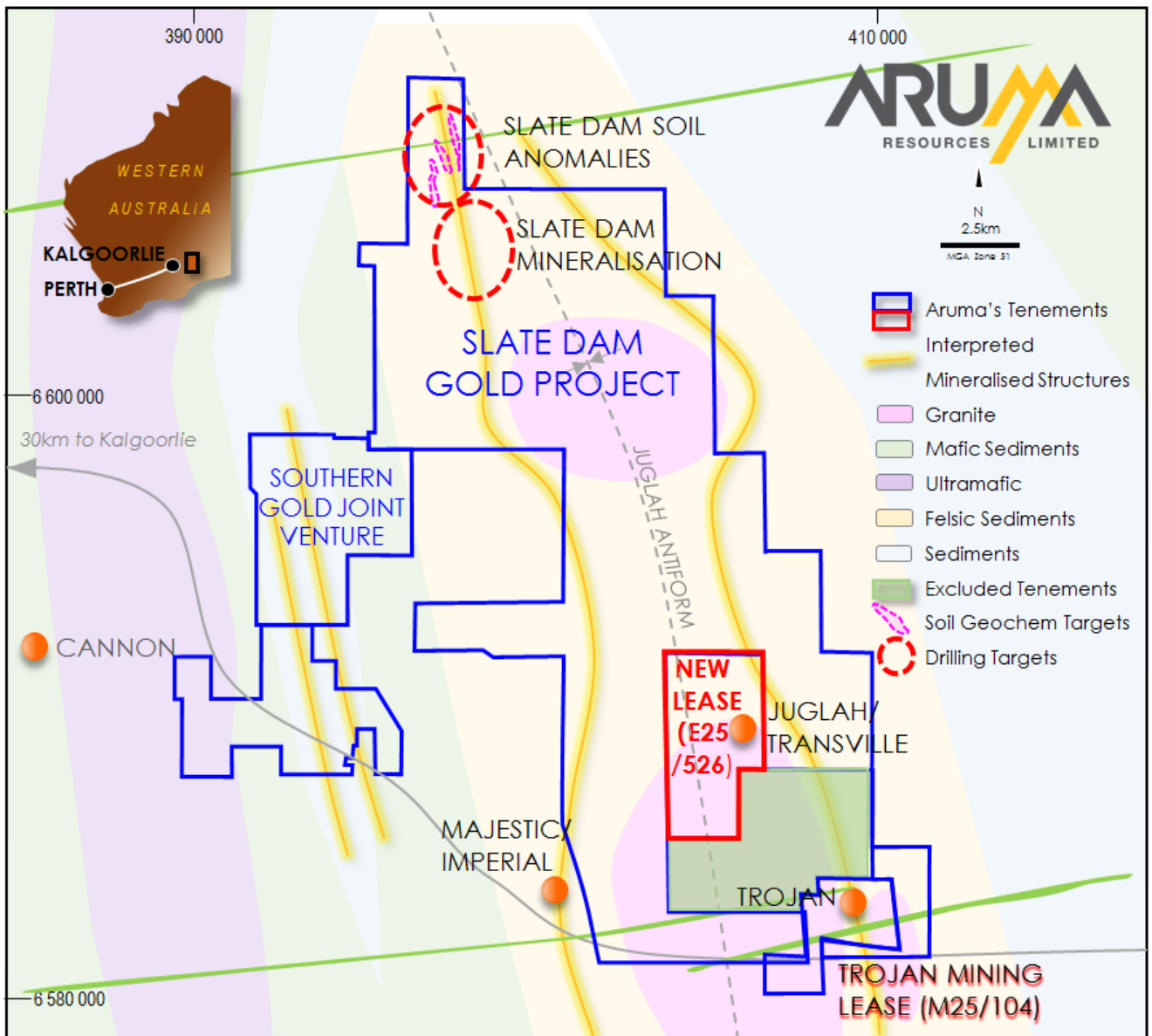


Figure 2. Slate Dam Project areas with new lease E25/526 in red and drilling targets at the north end of the project.

The Slate Dam Project now covers some 330km² of very prospective sediments situated on granite centres. The leases are mostly granted and cover a strategic 330km² situated only 40 to 60km from Kalgoorlie. These leases contain over 60km of strike of the prospective beds that host Trojan and Majestic Imperial as shown above.

Aruma's exploration program has been designed to locate the mineralisation centres that will exist along these trends and potentially host several major centres capable of supporting mining operations



Plate 1. These are the old shafts at the Transville Mine on E25/526 that produced some 1,000 tonnes at nearly 1 ounce per tonne in the 1920s.

ENDS

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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.

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.

