

#### **Aruma Resources Limited**

ABN 77 141 335 364 ASX: AAJ

ASX ANNOUNCEMENT 25 October 2011

# QUARTERLY ACTIVITIES STATEMENT 30 September 2011

#### **HIGHLIGHT**

#### Corporate

Capital Raising successfully completed

#### Glandore Project

- Fluid Flow Study proceeding at Glandore on track for November
- Tenement footprint continues to grow new Exploration Licence applied for at Bulong

#### Kurnalpi South Project

- Heritage Clearance completed
- First Phase Steeple Hill drilling completed

### > Laverton East Project

- Phase 1 Laverton East Drilling program completed assays reveal new gold zone with 2m at 4.28 g/t Au
- Laverton East Phase 2 drilling completed and assays expected in November

#### Tenement Package

• Exciting new leases applied for at Glandore East, Carbine and two areas in the Murchison, with a 1280km² total area



#### **Exploration Activities**

**Aruma Resources Limited (ASX:AAJ) ("Aruma" or "the Company")** is pleased to provide an update to the market on its strategy, progress and planned programs at the Company's portfolio of gold projects, covering some 1,280km² in WA's Eastern and Murchison Goldfields.

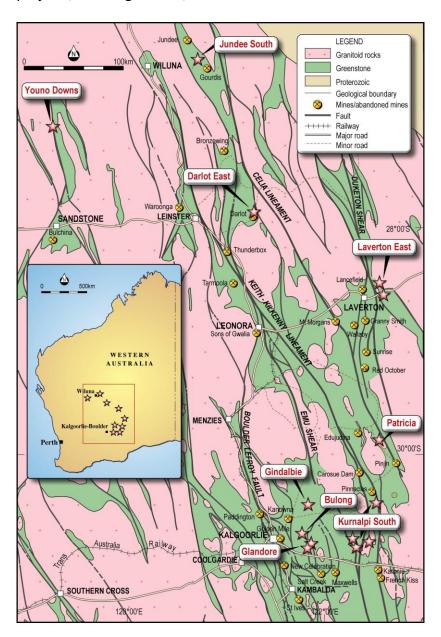


Figure 1 Aruma Projects in the Eastern Goldfields



### **Project Locations**

	T	
EASTERN GOLDFIELDS	Glandore Hub	Glandore Project  40km east of Kalgoorlie-Boulder  Gindalbie Project  60km north-east of Kalgoorlie-Boulder  Kurnalpi South Project  100km east of Kalgoorlie-Boulder  Bulong Project  30 km east of Kalgoorlie-Boulder  Jundee South Project
STERN GC		20km south of Jundee Mine  Patricia Project
EA		20km south of Jundee Mine
		Carbine Project
		In the Kunanalling Belt
		Darlot East Project
		20km east of Laverton
		Laverton East Project
		20km east of Laverton
<b>∠</b> ∾		Youno Downs Project
ISOI		20km west of Gidgee Gold Mine
MURCHISON GOLDFIELDS		Big Bell West Project
≥ Ø		10km west of Big Bell Mine



#### **Expanding Footprint**

The Company continues to expand its footprint in the Eastern Goldfields and Murchison regions - proven and prolific gold provinces. In line with this strategy, Aruma has applied for several new Exploration Licence covering the extensions of gold mineralisation line. The leases contain rock types and structural lineaments favourable for gold mineralisation covered by transported soil.

Aruma has a clear strategy to efficiently explore the gold mineralisation potential of a growing landholding in WA's Goldfields - with a view to developing a gold production hub centred around its flagship Glandore project as well as satellite projects. To this end, Aruma has systematically expanded its portfolio of prospective gold projects within a 60km radius of the Glandore Project to an area covering some 534km<sup>2</sup>.

Importantly, all of Aruma's lease holdings have been selected based on the presence of geological structures typically known to host mineralisation.

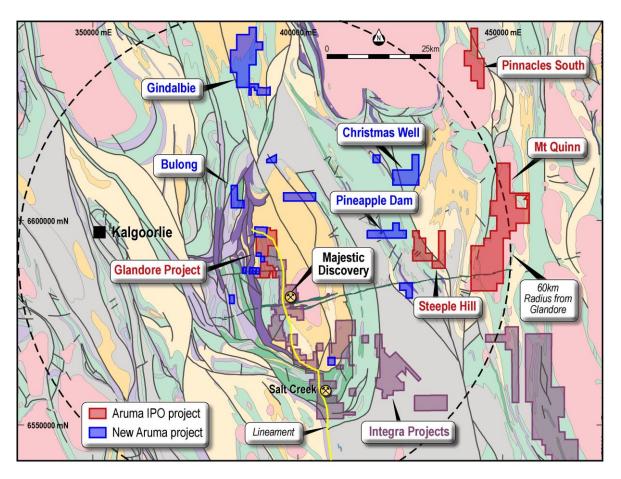


Figure 2 The Glandore Hub Leases



#### **Efficient Exploration of Flagship Glandore Project**

Given the extent of Aruma's growing project portfolio, the Company is committed to a strategy of efficient exploration to disprove or confirm potential targets. In keeping with this strategy, the Company is deploying new exploration technologies, including a Fluid Study underway at its flagship Glandore Project, by CSIRO.

The Study, which Aruma expects will be completed before year-end, will achieve outcomes comparable to a 20,000m pattern drilling program, but in a considerably shorter timeframe and at a considerably less cost.

This study will define potential covered gold drill targets using the data from the recent gravity survey, reprocessed detailed magnetics, geochemical and structural modelling together with geology from both drilling and mapping

This modelling has been successful in generating targets in the east Kalgoorlie area that have yielded major new deposits in similar structural environments such as Integra's nearby Salt Creek and Majestic Deposits.

The drilling to date at the Glandore Project has been limited to areas of either outcrop or gold soil anomalies, leaving considerable unexplored potential on the Project around the drilled areas.



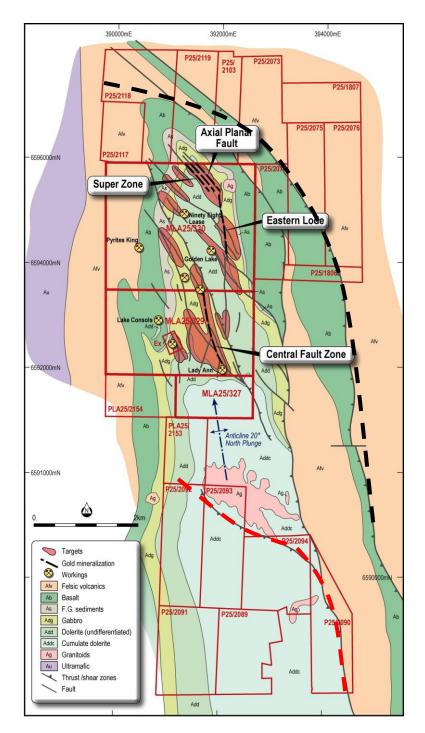


Figure 3 Glandore Lease outline showing Geology and possible Majestic Structure Extension (Black) and Southern Structure (Red)



The two matching figures below show the Aruma Leases on the Landsat Image with structures on the left and comparable unexplored areas in the shaded areas on Geology to the right.

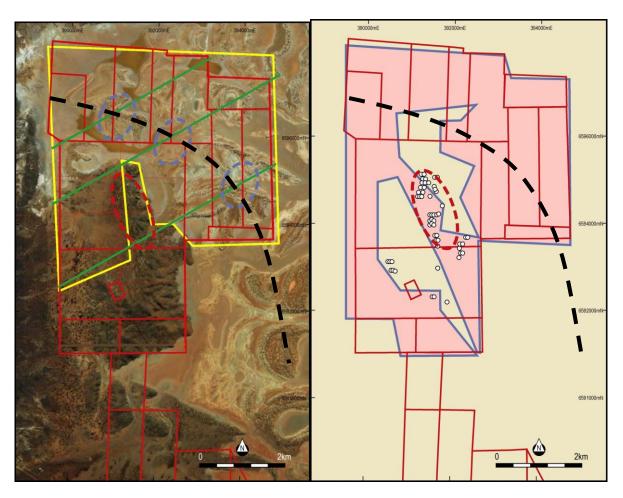


Figure 4 Glandore Project showing Gravity Survey/Fluid Study area (in yellow outline) and the untested nature with targets under the salt lake (shaded pink) with Majestic structure extension as black dashed line



#### ARUMA IS USING NEW TECHNOLOGY TO SPEED UP EXPLORATION

#### **CSIRO Fluid Flow Study**

Used by Integra Mining to define Gold Targets in the Majestic and Aldiss Areas.

#### Work to date has:

- Completed new Gravity and Magnetic Interpretations
- defined new potential targets under cover to the North and East
- Confirms that the mineralisation is Stratabound in defined rocktypes
- Shown major NW faults that are good feeder structures

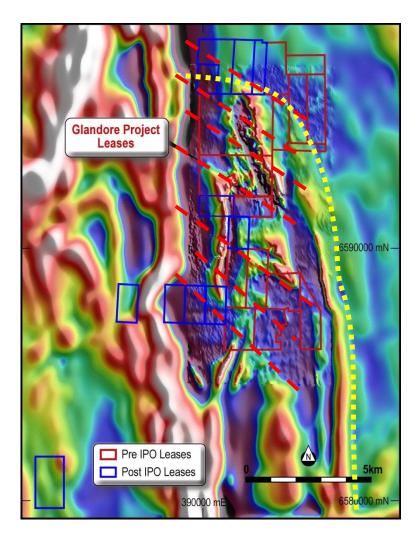


Figure 5 Glandore Leases with the detailed magnetics showing:

- major NW Structures (Red Dashed)
- Majestic-Salt Creek Lineament (Yellow Dots)



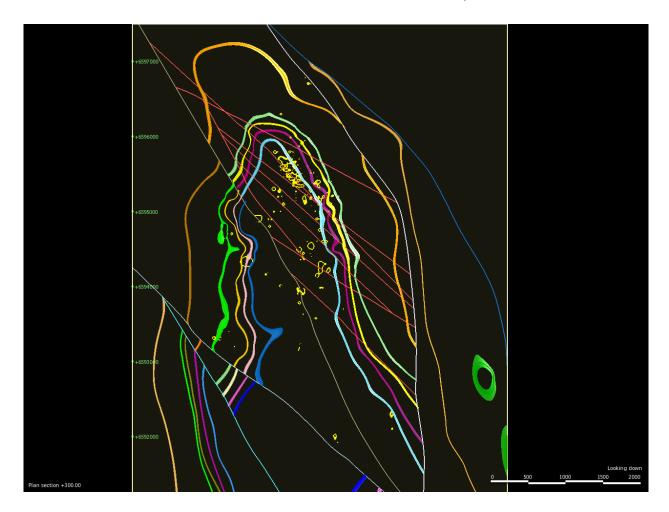


Figure 6 Initial Plan view section of surfaces with gold solids (yellow) (CSIRO)

The above figure demonstrates both the stratabound nature of the gold with the influence of the NW structures. The other point to see is the untested gold solids on the structures and stratigraphy in the NE section of the leases.

The results will be out in November, the PoW is submitted with the heritage approvals being approached for Drilling in December.



#### **LAVERTON EAST**

Aruma's Laverton East Gold Project in WA's eastern Goldfields, returned an intersection of 2m at 4.28 g/t Au in drillhole LEAC 31. A total of 20 holes for 667m were completed before the program was halted due to rain. Of the twenty holes, one hole intersected >1g/t and 3 other holes hit anomalous (>0.05 g/t) Au values.

Managing Director, Peter Schwann confirmed this is the first gold intersection in the area. "While the Laverton exploration work is at a very early stage, the results are highly encouraging, and confirm the Hyvista and Rock Chip Sampling in the area," Mr Schwann said. The area in which the intersections were made is under thin cover and has no previous mining or exploration intersections from previous workers. This intersection was in the easternmost hole on the section and is open to the east and along the 4+ km strike length.

Hole No	Easting	Northing	Angle	Azimuth
LEAC 31	460776	6836876	-60	245°
From	То	Au g/t	Au(R) g/t	Rock Type
7	8	0.33	0.33	Adamellite
15	16	1.22	-	Adamellite
16	17	7.33	8.07	Adamellite
22	23	0.16	0.2	Adamellite

Table 1 Significant (>0.1) Au assays in LEAC 31

Hole	No	Easting	Northing	From	То	Interval	Au	Au(R)	Rock Type
LEAC	31	460776	6836876	4	5	1	0.08	ı	Adamellite
LEAC	31	460776	6836876	8	9	1	0.05	ı	Adamellite
LEAC	31	460776	6836876	13	14	1	0.05	-	Adamellite
LEAC	31	460776	6836876	20	21	1	0.07	-	Adamellite
LEAC	31	460776	6836876	28	29	1	0.05	-	Adamellite
LEAC	39	460396	6837014	15	16	1	0.07	-	Ultramafic
LEAC	44	460272	6837212	35	36	1	0.05	0.02	Ultramafic
LEAC	56	460065	6837411	30	31	1	0.05	0.05	Adamellite

Table 2 Anomalous (>0.05) Au assays in Drilling

This drilling result is seen to be coincident with the edge of the Hyvista anomaly, with hole LEAC 31 located 160m from the 0.49 g/t Rock Chip sample as shown on Figure 6 below. Further follow up drilling will be carried out when the area dries out.



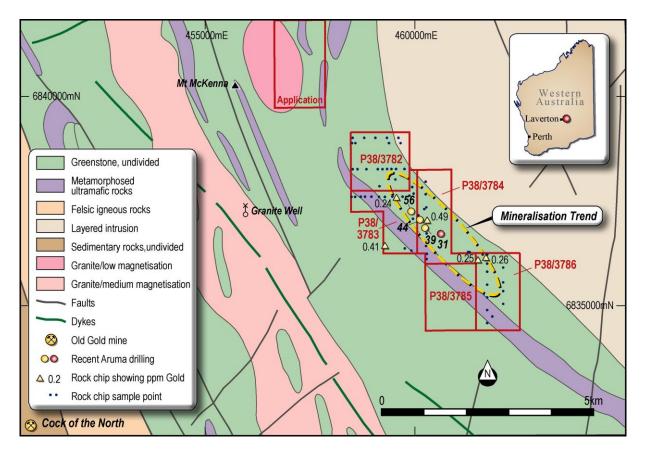


Figure 6 Laverton East Leases showing Geology and Coincident Rock Chip Gold and Drill Hole locations with LEAC 31 in red and the anomalous holes in yellow

This was followed by the second phase drilling at the Company's Laverton East Gold Project in WA's eastern Goldfields. A total of 40 holes was completed for 1,381m. The drill holes were sited to follow up the previously announced 2m at 4.28g/t Au in LEAC 31 as well as testing the more felsic zone to the east.

The Company looks forward to report assay results from this drilling program in November.



#### **KURNALPI SOUTH-STEEPLE HILL**

**Aruma Resources Limited** is also pleased to announce that the first phase of drilling at the Company's Steeple Hill Gold Project in WA's eastern Goldfields, was completed last week. A total of 61 holes was completed for 1,980m. The drill holes were sited to follow up the previously announced Hyvista, soil and gossan anomalies.

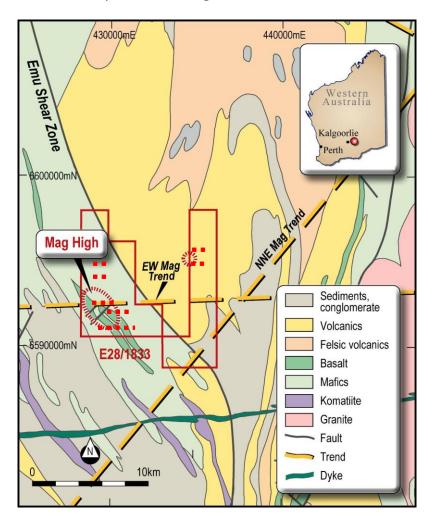


Figure 7 Steeple Hill Lease showing Geology and drill lines in red

The drilling on the second line revealed some alteration in quartz-biotite in 4 holes which are near the Gossans previously reported. All the anomalies were on Magnetic and Hyvista targets. Subject to laboratory availability and turnaround, Aruma expects to report assay results from this work in November.



#### **CAPITAL RAISING SUCCESSFUL**

Aruma has completed an initial capital raising through a placement to sophisticated investors, raising \$706,000 before costs at 7.5 cents per share. Existing shareholders were also offered the opportunity to invest in a Share Purchase Plan at the same price as the placement. The Share Purchase Plan closed on 5 October raising \$85,000.

This funding will allow further evaluation of the Company's growing portfolio of landholdings and gold projects in the coming year.

#### North Eastern Goldfields Projects Progressing

Applications for a PoW over Jundee South was submitted during the quarter. It was expected to be approved in the previous quarter, but has been delayed due to staffing changes at the DMP.

#### Proposed Exploration Activities for Q2 2011/2012

#### **GLANDORE**

- Ongoing involvement of Traditional owners
- Fluid flow Model over covered areas
- Initial drilling on the extension of the Majestic Structure

#### **KURNALPI SOUTH AND GINDALBIE SATELLITE PROJECTS**

- Results for Au and Ni anomalies at Steeple Hill
- PoWs submitted for Mt Quin and Pinnacles
- Initial database delineation and Hyvista over new leases

#### **LAVERTON EAST**

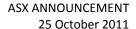
- Drilled 2000m Aircore/RAB over anomalies in gold geochemistry and Hyvista
- results showed 2m at 4.28 g/t in first phase of 667m
- awaiting results of Second Phase for next Phase planning

#### **REGIONAL ELS**

- Hyvista Survey to be completed
- Looking at new areas and data assembly of new leases

#### **Other Projects**

In addition to its current projects in Western Australia, Aruma continues to evaluate potential project opportunities.





For further information please contact:

Company:

Peter Schwann
Managing Director
Aruma Resources Limited
info@arumaresources.com

Tel: +61 (0) 8 9481 2425 Mob: +61 (0)417 946 370 Media:

Annette Ellis/ Karen Oswald Purple Communications Tel: +61 (0) 8 6314 6300 aellis@purplecom.com.au

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 Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology). Mr Schwann is an employee of the Company. Mr Schwann has sufficient relevant experience to qualify as a Competent Person as defined in the JORC Code (2004) and consents to the inclusion of this information in the form and context in which it appears.

#### **Background**

Aruma Resources (ASX: AAJ) is a focussed West Australian based gold exploration company with five prospective project areas within the Eastern Goldfields region of Western Australia. Inclusive of several tenements which are still under application, Aruma's tenement package now covering some 1280km² located on regional structures in the Norseman - Wiluna Greenstone Belt which contains most of Australia's lode-type gold deposits.

The flagship Glandore Project is approximately 40km east of Kalgoorlie-Boulder. Previous exploration of the Glandore Project, has identified several advanced exploration areas and some twenty under-explored prospective exploration targets.

The Kurnalpi South Project lies approximately 100km to the east of Kalgoorlie-Boulder and comprises several gold exploration prospects including Lake Yindarlgooda, Christmas Well, Pinnacles South, Mt Quin and Steeple Hill, within a minimally explored area of a greenstone belt that hosts several major mines.

The Laverton East Project is located approximately 20km east of Laverton. Previous exploration of the area includes relatively shallow RAB drilling over much of the tenement and reconnaissance rock chip sampling returned several gold assays of greater than 0.2 g/t. An EL over 80 km<sup>2</sup> has been applied for to the north of the current leases at Paul Well in the prospective stratigraphy.

The Jundee South Project is approximately 50km to the east of Wiluna within the Yandal Greenstone belt. The Gourdis and Vause deposits are thought to be located on structures that extend to the west, through the Aruma Lease.

Each of the project areas can be readily accessed from the regional towns of Kalgoorlie-Boulder, Laverton or Wiluna.

The opportunities for prospective ground in the Murchison Goldfields has allowed Aruma to recently apply for two areas with known gold occurrences near the major mining centres of gidgee and Big Bell.

Rule 5.3

# **Appendix 5B**

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity	
ARUMA	A RESOURCES LIMITED
ABN	Quarter ended ("current quarter")
77 141 335 364	30 September 2011

## Consolidated statement of cash flows

lows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A '000
Receipts from product sales and related debtors	33	33
Payments for		
(a) exploration and evaluation	(441)	(441)
	-	-
	(156)	(156)
3 7	(150)	(150)
received	4	4
Interest and other costs of finance paid	-	-
Income taxes paid	-	-
GST received/(paid)	(9)	(9)
Net Operating Cash Flows	(569)	(569)
Cash flows related to investing activities		
(a) prospects	-	-
(b) equity investments	-	-
` '	(3)	(3)
	_	-
	_	_
Payment for exploration licences granted	-	-
	-	-
Net investing cash flows	(3)	(3)
Total operating and investing cash flows (carried forward)	(572)	(572)
	debtors Payments for  (a) exploration and evaluation (b) development (c) production (d) administration Dividends received Interest and other items of a similar nature received Interest and other costs of finance paid Income taxes paid Other GST received/(paid)  Net Operating Cash Flows  Cash flows related to investing activities Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets  Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets  Payment for exploration licences granted  Net investing cash flows  Total operating and investing cash flows	Receipts from product sales and related debtors Payments for  (a) exploration and evaluation (b) development (c) production (d) administration (156) Dividends received Interest and other items of a similar nature received Interest and other costs of finance paid Income taxes paid Other GST received/(paid)  Cash flows related to investing activities Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets Payment for exploration licences granted  Net investing cash flows  Total operating and investing cash flows  Total operating and investing cash flows  Total operating and investing cash flows

1.13	Total operating and investing cash flows		
	(brought forward)	(572)	(572)
	-		
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, exercise of		
	options, etc.	706	706
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from short term loan	-	-
1.17	Repayment in full of short term loan	-	-
1.18	Dividends paid	-	-
1.19	Other – held pending issue of securities	50	50
	Net financing cash flows	756	756
	Net increase (decrease) in cash held	184	184
	Net increase (decrease) in cash held	104	104
1.20	Cash at beginning of quarter/year to date	2,975	2,975
1.21	Exchange rate adjustments to item 1.20		-
1.22	Cash at end of quarter	3,159	3,159

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payment of salary to managing director and payment of directors' fees.

### Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

# **Financing facilities available** *Add notes as necessary for an understanding of the position.*

		Amount available	Amount used
		\$A'000	\$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	-
4.3	Acquisition of interests	-
4.4	Administration	150
	Total	450

### **Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1	Cash on hand and at bank	747	276
5.2	1 month term deposit	2,412	2,699
5.3	3 month term deposit	-	-
5.4	6 month term deposit	-	-
	Total: cash at end of quarter (item 1.22)	3,159	2,975

## Changes in interests in mining tenements

6.1 Interests in mining tenements relinquished, reduced or lapsed

6.2
Interests in mining tenements acquired or increased

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
E16/436	100%	0%	100%
E20/794	100%	0%	100%
E20/795	100%	0%	100%
E25/469	100%	0%	100%
E25/472	100%	0%	100%
E27/472	100%	0%	100%
E28/2123	100%	0%	100%
E40/413	100%	0%	100%
E51/1502	100%	0%	100%
P25/2199	100%	0%	100%
P25/2201	100%	0%	100%

# **Issued and quoted securities at end of current quarter**Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	Preference +securities				
7.2	Changes during quarter (a) Increases through issues (b) Decreases				
	through returns of capital, etc.				
7.3	*Ordinary securities	75,070,833	34,945,838		
7.4	Changes during quarter (a) Increases through issues (b) Shares released from	9,413,333	9,413,333	7.5 cents	7.5 cents
	escrow (c) Decreases through returns of capital, buy-backs				
7.5	<sup>+</sup> Convertible debt securities	_	_		
7.6	Changes during quarter (a) Increases (b) Decreases				
7.7	Options			Exercise price	Expiry date
	(description and conversion factor)	4,000,000	-	27 cents	31 March 2012
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	_	-		
7.10	Expired/lapsed during quarter	_	-		
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)		-		

## **Compliance statement**

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement does give a true and fair view of the matters disclosed.

Sign here: Phillip MacLeod Date: 25 October 2011

**Company Secretary** 

Print name: Phillip MacLeod

#### **Notes**

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == ==