

9 May 2018

ASX Announcement

SECOND PHASE DRILLING COMPLETED AT SLATE DAM GOLD PROJECT

HIGHLIGHTS

- **Second Phase drilling program at the Slate Dam Gold Project completed**
- **Program consisted of;**
 - **23 RC holes for 2,900m**
 - **10 holes to test grade and dimensions of current zones**
 - **10 holes seeking repetitions of mineralised shales to the East**
 - **3 holes to test the 440ppb soil anomaly to the north**
 - **Sulphides present in last hole drilled on soil anomaly**
- **All samples sent for laboratory analysis – results due this month**
- **The third phase of RC drilling will consist approximately 2,100m**
- **Drilling at Slate Dam designed to test the gold mineralisation system discovered in Aruma's 1st Phase drilling at the Project**

Aruma Resources Limited (ASX: AAJ) is pleased to announce the completion of the 2nd phase of drilling at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia.

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

The Company has completed 23 reverse circulation (RC) drill holes for a total of 2,900 metres in the latest phase of drilling, comprising;

- 10 extensional holes design to test the grade and dimensions of the 20 metre thick trend identified in the maiden drill program;
- 10 repetition holes designed to test stratigraphic repetitions of the gold mineralised system to the east; and
- 3 holes targeting the priority 440ppb gold anomaly, situated north of Aruma's previous drilling at Slate Dam (ASX announcement, 15 February, 2018). The holes showed deep oxidation and weathering to some 50m as well as abundant sulphides in the last hole.

ASX: AAJ

Capital Structure

513M Shares on Issue

16M Options on issue

Cash \$1.5M

Board of Directors

Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Director

Mark Elliott

Company Secretary

Phillip MacLeod

Active Gold Projects

SLATE DAM PROJECT

BEOWULF PROJECT

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The drilling sought to test the dip and strike potential of the major gold shoots identified in the first phase of drilling, (refer Figure 1 for Phase 2 drill hole locations). All samples have been submitted for laboratory analysis and results are expected in the current month.

The results of this phase of drilling will be utilised, in conjunction with Aruma's ongoing exploration activities, to define drill targets for the next phase of drilling. This is planned to be an RC program of at least 2,100 metres, scheduled to commence after results are evaluated.

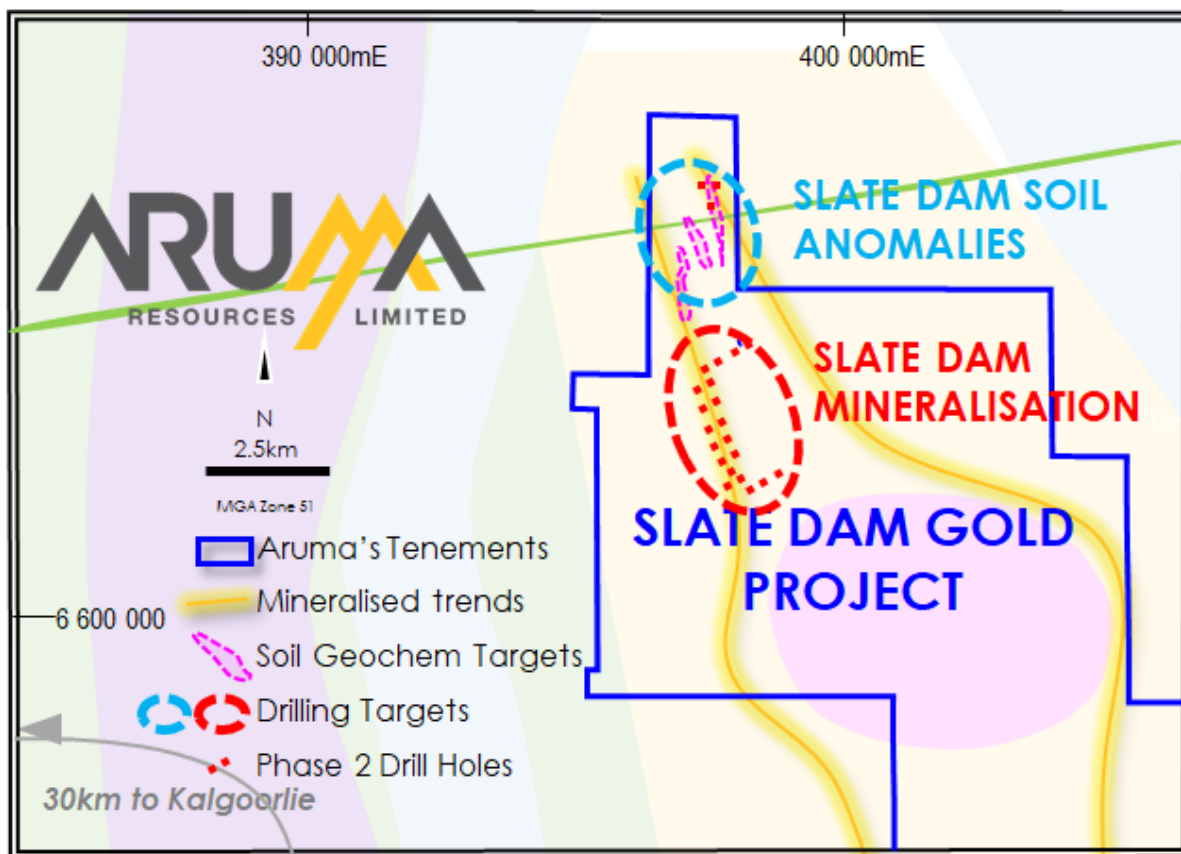


Figure 1. Overview of Slate Dam with Phase 2 drill holes.

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 have confirmed Aruma's sediment-hosted gold exploration model for Slate Dam. The addition of historic drill results from the Project has strengthened the Company's geological model. The intersections and the outcrop assays demonstrate that the shoots will likely be close to surface.

The data base from the newly acquired Trojan and Transville leases are being assembled and will be used to help select priority targets over the total lease area. The Trojan Project was open pit mined in the early 2000s with approximately 2Mt mined from the Trojan open pit at a grade of 1.97 g/t gold for production of ~125,000oz of gold. The Transville Project was mined underground at 26g/t gold and the trend and grade have similarities to a quartz vein style of mineralization.

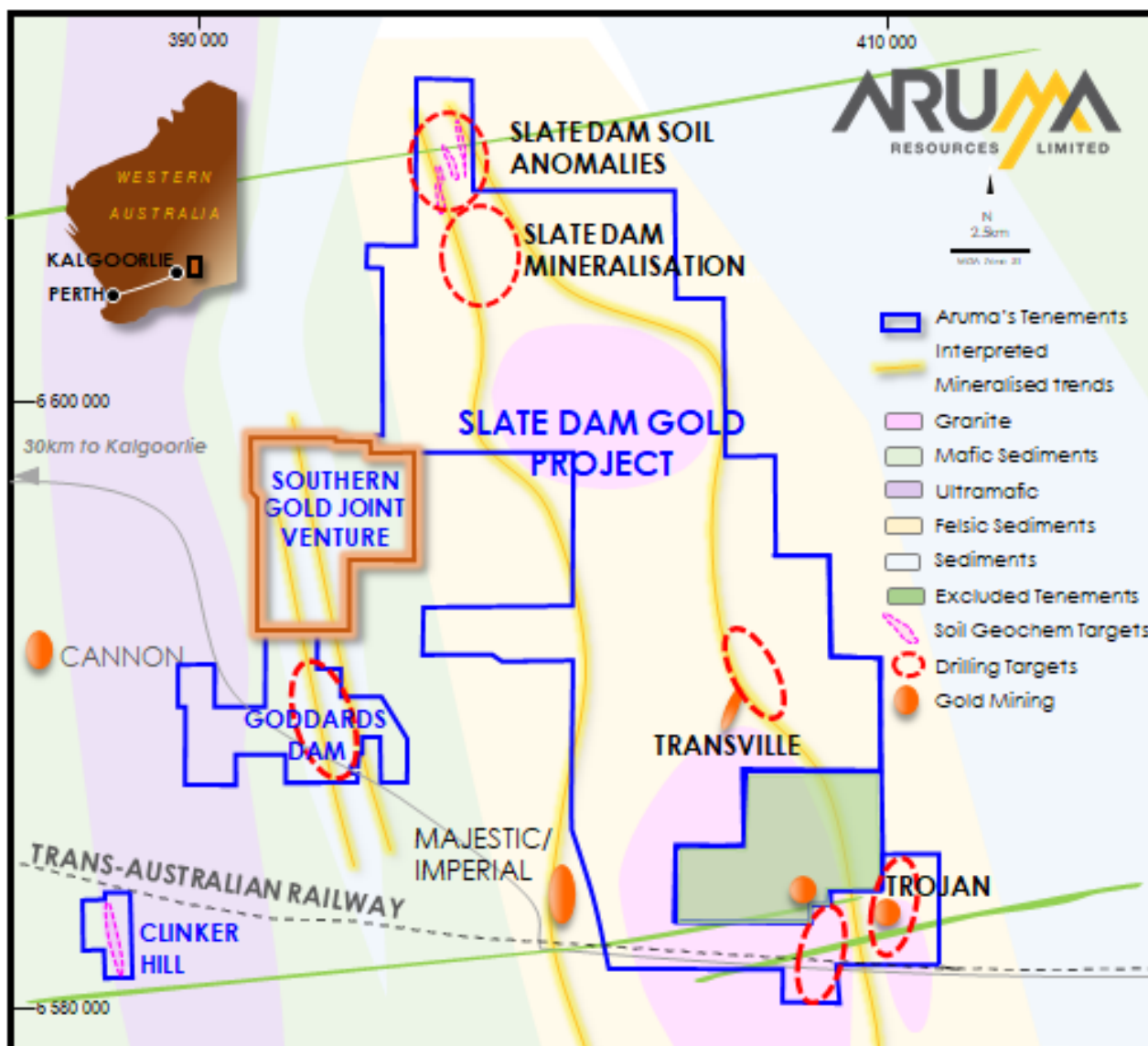


Figure 2 The current anomalies identified at Slate Dam Project

Beowulf Gold Project

Aruma is also pleased to advise that the large majority of tenements on the nearby Beowulf Gold Project have now been granted - 372km² of the total 480km² Project area - and a soil geochemistry survey is underway. This method was used with success at Slate Dam and other leases to identify this type of mineralisation. To date, 900 samples have been submitted in the soil sampling program and the results will be used to help define targets for drilling. Site preparation for drilling is also underway and drilling is planned to commence in the September quarter.

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 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.

