

30 October 2018
ASX Announcement

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 SEPTEMBER 2018

HIGHLIGHTS

- Slate Dam Phase 3 drill program completed
- Kopai Project leases (Mungari) fully granted
- Data base construction underway

Aruma Resources Limited has several advanced Gold projects in the Kalgoorlie Region which cover over 780km² of which 760km² are wholly operated by Aruma.

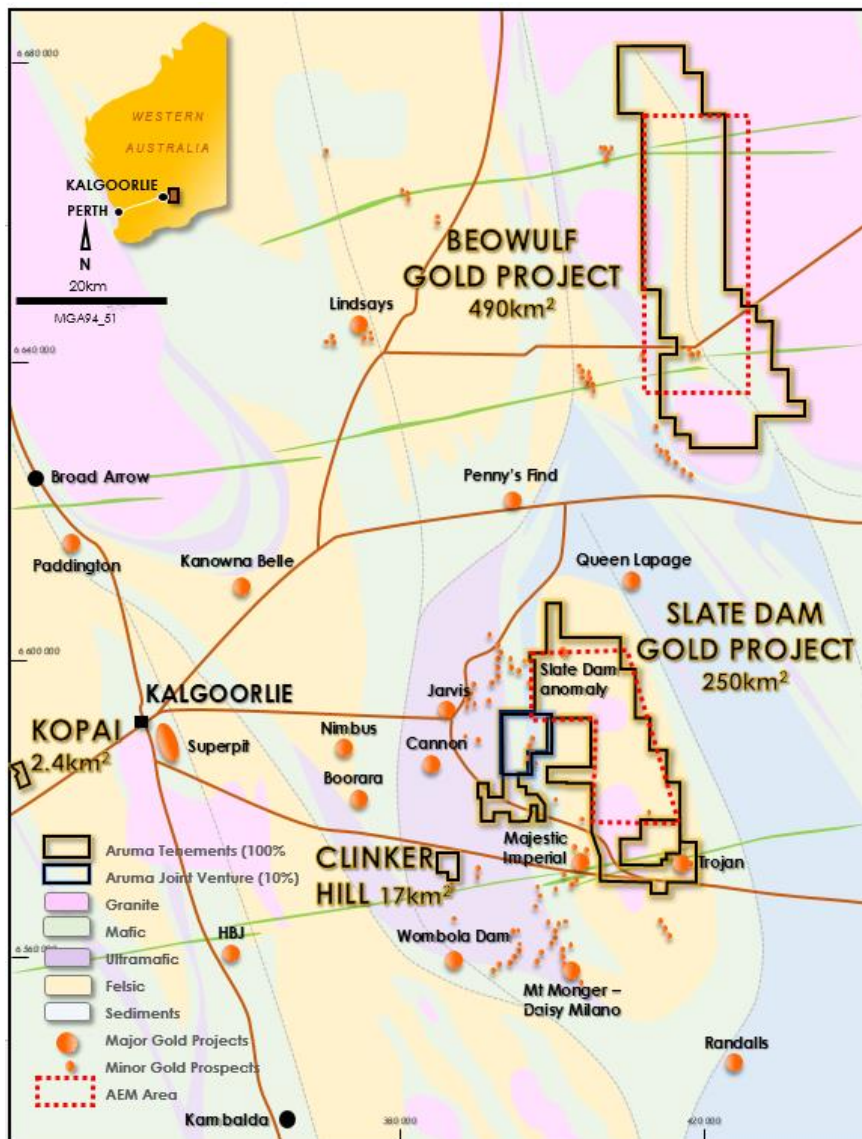


Figure 1: Aruma's Gold Projects of the Kalgoorlie District, with geology, existing gold mines and prospects

ASX: AAJ

Capital Structure

523M Shares on Issue

12M Options on issue

Cash \$0.7M

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

KOPAI PROJECT

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KALGOORLIE PROJECTS

The Company advanced the 100% owned Slate Dam project during the quarter, by completing an RC program totaling 2,088m in 19 holes which identified several new mineralised shoots at Slate Dam.

Beowulf (100% AAJ) covers 490km² over the west limb of the stratigraphy that host Saracen Mineral Holdings Limited's Carosue Project. Beowulf has proven gold endowment from gold mining carried out on several leases purchased last year towards the center of the project.

The second lease at the Kopai Gold project, 20km west of Kalgoorlie, was granted in the quarter and is considered very prospective and fits the sedimentary hosted gold model very well. Directly along strike of Evolution Mining Limited's Mungari operation (2.6Moz. resource) and situated on the Strzelecki Shear, this project will be evaluated in the near term with a short initial drilling program.

SLATE DAM GOLD PROJECT

The Slate Dam Project comprises exploration licenses E25/526, E25/534, E25/553, E25/556, E25/558 and ELA25/571 together with mining lease M25/104 and prospecting licence P25/2333 covering some 250km² of Black Flag Group felsic sediments strategically located only 50km east of Kalgoorlie.

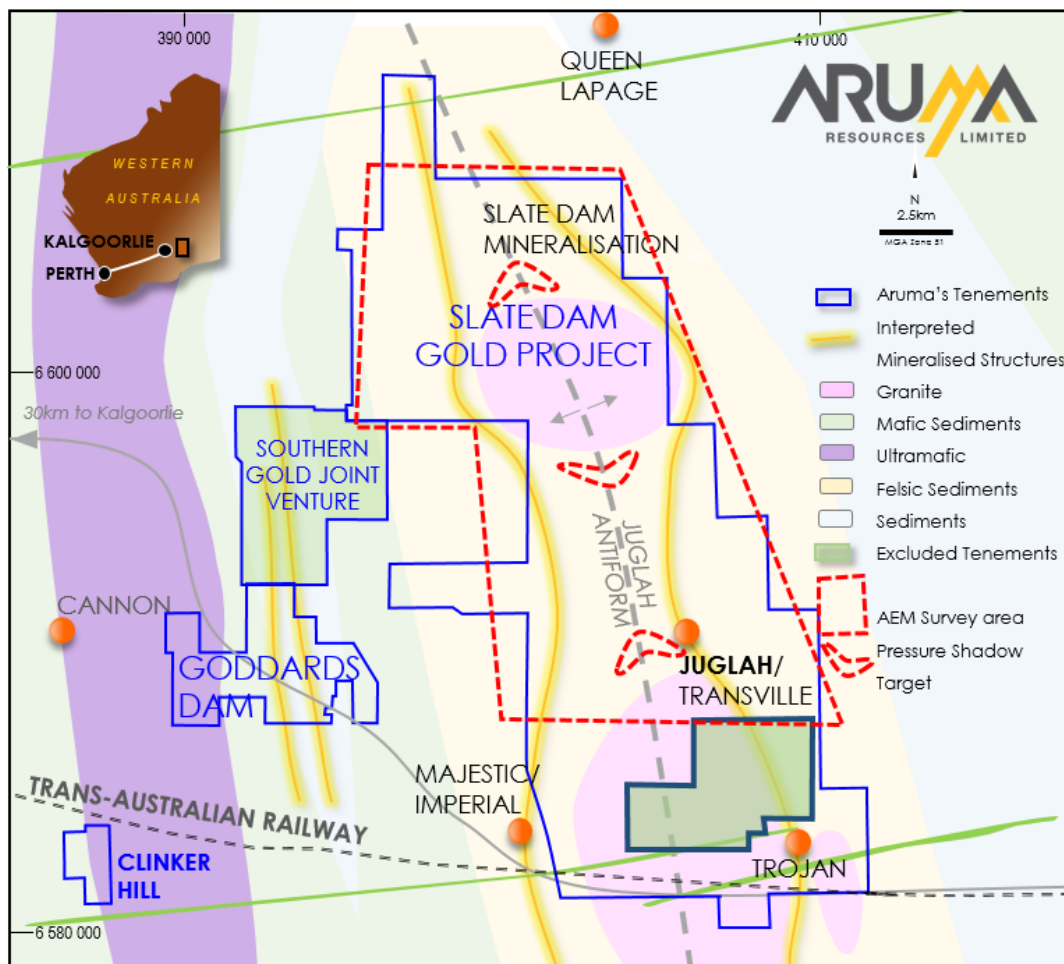


Figure 2: The Slate Dam Gold Project area with the target areas defined and planned AEM area outlined

Drilling Programs

Assays for the final nineteen holes for 2,088m (holes SDRC80 to 98) of the 3,748m Phase 3 program (which was completed in August 2018) have now been finalised.

The assays from the Phase 3 program have continued to deliver results consistent with the model in the Slate Dam anomaly area in the northern part of the Project and have further strengthened the Company's geological model for the Slate Dam Project to host significant sediment-hosted gold deposits. Best results are as follows;

- **6m @ 1.06g/t Au** from 91m in hole SDRC80
- **5m @ 1.25g/t Au** from 110m in hole SDRC91
- **5m @ 1.24g/t Au** from 88m in hole SDRC98; and
- **6m @ 2.43g/t Au** from 15m; within a broader zone of
- **15m @ 1.1g/t Au** from 6m in hole SDRC68 (previously reported ASX announcement, 6 July 2018).

Observations from Phase 3 drilling results

Drilling has intersected widespread gold mineralisation, with fifteen out of the nineteen holes drilled having intersected anomalous gold (>0.1g/t Au).

Aruma has completed 98 reverse circulation (RC) drill holes in three phases of drilling for 10,500m over the past nine months, and 63 out of the 98 holes have intersected anomalous gold mineralisation.

The thick and multiple highly anomalous zones previously reported repeat the trend established in previous drilling. These will be interpreted in the new database under construction. The data will include all data from Trojan and Juglah as well.

SLATE DAM >1g/t INTERSECTIONS										
Hole ID	Easting	Northing	RL	Dip	Azi	Hole Depth	From	To	Interval (m)	Average Au (g/t)
SDRC80	396297	6602451	340	-60	60	120	91	97	6	1.06
SDRC82	396338	6602490	340	-60	60	120	26	27	1	1.35
SDRC82	396338	6602490	340	-60	60	120	49	50	1	1.13
SDRC83	396554	6602726	340	-60	60	120	71	72	1	1.28
SDRC85	396610	6602705	340	-60	60	120	24	25	1	1.30
SDRC85	396610	6602705	340	-60	60	120	40	41	1	1.57
SDRC86	396586	6602692	340	-60	60	120	15	16	1	1.12
SDRC86	396586	6602692	340	-60	60	120	99	101	2	1.05
SDRC91	395871	6602739	340	-60	60	126	110	115	5	1.25
SDRC98	395875	6603074	340	-60	60	120	64	67	3	1.09
SDRC98	395875	6603074	340	-60	60	120	88	93	5	1.24
SDRC98	395875	6603074	340	-60	60	120	117	119	2	1.32

Table 1: Phase 3 significant results (Au > 1.0 g/t) with all measurements down hole.

REGIONAL EXPLORATION

Construction of a data base over the whole of the Slate Dam Project has been contracted to Maxwell GeoServices who are combining the Aruma data with information from Westgold for the Trojan prospect. This will allow the data to be evaluated over the entirety of the leases and full 3D modelling to define trends and data gaps.

A complete review of the projects by experienced geoscientists from Terra Resources will evaluate the planned Airborne Electro-magnetic (AEM) survey with existing magnetics and radiometrics data. This will look for conductors (black shales) and explore the non-conductors in the same stratigraphy with structures conducive to mineralisation.

BEOWULF GOLD PROJECT

The area will be surveyed in the December quarter using the AEM system proposed at Slate Dam.

KOPAI GOLD PROJECT

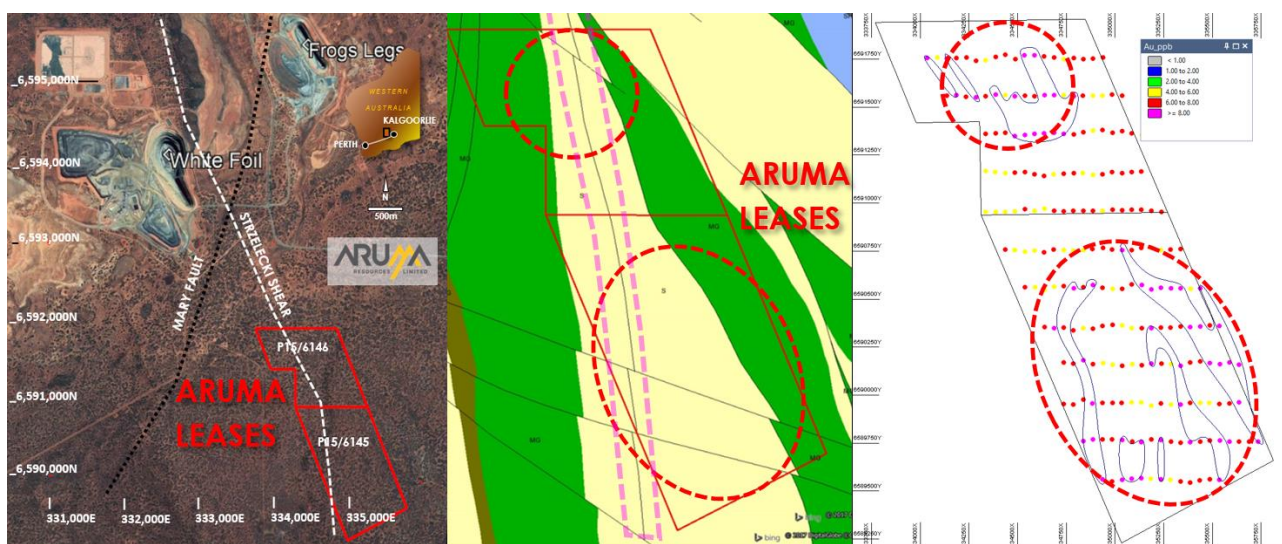


Figure 3: The Kopai leases with geology and gold geochemistry showing the Strzelecki shear and the proximity to the Frogs Legs and White Foil mines.

The Kopai Gold Project is located 20km west of Kalgoorlie on the structure that hosts the rich Kundana and Mungari projects. The structural and geochemical targets will be investigated by a short drilling program planned for December after the PoW is approved. The definition of the anomaly and structure fits very well with Aruma's sedimentary hosted gold model.

CORPORATE

Cash balance

The Company had a cash and term deposits balance at 30 September 2018 of ~\$0.7 million. The R&D tax incentive rebate of ~\$0.5 million was received in October 2018.

Issue of shares

During the quarter Aruma issued 8 million shares, 6 million as part consideration for drilling costs incurred and 2 million in payment of an establishment fee for the Company's controlled placement agreement facility.

Projects Summary

Table 2. Gold Project Status and Activity Table

EASTERN GOLDFIELDS	Kalgoorlie Projects	<ul style="list-style-type: none"> ▪ Glandore Gold Project - JV continuing with Southern Gold Limited (SAU) to earn 90% in the third year
		<ul style="list-style-type: none"> ▪ Slate Dam - 250km² 8 leases over prospective stratigraphy ▪ Beowulf- 9 leases for 490km² on prime stratigraphy ▪ Goddards Dam - Several leases expired in the quarter ▪ Clinker Hill - E25/568 has amalgamated P25/2201 and 2219 ▪ Kopai – Two PLs granted along strike of Mungari

Proposed Exploration Activities for Q2 FY2018-2019

- **Glandore** – JV continues with SAU and stage three is underway to 90%
- **Slate Dam:**
 - Section 18 approvals over full project submitted to ACMC and underway
 - AEM survey to be completed
 - Database construction by Maxwell GeoServices
- **Beowulf:**
 - AEM survey to be completed
 - Soil sampling to be done over selected areas
- **Clinker Hill:**
 - Lease amalgamation completed and soil survey extended
- **Kopai:**
 - RC drilling planned on shale and contact targets under cover
- **Mt Deans Lithium:**
 - Submission to DBCA on Timber Reserve to allow granting of lease

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. 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. The information in this report that relates to Mineral Resources at the Trojan Gold Project is based on information prepared by Metals X Limited as announced to the ASX on 18 August 2016 in its 2016 Annual Update of Mineral Resource and Ore Reserves.

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.

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

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	100% Aruma Exploration Pty Ltd	Expired - Nil
P25/2153 P25/2202 P25/2203 P25/2204 P25/2388 P25/2400 P25/2401 P25/2402 P25/2389	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Slate Dam	Interest at beginning of Quarter	Interest at end of Quarter
E25/553 E25/534 E25/556 E25/558 P25/523 M25/104 E25/526 P25/2333	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
E25/571	Under application by Aruma Exploration Pty Ltd	Under application by Aruma Exploration Pty Ltd

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

Beowulf	Interest at beginning of Quarter	Interest at end of Quarter
E28/1900 E28/1901 E28/2086 E28/2087 E28/2706 E28/2707 E28/2713 E28/2714 E31/1165	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Kopai	Interest at beginning of Quarter	Interest at end of Quarter
P15/6145	100% Aruma Exploration Pty Ltd	
P15/6146	Under application by Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Mt. Deans	Interest at beginning of Quarter	Interest at end of Quarter
P63/2063	Under application by Aruma Exploration	Under application by Aruma Exploration Pty Ltd