

26 April 2019
ASX Announcement

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2019

HIGHLIGHTS

- Slate Dam and Beowulf AEM show strong anomalies
- Beowulf soil sampling completed
- Kopai Project clearing completed ready to drill
- Placement and Share Purchase Plan undertaken

KALGOORLIE PROJECTS

The Company continued to advance its 100% owned Kalgoorlie gold projects during the quarter by completing an interpretation of the Airborne Electro Magnetic (AEM) program totaling 411km² over the Beowulf and Slate Dam project areas and preparing the Kopai Gold Project for a short initial drilling program.

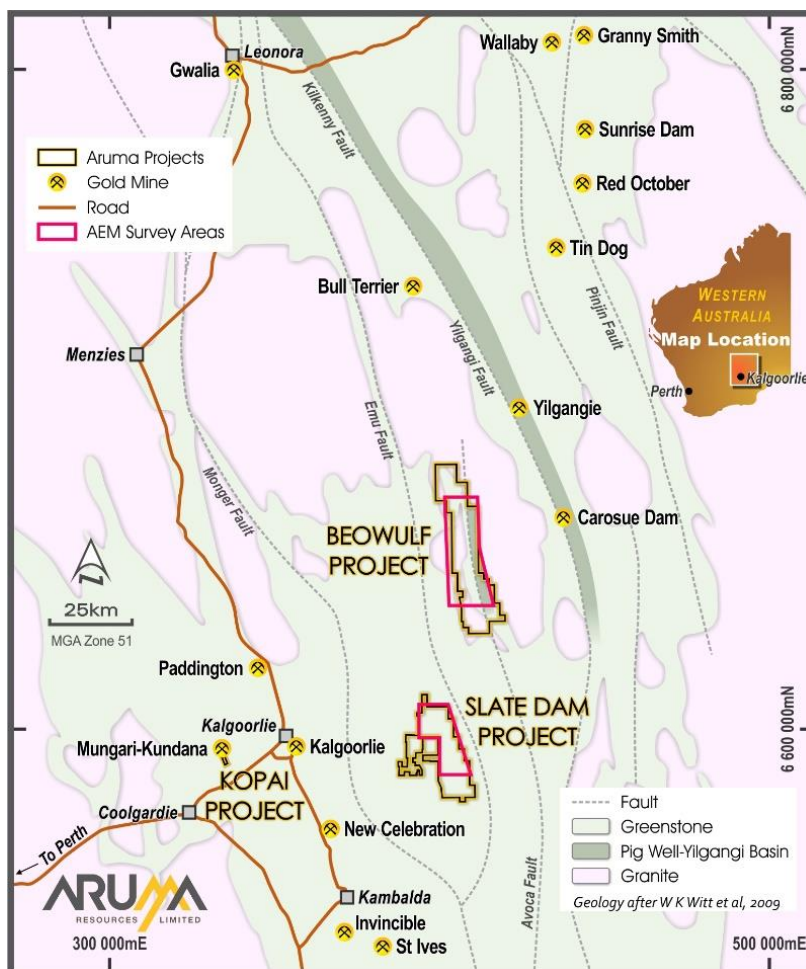


Figure 1 Regional Geological plan of the Aruma leases with the AEM survey areas shown in red

ASX: AAJ

Capital Structure
621M Shares on Issue
12M Options on issue

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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REGIONAL EXPLORATION

Aruma has now completed a full interpretation of the AEM Survey at both Projects, which has produced exceptional results, with multiple high-potential anomalies ranked according to the AEM intensity and geochemical response with the structure along with stratigraphy from magnetics and gravity data.

AIRBORNE ELECTROMAGNETIC SURVEY

Processing and interpretation of the survey totaling 411km² of airborne electromagnetic (AEM/Xcite) and magnetic data has recently been completed with the objective of defining EM conductors potentially representing semi-massive to massive sulphides associated with gold mineralisation. The AEM survey targeted areas with high prospectivity for stratabound (Invincible-type) and pressure shadow (Kanowna Belle-type) sediment-hosted gold targets - which are both sulphide rich.



Figure 2 **AEM Survey Helicopter in action**

Details of the AEM Surveys

- Employed the high resolution Xcite time domain, helicopter borne EM system from NRG New Resolution Geophysics Australia (Fig. 2).
- The survey covered 1,944 line km with a line spacing of 200m and east west orientation, with a total area of 411km².
- Average EM loop terrain clearance was 33m.
- Interpretation and targeting undertaken by independent geophysical consultants Terra Resources of Perth in conjunction with Aruma personnel.
- Fifteen (15) very high and high class AEM targets have been identified for follow up work.

Results of the AEM Surveys

The AEM survey identified 27 targets (12 at Slate Dam and 15 at Beowulf) considered to potentially represent sulphides associated with gold mineralisation (Table 1).

Targets	Class	Slate Dam	Beowulf
7	very high	4	3
8	high	4	4
3	medium-high	1	2
2	medium	1	1
7	low	2	5
27		12	15

Table 1 Target Distributions

Targets were ranked using EM conductors, alteration, structure, stratigraphy and intrusive relationships along with new gold geochemistry (Tables 2 and 3).

This process involved using data from the high resolution AEM survey, new magnetics as well as the new geochemistry at Beowulf, and regional databases at Slate Dam. In addition, public domain gravity was used to confirm the stratigraphy.

DISCUSSION OF RESULTS

Slate Dam

The AEM survey at Slate Dam outlined several targets as well as multiple magnetic highs that will be further investigated. The conductive lake cover did interfere with the results of the AEM in the central part of the survey, but the area of the original Slate Dam gold anomaly was highlighted. The ranked targets T8 and T9 are on structures linked to the high grade Kanowna Belle-style Juglah mine.

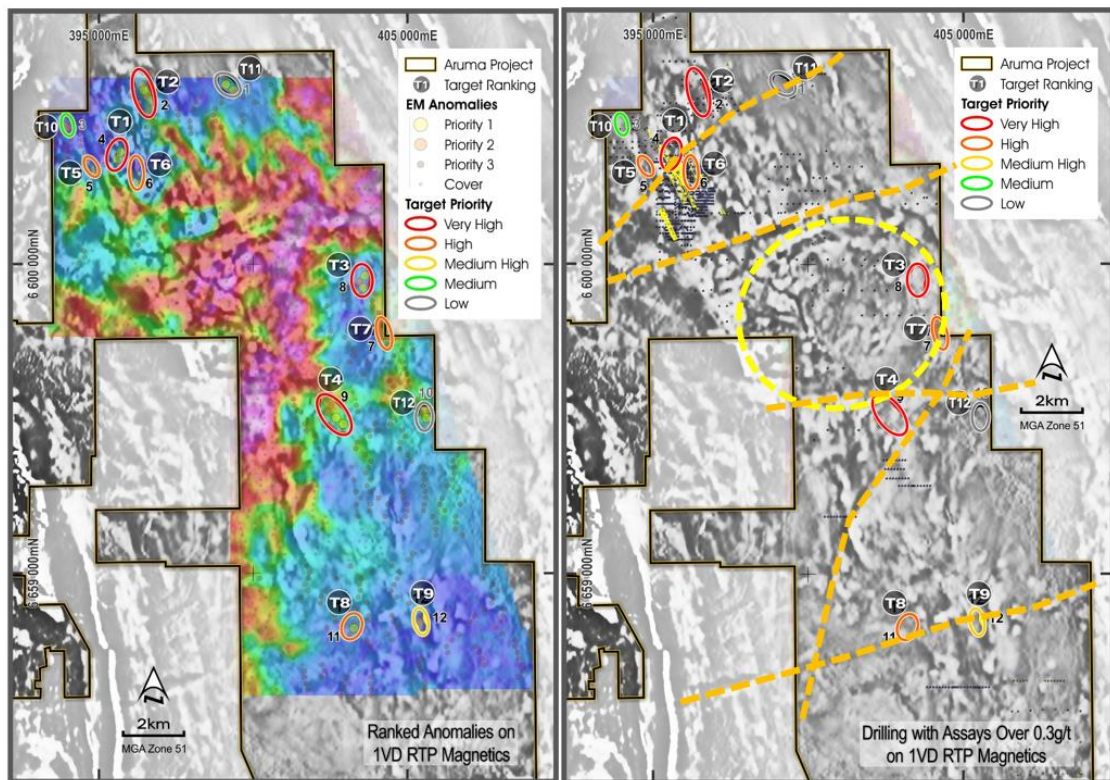


Figure 3 AEM Survey outcome at Slate Dam (left) with the drilling results (right) with key structures shown

The salient points shown in the interpreted anomalies in Figure 3 are:-

- Targets 1, 5 and 6 are on the original Slate Dam anomaly
- Targets 10, 2 and 11 close to the original Slate Dam anomaly
- Significant east northeast structures which are fluid pathways (tan)
- Ring structures contain targets 4, 7 and 3 (yellow)
- North northwest stratigraphy contains some highly magnetic possible intrusions

Slate Dam GDA51		Target Number	Rank	EM Anomaly Description	Target Comments
East	North				
395550	6603550	4	1	Strong to moderate discrete early to late time anomaly, asymmetric, east dipping.	Good structure, stratigraphy, alteration and intrusive relationship.
396450	6605500	2	2	Moderate early to late time anomaly, double peak early to mid-times, sub vertical.	Good structure, stratigraphy, alteration and intrusive relationship.
402650	6595159	9	3	Moderate late time anomaly, shielded, broad.	Good structure, alteration and intrusive relationship. Moderate stratigraphy.
403500	6599500	8	4	Moderate early to mid-time anomaly in area of basement outcrop. West dipping.	Good structure and alteration. Moderate stratigraphy and intrusive relationship.
394700	6603200	5	5	Moderate early to late time anomaly, asymmetric, west dipping.	Good structure and stratigraphy. Weak alteration and intrusive relationship.
396300	6602950	6	6	Strong, discrete early to late time anomaly, asymmetric, west dipping.	Good stratigraphy. Moderate structure, alteration and intrusive relationship.
404150	6597800	7	7	Moderate, broad early to late time anomaly, asymmetric, east dipping.	Good stratigraphy. Moderate structure, alteration and intrusive relationship.
403200	6588300	11	8	Moderate early to late time anomaly, double peaked at early time, strong migration, east dipping.	Good alteration. Moderate structure, stratigraphy and intrusive relationship.
405450	6588450	12	9	Moderate to weak early to late time anomaly, broad, west dipping.	Good stratigraphy. Moderate alteration and intrusive relationship. Moderate to weak structure.
394000	6604450	3	10	Moderate discrete early to late time anomaly, double peak, west dipping.	Moderate structure, alteration and intrusive relationship. Weak stratigraphy.
399,200	6605800	1	11	Moderate early to late time anomaly, strong migration, dip changes along strike.	Good alteration. Weak structure, stratigraphy and intrusive relationship.
405500	6595199	10	12	Moderate late time anomaly, shielded, asymmetric, west dipping.	Good alteration. Moderate to weak structure. Weak stratigraphy and intrusive relationship.

Table 2 Slate Dam gold target descriptions, with Targets 4 to 6 in the original gold anomaly

Beowulf

The results of the AEM survey and the new low level magnetics, together with commercially available gravity were plotted with the results of the recently completed gold soil sampling from which the best targets were selected (Figure 4).

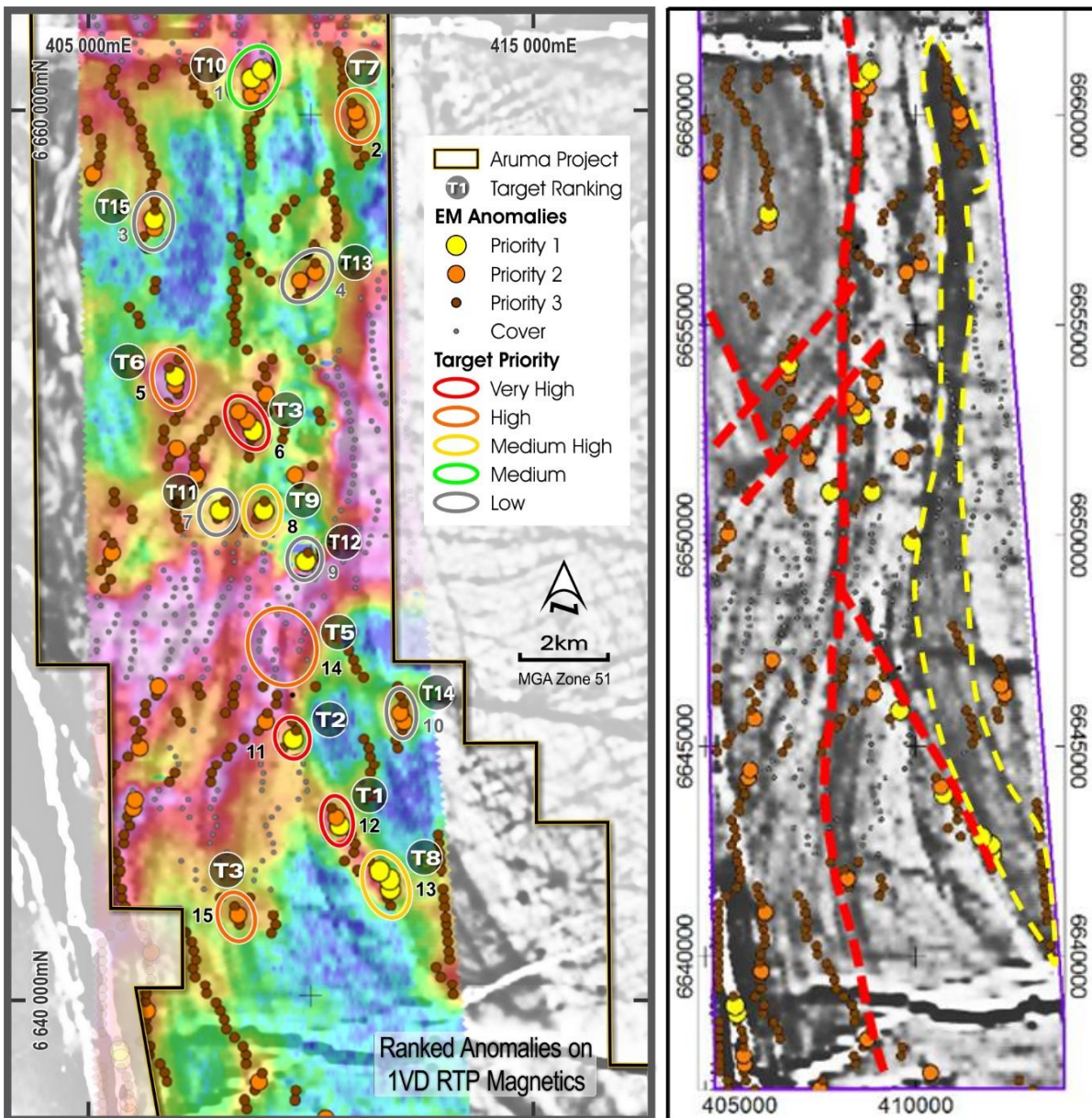


Figure 4 Ranked anomalies shown on 1VD RTP Magnetics with lease boundary (left) and Structures (right) with the magnetic low to the east similar to the Carosue gold deposit

The salient points shown in the interpreted anomalies in Figure 4 are:-

- Airborne EM targets sorted and ranked on structure and gold geochemistry
- Significant north south structure (Avoca Fault extension) shown in red with conductors
- Magnetic low, possibly representing Pig Well or Mt Belches (fold axis) in eastern part of survey area shown as the yellow shape
- Northwest faults cross cutting the southern part of magnetic low (sediments) with conductors
- Geological setting analogous to the Kilkenny Structure at the Carosue gold mine (Figure 1)

The definition from the magnetics was instrumental in defining the magnetic low as shown in Figure 4 on the right hand image, possibly representing unstable phase sedimentary rocks (fold axis) in eastern part of survey area similar to the Pig Well stratigraphy at Carosue gold deposit.

The ranking of the AEM-Magnetic anomalies had the benefit of the major soil sampling program of some 3,000 samples undertaken by Aruma in 2018 and 2019. These samples were sieved at 80 microns

and assayed by ALS in Perth using the Au-ST43 method involving a 25g aqua regia extraction, with ICPMS finish for a detection limit of Au 0.0001ppm (0.1ppb) for soil and sediment samples.

The survey was undertaken as part of Aruma's student employment program and involved 3 students from Curtin and UWA who collected the samples on 500m spaced east-west lines at 100m spacing.

The results of the survey showed a maximum value of 29.5ppb Au with some 92 samples above 5ppb Au. This is considered an outstanding result in an area that has thick soil cover as well as a paleochannel that can be seen in the AEM results.

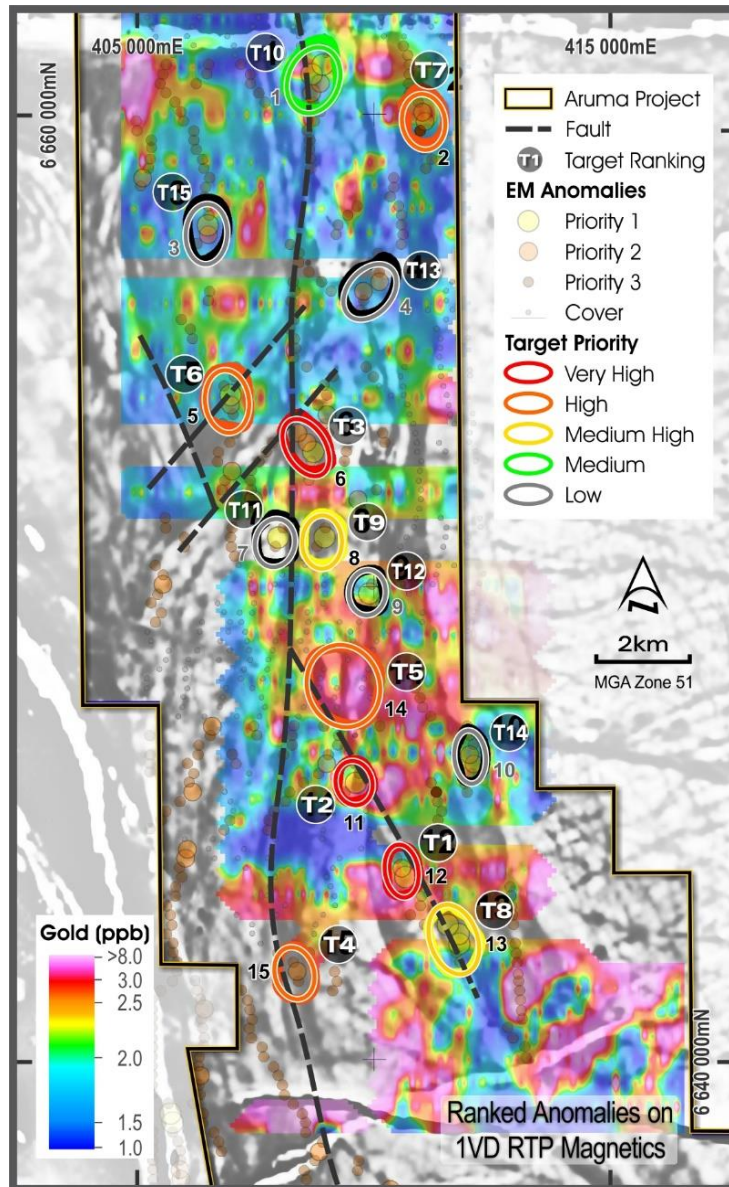


Figure 5 Ranked anomalies shown on 1VD RTP Magnetics with soil sample results shown as colour contours with pink being >3ppb

Figure 5 shows the results to date of the soils and the coincidence of soil grade and AEM response can be seen for the Priority 1 anomalies. Further work will be done in ground truthing the anomalies to reinforce the drilling priorities.

Beowulf GDA51		Target Number	Rank	EM Anomaly Description	Target Comments
East	North				
410600	6644000	12	1	Discrete early to late time anomaly, west dipping.	Good structure, stratigraphy, alteration and geochemistry. Weak intrusive relationship.
409550	6645900	11	2	Strong and discrete early-mid time anomaly, weak at late time.	Good structure, stratigraphy, alteration, geochemistry and intrusive relationship.
408550	6653050	6	3	Discrete and strong double peaked anomaly, dipping west at late times.	Good structure, stratigraphy, alteration and intrusive relationship. No geochemistry.
408300	6641850	15	4	Early to late time anomaly, double peaked at early time, single at late time, west dipping.	Good structure, stratigraphy, geochemistry and intrusive relationship. Moderate alteration.
409350	6648000	14	5	No distinct EM anomalies.	Good structure, stratigraphy, geochemistry and intrusive relationship. No alteration.
406850	6654050	5	6	Strong early to late time, weak double peaked anomaly, west dipping.	Good structure, geochemistry and intrusive relationship. Weak stratigraphy.
411000	6660000	2	7	Moderate early to late time double peaked anomaly, west dipping.	Good structure, geochemistry and intrusive relationship. Moderate stratigraphy and alteration.
411650	6642550	13	8	Strong early to late time asymmetric anomaly, west dipping.	Good structure, stratigraphy and alteration. Weak intrusive relationship. No geochemistry.
408900	6651050	8	9	Moderate early to late time asymmetric anomaly, west dipping.	Good structure, stratigraphy and alteration. Moderate intrusive relationship. No geochemistry.
408700	660800	1	10	Strong early to late time asymmetric anomaly, dip changes along strike.	Good structure, stratigraphy, and alteration. Weak intrusive relationship and geochemistry.
407900	6651050	7	11	Strong discrete early to late time anomaly, double peak at early to mid-times.	Good structure, stratigraphy, and alteration. Weak intrusive relationship and geochemistry.
409850	6649950	9	12	Strong early to late time anomaly, double peak at early time, sub vertical.	Good stratigraphy and alteration. Moderate geochemistry. Weak structure and intrusive relationship.
409900	6656400	4	13	Moderate to strong early to late time anomaly, dip changes along strike.	Good structure and stratigraphy. Moderate alteration and intrusive relationship. Weak geochemistry.
412000	6646450	10	14	Moderate early to late time anomaly, double peak at early time, west dipping.	Moderate structure, alteration and intrusive relationship. Weak stratigraphy and geochemistry.
406450	6657650	3	15	Moderate at early and mid-times, strong at late time anomaly, asymmetric, west dipping.	Good alteration. Moderate structure. Weak stratigraphy, intrusive relationship and geochemistry.

Table 3 Beowulf target descriptions

Outcomes

These results have defined high order targets for exploration in the coming year. This exploration is "Greenfields" being associated with interpreted new greenstone belts by Aruma that have proven gold endowment and mineralised structure in rocks that host very large Tier 1 deposits in the surrounding areas. These targets will be refined in the coming quarter and then are planned to be progressively drill tested.

KOPAI GOLD PROJECT

The Kopai Project is situated directly along strike of Evolution Mining's (ASX: EVN) major White Foil gold mine. Site preparation has been completed for the majority of drillholes, and drilling commenced in April.

The first phase program at Kopai will consist of up to 13 Reverse Circulation (RC) holes drilled to a depth of 150 metres at a nominal 75 metre spacing, for a total of approximately 1,950 metres. The target depth of drilling is designed to help ensure the intersection of gold mineralisation at depth beneath cover.

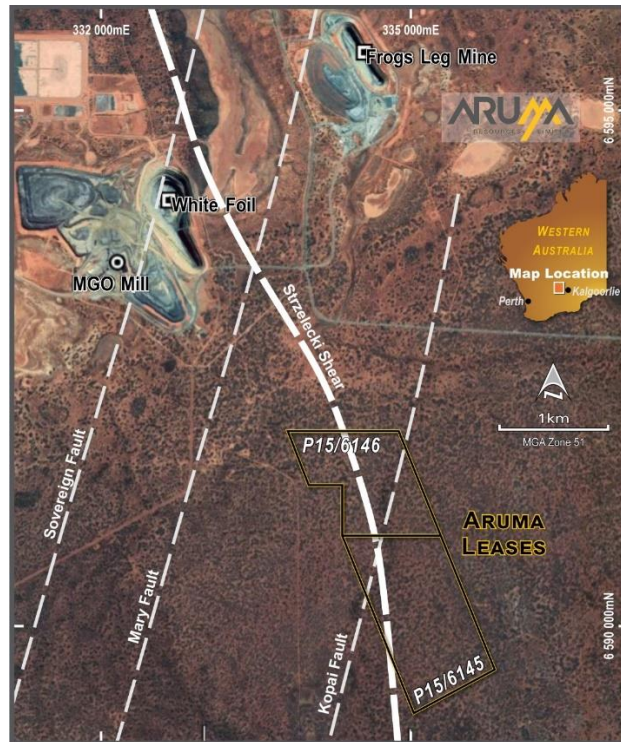


Figure 6. The location and surrounding mines at Kopai

The first phase of drilling is expected to take one week to complete and results will be reported as they become available. This maiden program is planned to be followed up with up to a similar amount of drilling at Kopai over the coming months.

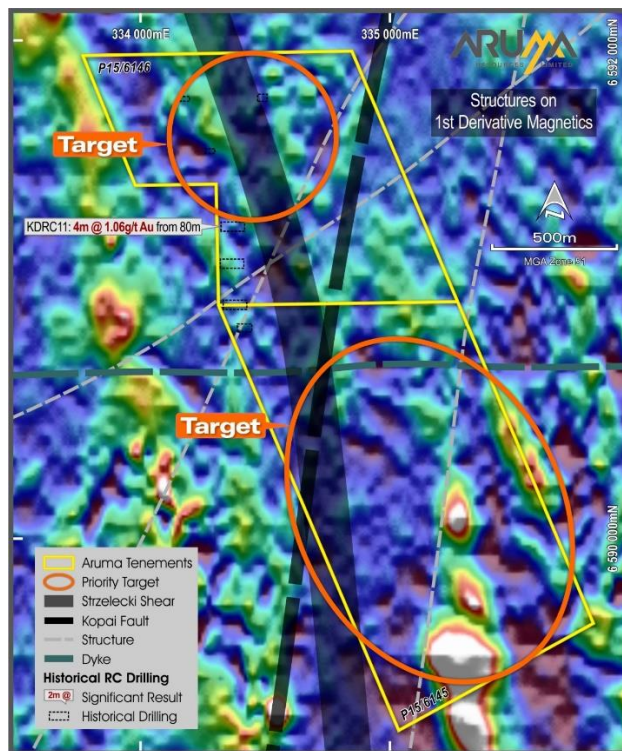


Figure 7. The Project area and significant structures on 1st derivative magnetics at Kopai with targeted drilling areas (Source: Southern Geoscience20m TMI1VD)

The structures identified by magnetics at Kopai are of two main types;

1. North northeast feeder structures similar to the Sovereign and Mary Faults; and
2. Northeast faults (Compton Shears) known to control mineralisation at Coolgardie and White Foil.

Inspection of drill chips from previous RC drilling at the Kopai project area has shown the area to have similar geology to Focus Minerals' (ASX: FML) nearby Brilliant-Tindals gold deposits, and an historic intersection on the western edge of Kopai - of 4m at 1.06g/t Au in conglomerate in drillhole KDRC 11 - reflects Aruma's targeted Black Flag Group-style mineralisation (source: Wamex Open File - a110171 - MetalsX Limited Annual Mineral Exploration Report 2016, M15/1306, page 9).

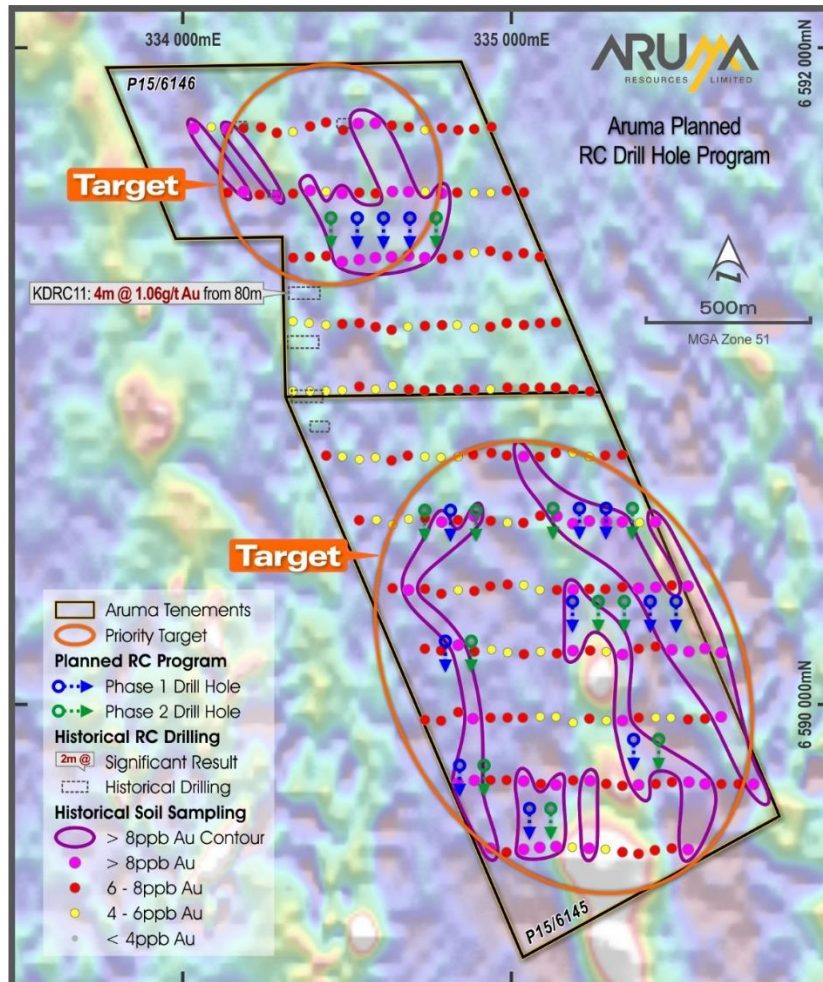


Figure 8. The location of planned drilling with gold geochemistry at Kopai on magnetics

The >8ppb gold (Au) anomaly is outlined in pink with the major co-incident Au, tellurium (Te), bismuth (Bi) and tungsten (W) anomaly in the top left of the Kopai project area (source: the geochemistry is from WAMEX a57419 open file "Delta Gold NL Annual Report on Kopai Lake Project ,1998.) Of note is the highly magnetic pod at the base of the lease area with anomalies situated to the north of the magnetic high.

CORPORATE

The Company had a cash and term deposits balance at 31 March 2019 of \$0.66 million.

During the quarter the Company completed a placement for \$435,900 to sophisticated investors. Directors have committed to contributing a further \$105,000 subject to shareholder approval for a total raising of \$540,900. The Company announced a Share Purchase Plan on 13 March 2019 with \$151,500 received subsequent to the end of the quarter. The Company's drilling contractor, Blue Spec Drilling, has agreed to accept 20 million shares at 0.6 cents per share (\$120,000) as

consideration for ~2,500m of RC drilling. The shareholder meeting to consider the participation of directors in the March placement and the issue of shares for the drilling costs is to be held on 23 May 2019.

Projects Summary

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 which has been extended by 6 months.
		<ul style="list-style-type: none"> ▪ Slate Dam - 250km² - 8 leases with AEM completed ▪ Beowulf- 9 leases for 490km² with soil sampling and AEM done ▪ Goddards Dam - Several leases expired in the quarter ▪ Clinker Hill – Reduced to two leases ▪ Kopai – Two PLs ready for RC drilling

Proposed Exploration Activities for Q4 FY2018-2019

- **Glandore** – JV continues with SAU and stage three is underway to 90%
- **Slate Dam:**
 - AEM survey completed and interpreted
- **Beowulf:**
 - AEM survey completed and interpreted
 - PoW for drilling on 15 target areas submitted
- **Kopai:**
 - Land clearing and access completed for drilling
 - RC drilling over 9 target areas scheduled barring rain
- **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.

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 P25/2117 P25/2118 P25/2154	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
P25/2580	Application	100% Aruma Exploration Pty Ltd
P25/2153	100% Aruma Exploration Pty Ltd	
P25/2202		
P25/2203		
P25/2204		
P25/2388		
P25/2400		
P25/2401		
P25/2402		
P25/2389		

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

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 P15/6146	100% 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