

**ARUMA RESOURCES LIMITED
ACN 141 335 364**

**OFFER DOCUMENT
RIGHTS ISSUE**

Non-renounceable pro rata entitlement to 1 New Share for every 2 Shares held at an issue price of 0.6 cents per New Share to raise up to approximately \$462,912

Offer closes at 5.00pm WST on 8 December 2015

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, the New Shares.

You should read the entire document before deciding whether to accept the offer of New Shares. If you have any questions about the Offer or the action you should take, you should speak to your professional adviser.

IMPORTANT NOTICE

This Offer Document has been prepared by Aruma Resources Limited and is issued pursuant to the requirements of section 708AA of the Corporations Act, as modified, for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document is dated 24 November 2015 and was lodged with ASX on this date.

This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless this document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

Information about the Company

The Company is listed on ASX, and our Shares are granted official quotation by ASX. In preparing this Offer Document, we have had regard to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. Information about the Company is publicly available and can be obtained from ASIC and ASX. This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company. You should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to subscribe for New Shares.

Not investment or financial product advice

The information in this document is not investment or financial product advice, does not purport to contain all the information that you require in evaluating a possible acquisition of New Shares in the Company and has been prepared without taking into account the investment objectives, financial situation, tax position and needs of you or any particular investor.

Before deciding whether to apply for New Shares, you should conduct your own independent review, investigation and analysis of the Company and New Shares in light of your personal circumstances (including financial and taxation issues). You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Overseas shareholders

The Company has reviewed the register of Shareholders of the Company and has determined that this document will only be sent to Shareholders with a registered address in Australia or New Zealand on the Record Date. This document may not be distributed and does not constitute an offer in any other jurisdiction unless otherwise determined by the Company.

Disclaimer of representatives

No person is authorised to give any information or to make any representation, in connection with the Rights Issue that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Rights Issue.

Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on the investment made pursuant to this Offer Document.

Financial data

All dollar values are in Australian dollars (\$).

Defined terms

Terms used in this Offer Document are defined in the Glossary. The words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

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1. KEY INFORMATION

SUMMARY OF RIGHTS ISSUE OFFER	
Offer	1 New Share for every 2 Shares held on the Record Date. See Section 3.1.
Issue Price	0.6 cents per New Share. See Section 3.1.
Number of New Shares to be issued	<p>Up to approximately 77,152,084 New Shares will be issued at Full Subscription.</p> <p>The precise number of New Shares to be issued is not known and will vary depending on how many Shares are on issue on the Record Date and the number of Shares applied for under the Offer. See Section 3.3.</p>
Funds raised	<p>Up to approximately \$462,912 will be raised by the Rights Issue at Full Subscription.</p> <p>The precise amount of funds that will be raised is not known and will vary depending on how many Shares are on issue on the Record Date and the number of Shares applied for under the Rights Issue. See Section 3.1.</p>
Partly underwritten	<p>The Rights Issue is partly underwritten to the Underwritten Amount of \$290,000. There are 2 underwriters, they being McSweeney Underwriter to the sum of \$240,000 and Boyatzis Underwriter to the sum of \$50,000. Any Shortfall issued to the Underwriters will be issued pro-rata between them as to their underwritten amounts. Boyatzis Underwriter is a related party of the Company as it is an entity controlled by Paul Boyatzis, a Director of the Company. See Section 3.8.</p>
Minimum Subscription	<p>Minimum Subscription under the Rights Issue is \$320,861. The Directors have advised the Company they intend to take up their full Entitlement, which together total \$30,861. See Section 3.7.</p>
Use of funds	<p>At Minimum Subscription, funds (including existing funds) are intended to be used:</p> <ul style="list-style-type: none">• to identify and evaluate new resource opportunities;• for ongoing evaluation of the existing copper and gold projects;• for general working capital; and• to pay the costs of the rights issue process. <p>In the event that greater than Minimum Subscription is raised, funds will be applied as set out in Section 3.2.</p>
Entitlement to participate in Rights Issue	<p>All Eligible Shareholders on the Record Date are entitled to participate in the Rights Issue.</p> <p>Optionholders are not entitled to participate in the Offer unless they exercise their Options before the Record Date. See Section 3.4.</p>
Shortfall	<p>Eligible Shareholders who are not related parties and that have subscribed for their full Entitlement may apply for Shortfall Shares. Application by Eligible Shareholders with moneys does not guarantee any allotment of Shortfall Shares. See Section 3.9.</p>

SUMMARY OF RIGHTS ISSUE OFFER

Risks

The Rights Issue should be considered highly speculative as the Company is focusing on the ongoing evaluation of its current copper and gold projects in Western Australia as well as actively evaluating other potential resource project opportunities. Some of the specific risks to an investment in the Company are future capital needs and additional funding risk, exploration risk, development and mining risk, commodity price volatility risk, reliance on key personnel risk and potential acquisitions risk. See Section 5.

The potential effect of the Rights Issue on control of the Company

The Company is of the view that the Rights Issue will not materially affect the control of the Company. No Shareholder can increase their voting power beyond 20% by reason of the Rights Issue. The Company will not issue any New Shares by reason of Shortfall to Eligible Shareholders so they can increase their voting power beyond 20%. Further, neither the Underwriters nor any sub-underwriter can increase their voting power beyond 20% by reason of the Rights Issue. See Section 4.1.

2. TIMETABLE

Event	Date
Pro-rata Offer announced	12 November 2015
New Shares quoted on an "ex" basis (date from which the New Shares commence trading without the entitlement to participate in the Offer).	17 November 2015
Record Date (date for identifying Shareholders entitled to participate in the Offer).	19 November 2015
Offer Document with Entitlement Form sent to Eligible Shareholders	24 November 2015
Offer opens	24 November 2015
Closing Date (last date for lodgement of Entitlement Forms and Application Money)	8 December 2015
Trading of New Shares commences on a deferred settlement basis	9 December 2015
Company to notify ASX notified of the Shortfall (if any)	11 December 2015
Issue of New Shares and end of deferred settlement trading	15 December 2015
Normal trading of New Shares on ASX	16 December 2015

The timetable outlined above is indicative only and subject to change. The Directors reserve the right to vary these dates including the Closing Date, subject to the Listing Rules and the Corporations Act. The Directors also reserve the right not to proceed with the whole or part of the Rights Issue at any time prior to the issue of New Shares. In that event, the Application Money will be returned without interest.

3. DETAILS OF THE RIGHTS ISSUE

3.1 The Rights Issue

Eligible Shareholders are invited to participate in a non-renounceable pro rata entitlements rights issue on the basis of 1 New Share for every 2 Shares (1:2) held as at the Record Date (5.00pm WST on 19 November 2015), at an issue price of 0.6 cents per New Share.

The Company currently has 154,304,167 Shares and 13,500,000 unlisted Options on issue. Based on the current capital structure of the Company, up to 77,152,084 New Shares will be issued under the Offer to raise up to \$462,912 (before the costs of the issue). If any of the Options are exercised before the Record Date then the number of New Shares that may be issued under the Offer could increase.

The New Shares will rank equally in all respects with existing Shares.

3.2 Purpose and use of proceeds

The Company has current funds of approximately \$300,000. The Rights Issue will increase the total number of Shares on issue and increase our cash reserves by up to \$462,912 (before costs).

The table below sets out the proposed application of funds raised. The table assumes both Minimum Subscription and a full take-up of Entitlements.

Funds Raised	Minimum Subscription (\$320,861)	Full Subscription¹ (\$462,912)
Funds raised under the Offer ¹	\$320,861	\$462,912
Total funds raised	\$320,861	\$462,912
Use of Funds Raised	Amount	Amount
Identification and evaluation of new resource projects	\$192,500	\$278,000
Evaluation of existing copper and gold projects	\$64,000	\$92,500
General working capital ²	\$37,361	\$63,912
Expenses of the Offer including underwriting fee	\$27,000	\$28,500
Total	\$320,861	\$462,912

1. Full Subscription assumes that the Offer is fully subscribed and all New Shares under the Rights Issue are issued. It also assumes that none of the existing Option holders exercise their Options before the Record Date and participate in the Offer. In the event that more funds are raised, we will allocate those additional funds to general working capital.
2. General working capital includes corporate administration and operating costs and may be applied to directors fees, ASX and share registry fees, legal, tax, audit and corporate advisory fees, insurance and travel costs.
3. This table is a statement of our proposed application of the funds raised as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.
4. In the event that moneys are received beyond Minimum Subscription (\$320,861), the funds net of costs are intended to be applied pro-rata as between the following activities up to the sum of \$140,551:
 - (a) identification and evaluation of new resource projects (up to the sum of \$85,500); and
 - (b) evaluation of existing copper and gold projects (up to the sum of \$28,500);

(c) general working capital (up to the sum of \$26,551).

3.3 Capital structure

Assuming that no Options are exercised before the Record Date, the effect of the Offer on the Company's issued share capital at Minimum Subscription and Full Subscription is shown in the following table:

Shares	Minimum Subscription	Full Subscription
Existing Shares	154,304,167	154,304,167
New Shares issued under Rights Issue	53,476,898	77,152,084
Total Shares on issue after completion of the Rights Issue	207,781,065	231,456,251

In addition to Shares, the Company has on issue 6,000,000 unlisted Options (exercise price 8.2 cents, expiry date 17 March 2016), 2,500,000 unlisted Options (exercise price 5 cents, expiry date 28 February 2017) and 5,000,000 unlisted Options (exercise price 4.2 cents, expiry date 27 October 2017).

* The Company has agreed to place Shares, if necessary, on a "top-up" basis to the McSweeney Underwriter or its nominees after the conclusion of the Rights Issue at the same issue price of 0.6 cents per Share. This will occur in the event that insufficient Shortfall is available to enable the McSweeney Underwriter to subscribe for its full underwritten amount of \$240,000. Any such subsequent placement to the McSweeney Underwriter or its nominees will be to top-up the total subscription by the McSweeney Underwriter or its nominees after its underwriting to the sum of \$240,000 provided that the subscription for the top-up will be limited so that McSweeney Underwriter or its nominees can only top-up to the extent that the Shares subscribed for by underwriting and top-up will represent no more than 16% of the total number of Shares on issue in the Company. Any top-up placement will increase the Shares on issue with the maximum top-up being up to 40,000,000 Shares in the event of the full take-up of Entitlements by Eligible Shareholders.

The Company intends to use its existing placement capacity to issue any top-up placement Shares. The Company will seek Shareholder approval to issue any remaining top-up placement Shares in the event it uses its existing placement capacity in full.

3.4 Eligible Shareholders

The Rights Issue is available to all Shareholders whose registered address on the Record Date is situated in Australia or New Zealand. As a non-renounceable offer, Eligible Shareholders may not sell or otherwise dispose of their rights to apply for New Shares under the Offer.

The holders of Options are not eligible to participate in the Rights Issue unless they exercise their Options before the Record Date.

3.5 Entitlements

Only Eligible Shareholders may apply for New Shares under the Offer. The Entitlement to participate will be determined on the Record Date. The number of New Shares to which you are entitled is shown on the personalised Entitlement Form which accompanies this Offer Document. Fractional Entitlements will be rounded up to the nearest whole number.

You are encouraged to apply for New Shares as early as possible. To apply for the New Shares under the Offer, you must complete your Entitlement Form and lodge it together with payment for the New Shares by no later than the Closing Date (5pm WST on 8 December 2015). Please see Section 6 of this Offer Document for further information regarding the acceptance of the Offer.

The Offer will lapse if you do not accept your Entitlement by the Closing Date.

3.6 **Closing Date**

We will accept applications from the Opening Date until 5pm (WST) on 8 December 2015 or such other date as the Directors may determine, subject to the requirements of the Corporations Act and the Listing Rules.

3.7 **Minimum Subscription**

Minimum Subscription under the Rights Issue is \$320,861. The Rights Issue is partly underwritten to the sum of \$290,000 (see Section 3.8). The Directors have advised the Company they intend to take up their full Entitlement, which together totals \$30,861 (see Section 4.2).

3.8 **Partly Underwritten**

The Rights Issue is partly underwritten to the Underwritten Amount of \$290,000. There are 2 Underwriters, they being the McSweeney Underwriter to the sum of \$240,000 and the Boyatzis Underwriter to the sum of \$50,000. Any Shortfall issued to the Underwriters will be issued pro-rata between them as to their underwritten amounts.

(a) *Underwriting Agreement for McSweeney Underwriter*

The McSweeney Underwriter is appointed under an underwriting agreement to underwrite the Rights Issue to the sum of \$240,000. The McSweeney Underwriter is not a related party and has no current relevant interest in Shares.

In the event of a Shortfall, the Directors are not aware of any reason why the McSweeney Underwriter would not be in a position to meet its financial obligations to subscribe for the Shortfall in accordance with the underwriting agreement.

Under the underwriting agreement, the McSweeney Underwriter is obliged to subscribe for Shortfall Shares up to the sum of \$240,000 on the Issue Date. In determining the underwriting commitment, there is no deduction from any Shortfall by reason of any Entitlement taken up by Eligible Shareholders. The maximum number of Shortfall Shares that the McSweeney Underwriter is required to subscribe for is 40,000,000 Shares (should that number of Shortfall Shares be available).

We are required to reimburse the McSweeney Underwriter for all reasonable out-of-pocket expenses.

The fee for underwriting payable to the McSweeney Underwriter is 3% plus GST of the amount underwritten by the McSweeney Underwriter (being \$7,200 plus GST).

Under the underwriting agreement we are required to make the Offer in accordance with all relevant regulatory requirements and we have given various representations and warranties to the McSweeney Underwriter, which are customary for an agreement of this nature.

As is normal for underwriting agreements of this nature, the McSweeney Underwriter has a wide discretion to terminate its obligations under the underwriting agreement on the occurrence of a number of events, which may occur before the issue of Shortfall Shares. The more significant termination events are a fall in indices event allowing the McSweeney Underwriter to terminate its obligations if the All Ordinaries Index falls to a level that is 85% or less of the level at the closing of trading at the date of this Offer Document and where an adverse change occurs in respect of the Company or its assets which has a material adverse effect. The failure of the McSweeney Underwriter to appoint sub-underwriters will not relieve the McSweeney Underwriter of its obligations.

The McSweeney Underwriter may appoint sub-underwriters. Any sub-underwriter if appointed will be an unrelated party and may not by its sub-underwriting increase its relevant interest in

Shares to 20% or more.

(b) *Underwriting Agreement for Boyatzis Underwriter*

The Boyatzis Underwriter is an entity controlled by Mr Paul Boyatzis (a director of the Company) and is therefore a related party of the Company.

In the event of a Shortfall, the Directors are not aware of any reason why the Boyatzis Underwriter would not be in a position to meet its financial obligations to subscribe for the Shortfall in accordance with the underwriting agreement.

The Boyatzis Underwriter is appointed under an underwriting agreement to underwrite the Rights Issue to the sum of \$50,000. The underwriting agreement with the Boyatzis Underwriter was negotiated on an arms length basis and the Directors independent of Mr Boyatzis resolved that the underwriting agreement is on reasonable arms length terms. This includes that there is no fee payable to the Boyatzis Underwriter for its role as underwriter.

Under the underwriting agreement, the Boyatzis Underwriter is obliged to subscribe for Shortfall Shares up to the sum of \$50,000 on the Issue Date. In determining the underwriting commitment, there is no deduction from any Shortfall by reason of any Entitlement taken up by Eligible Shareholders. The maximum number of Shortfall Shares that the Boyatzis Underwriter is required to subscribe for is 8,333,333 Shares (should that number of Shortfall Shares be available).

The terms of the underwriting agreement are favourable to the Company in that unlike agreements that are customary for these types of arrangements:

- the underwriting agreement does not include any termination events; and
- the underwriter will not receive any underwriting or other fees.

The Boyatzis Underwriter may not appoint sub-underwriters.

(c) *Relevant interest of McSweeney Underwriter and Boyatzis Underwriter*

Each of the McSweeney Underwriter and the Boyatzis Underwriter are underwriting without deduction from the underwriting commitment by reason of any Entitlement taken up by Eligible Shareholders. The Company is thereby seeking to obtain a higher amount of funds from the Offer.

The relevant interest of the McSweeney Underwriter and the Boyatzis Underwriter will vary depending upon the take-up of Entitlements by Eligible Shareholders and the subsequent placing of Shortfall. Below is a table detailing various scenarios.

	Take-up of Entitlements by Eligible Shareholders other than the Directors		
	0%	50%	100%
Existing Shares	154,304,167	154,304,167	154,304,167
Entitlement take-up by Directors	5,143,565	5,143,565	5,143,565
Take-up by other Eligible Shareholders	0	36,004,259	72,008,519
Shortfall to be issued	48,333,333	36,004,260	0
Total Shares	207,781,065	231,456,251	231,456,251
Shares to McSweeney Underwriter	40,000,000	29,797,126 ¹	0 ¹
Percentage of Shares (relevant interest) held by McSweeney Underwriter	19.25%	12.87% ¹	0% ¹

Shares to Boyatzis Underwriter	8,333,333	6,207,134	0
Percentage of total shares (relevant interest) held by Paul Boyatzis and associates	7.03% ²	5.39% ²	2.71% ²

The above table assumes that Eligible Shareholders do not apply for any Shortfall.

Notes:

1. The Company has agreed to place Shares, if necessary, on a "top-up" basis to the McSweeney Underwriter or its nominees after the conclusion of the Rights Issue at the same issue price of 0.6 cents per Share. This will occur in the event that insufficient Shortfall is available to enable the McSweeney Underwriter to subscribe for its full underwritten amount of \$240,000. Any such subsequent placement to the McSweeney Underwriter or its nominees will be to top-up the total subscription by the McSweeney Underwriter or its nominees after its underwriting to the sum of \$240,000 provided that the subscription for the top-up will be limited so that McSweeney Underwriter or its nominees can only top-up to the extent that the Shares subscribed for by underwriting and top-up will represent no more than 16% of the total number of Shares on issue in the Company. Any top-up placement will increase the Shares on issue with the maximum top-up being up to 40,000,000 Shares in the event of the full take-up of Entitlements by Eligible Shareholders. In the event of top-up to the McSweeney Underwriter in the 50% and 100% scenarios above, the relevant interest of the McSweeney Underwriter would increase to 16.00% (the maximum top-up limit) and 14.74% respectively.
2. Paul Boyatzis and his associates have a current relevant interest in 4,184,962 Shares (representing a 2.71% of existing Shares) and they will take up their Entitlement of 2,092,481 Shares.

3.9 Shortfall

Any New Shares not applied for by Eligible Shareholders under the Rights Issue will form the Shortfall.

Eligible Shareholders who are not related parties and that have subscribed for their full Entitlement may apply for Shortfall Shares by completing the "Additional New Shares" section in the Entitlement Form. The Company will not issue Shortfall Shares so that an Applicant's voting power in the Company may exceed 20%. Application by Eligible Shareholders with moneys does not guarantee any allotment of Shortfall Shares. All Application Moneys in relation to which Shortfall Shares are not allocated will be returned without interest.

The Directors will have discretion as to how to allocate Shortfall Shares as between Eligible Shareholder Applicants and the Underwriters.

The Underwriters are obliged to take up and subscribe for Shortfall Shares up to the Underwritten Amount.

The Directors reserve the right, at their discretion within 3 months of the Closing Date, to place any Shortfall Shares after the take up of the Underwritten Amount by the Underwriters or nominees and any allocation to Eligible Shareholders.

Shortfall Shares will be issued at the same price as the New Shares offered under the Rights Issue. The Directors reserve the right to appoint the holder of an Australian financial services licence for a commercial fee to place Shortfall Shares beyond the Underwritten Amount. The offer of Shortfall Shares is an offer under this Offer Document.

3.10 Continuous Disclosure Obligations

The Company is a "*disclosing entity*" (as defined in Section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.arumaresources.com or the ASX www.asx.com.au.

4. EFFECT OF RIGHTS ISSUE ON CONTROL AND DIRECTOR PARTICIPATION

4.1 Effect on Control

The effect of the Rights Issue on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including the level of take up from Eligible Shareholders. The primary consequences will be as follows:

- (a) If all Eligible Shareholders as at the Record Date take up their full Entitlement, the Rights Issue will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company subject only to changes resulting from Excluded Shareholders being unable to participate in the Rights Issue.
- (b) In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (ie there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Rights Issue and Excluded Shareholders unable to participate in the Rights Issue will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their Entitlement. The maximum dilution if you do not take up your Entitlement will approach 33.3% if nearly all Eligible Shareholders other than you take up their full Entitlement. The Directors have advised the Company that they intend to take up their full Entitlement.
- (c) By reason of existing shareholdings in the Company (the Company has received no current substantial shareholder notices at the date of this Offer Document) and the structure of the Rights Issue (including being partly underwritten), no Shareholder can increase their voting power beyond 20% by reason of the Rights Issue. The Company will not issue any New Shares by reason of Shortfall to Eligible Shareholders so they can increase their voting power beyond 20%. Further, neither the Underwriters nor any sub-underwriter can increase their voting power beyond 20% by reason of the Rights Issue.
- (d) The maximum relevant interest in Shares that the McSweeney Underwriter (or any sub-underwriters) will obtain by reason of the Rights Issue is 19.25% which will occur if only the Directors take up their full Entitlement and no other Eligible Shareholders.

By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company.

4.2 Directors' Interests and Participation

The relevant interest of each of the Directors in the securities of the Company as at the Record Date together with their respective Entitlement is set out in the table below.

Director	Shares	Options	Entitlement Shares	Entitlement Moneys (\$)
Paul Boyatzis (Chairman)	4,184,962	2,000,000 ¹	2,092,481	\$12,555
Peter Schwann (Managing Director)	5,802,167	4,000,000 ²	2,901,084	\$17,406
Ki Keong Chong (Non-Executive Director)	300,000	1,000,000 ³	150,000	\$900

Notes:

1. 1,000,000 unlisted Options with an exercise price of 8.2 cents and an expiry date of 17 March 2016 and 1,000,000 unlisted Options with an exercise price of 4.2 cents and expiry date of 27 October 2017. The Boyatzis Underwriter, an entity associated with Paul Boyatzis, is partly underwriting the Rights Issue to the sum of \$50,000. Details of the underwriting is set out in Section 3.8.
2. 2,000,000 unlisted Options with an exercise price of 8.2 cents and an expiry date of 17 March 2016 and 2,000,000 unlisted Options with an exercise price of 4.2 cents and an expiry date of 27 October 2017.
3. 500,000 unlisted Options with an exercise price of 8.2 cents and expiry date of 17 March 2016 and 500,000 unlisted Options with an exercise price of 4.2 cents and expiry date of 27 October 2017.
4. The Directors have advised the Company that they intend to take up their full Entitlement.

5. RISK FACTORS

5.1 Introduction

Applicants should be aware that an investment in the Company is highly speculative. The Company is focusing on actively identifying and evaluating new resource project opportunities as well as evaluating and exploring its current copper and gold projects in Western Australia.

The resource exploration and development activities of the Company are subject to various risks that may impact on the future performance of the Company. The following is a non-exhaustive list of the risks that may have a material effect on the financial position and performance of the Company and the value of its securities, as well as the Company's exploration, development and any mining activities and an ability to fund those activities.

The specific risks below are some of the risks to the Company of a specific nature by reason of its proposed involvement in the resources industry. The general investment risks below are some of the risks to the Company of a general economic nature.

5.2 Specific risks

Future capital needs and additional funding

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Offer Document and the Company's announcements to ASX. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

This future funding risk will be highlighted if only Minimum Subscription under this Offer (or not much more than Minimum Subscription) is achieved.

Section 3.2 outlines how the Company intends to use funds upon its projects at Minimum Subscription, as funds are raised up to Full Subscription and at Full Subscription.

Exploration

Investors should understand that resource exploration and development is by its nature a high risk undertaking. There can be no assurance that the Company's exploration of its tenements (including for copper and gold) or any other exploration projects that may be acquired in the future will result in the discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

Development and mining

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from any third parties providing essential services.

In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents,

technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents.

Commodity price volatility

The Company is seeking to develop projects which will be reliant on the prices of various commodities including copper and gold.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Reliance on key personnel

The Company's success largely depends on the core competencies of its Directors and any management and their familiarisation with, and ability to operate in, the resource and development industries.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource projects or resource companies. Any such transactions would be accompanied by risks commonly encountered in making such acquisitions.

Resource estimations

Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

Title

All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of State specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed.

If a tenement or licence expires, is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

Native title and land access

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

Environmental

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

5.3 General investment risks

Securities investments and share market conditions

There are risks associated with any securities investment. The trading prices of securities trade fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Legislative

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in Australia may adversely affect the financial performance of the Company.

6. ACTION REQUIRED BY SHAREHOLDERS

6.1 Acceptance of Offer

The number of New Shares to which you are entitled is shown on the Entitlement Form accompanying this Offer Document. If you are an Eligible Shareholder, you may:

- Take up your Entitlement in full or in part; or
- Allow your Entitlement to lapse.

Acceptance of the Offer must not exceed the Entitlement as shown on the Entitlement Form. The Directors reserve the right to reject any applications for New Shares that are not made in accordance with the terms of this Offer Document or the instructions on the Entitlement Form.

6.2 Taking up your Entitlement in full or in part

If you wish to accept your Entitlement in full or in part either:

- Complete the Entitlement Form for the number of New Shares you wish to take up in accordance with the instructions on the form. Return your completed form, together with the Application Money to the Company's share registry (see Section 6.5 below). It must be received by no later than the Closing Date (5pm WST on 8 December 2015).

OR

- Make a payment of 0.6 cents for each New Share you wish to apply for by BPAY in accordance with the instructions on the Entitlement Form by no later than the Closing Date (5pm WST on 8 December 2015).

If you take up your Entitlement in full, you may apply for further New Shares as part of the Shortfall in accordance with Section 3.9.

6.3 Allowing your Entitlement to lapse

If you do not wish to take up any of your Entitlement under the Offer, then you do not need to take any action. If you do nothing then your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

6.4 Payment for New Shares

The issue price of 0.6 cents per New Share is payable in full on application.

All payments are to be made in Australian currency by cheque or by BPAY.

Cheques should be drawn on an Australian branch of a financial institution, made payable to "*Aruma Resources Limited – Share Offer Account*" and crossed "*Not Negotiable*".

BPAY payments should be made in accordance with the instructions on the Entitlement Form using the BPAY Biller Code and Customer Reference Number shown on the form. You are not required to return the Entitlement Form if you use BPAY to pay the Application Money. You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment. You should take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date. The Customer Reference Number is used to identify your holding. If you have multiple holdings you will receive multiple Customer Reference Numbers. You must use the Customer Reference Number shown on each Entitlement

Form to pay for each holding separately. If you pay by BPAY and do not pay your full Entitlement, your remaining Entitlement will lapse. Your completed BPAY acceptance, once paid, cannot be withdrawn. We do not accept any responsibility for incorrectly completed BPAY payments.

6.5 **Address details and enquiries**

Completed Entitlement Forms and cheques for the Application Money (if not paying by BPAY) should be mailed to the postal address or delivered by hand to the delivery address set out below by no later than the Closing Date (5pm WST on 8 December 2015):

Postal address:

Aruma Resources Limited
c/- Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909

Delivery address:

Aruma Resources Limited
c/- Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

You should ensure that your Entitlement Form (and Application Money) is sent early to ensure that they arrive at the postal or delivery address specified above by the Closing Date. If we receive your Entitlement Form after the Closing Date, the Directors may, at their discretion, accept or reject your Application. If we reject your Application, we will refund your Application Money in full without interest.

If you have any questions about the Rights Issue or how to complete your Entitlement Form, please contact the Company Secretary.

6.6 **Issue of New Shares and quotation on ASX**

New Shares under the Rights Issue will be issued as soon as practicable after the Closing Date. It is expected that New Shares will be allotted and that transaction confirmation statements will be sent to you by 15 December 2015. However, if the Closing Date is extended then the date for allotment and posting may also be extended.

Application for official quotation by ASX of the New Shares offered under this Offer Document has been made. If permission for quotation is not granted by ASX, the New Shares will not be allotted and Application Money will be refunded (without interest) as soon as practicable.

It is your responsibility to confirm your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk. The Company and the share registry disclaim all responsibility to any person who trades in New Shares before receiving their confirmation statement.

Application Money will be held in trust in a separate bank account on behalf of each Eligible Shareholder until the New Shares are issued. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on the Application Money will be retained by the Company, regardless of whether New Shares are issued under the Offer.

The Directors may at any time decide to withdraw this Offer Document and the offers made under the Rights Issue, in which case the Company will return all Application Money (without interest) as soon as practicable.

6.7 **Excluded Shareholders**

The Offer under the Rights Issue is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is situated outside Australia or New Zealand). The Rights Issue does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

In making this decision, the Directors have taken into account the small number of Excluded Shareholders and the cost and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand.

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) are responsible for ensuring that any dealing with their Entitlement and any New Shares issued do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Offer Document or the Entitlement Form.

The making of an Application (whether by the return of a duly completed Entitlement Form or the making of a BPAY payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees, custodians or trustees are therefore advised to seek independent advice as to how they should proceed.

6.8 **Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares.

7. GLOSSARY

Where the following terms are used in this Offer Document they have the following meanings:

Applicant	A person who makes an Application.
Application	An application to subscribe for New Shares under this Offer Document.
Application Money	Money payable by Eligible Shareholders in respect of New Shares applied for under this Offer Document.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as applicable.
Board	The board of directors of the Company.
Boyatzis Underwriter	Lesuer Pty Ltd as trustee for the PMB Super Fund Account.
Closing Date	The last day for payment and return of Entitlement Forms, being 5.00pm (WST) on 8 December 2015 or such other date as may be determined by the Directors.
Company	Aruma Resources Limited (ACN 141 335 364).
Constitution	The constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of the Company.
Eligible Shareholder	Shareholders with a registered address in Australia or New Zealand as at the Record Date.
Entitlement	The number of New Shares that an Eligible Shareholder may apply for under the Offer, as determined by the number of Shares held on the Record Date.
Entitlement Form	The entitlement and acceptance form accompanying this Offer Document.
Excluded Shareholder	A Shareholder whose registered address is not in Australia or New Zealand.
Full Subscription	The maximum amount to be raised under the Offer being the sum of \$462,912 assuming no existing Options are exercised.
Issue Date	The date of issue of the New Shares under the Rights Issue and being in accordance with the proposed timetable which is anticipated to be 15 December 2015.
Issue Price	0.6 cents per New Share.

Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time.
McSweeney Underwriter	Peter McSweeney as trustee for the McSweeney Family Trust.
Minimum Subscription	The sum of \$320,861.
New Share	A Share to be issued under this Offer Document.
Offer	The offer to Eligible Shareholders of New Shares under the Rights Issue.
Offer Document	This offer document.
Option	An option to acquire a Share.
Record Date	5.00pm (WST) on 19 November 2015.
Rights Issue	The pro-rata non-renounceable offer conducted pursuant to this Offer Document under which up to approximately 77,152,084 New Shares will be offered to Eligible Shareholders on the basis of 1 New Share for every 2 Shares held at the Record Date at the Issue Price.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of Shares.
Shortfall	The number of New Shares not applied for under the Rights Issue before the Closing Date.
Underwriters	McSweeney Underwriter and Boyatzis Underwriter.
Underwritten Amount	The sum of \$290,000.
WST	Western Standard Time.