

ARUMA RESOURCES LIMITED

ACN 141 335 364

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting to be held
on 29 November 2011 at 9:00am (Western Standard Time) at
58 Kings Park Road, West Perth, Western Australia**

This is an important document. Please read it carefully.

***If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.***

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of Aruma Resources Limited will be held at:

58 Kings Park Road	Commencing
West Perth	at 9:00am (Western Standard Time)
WA 6005	on 29 November 2011.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00am (Western Standard Time).

Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Your proxy form is enclosed.

ARUMA RESOURCES LIMITED
ACN 141 335 364

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Aruma Resources Limited will be held at 58 Kings Park Road, West Perth, Western Australia on Tuesday, 29 November 2011 at 9:00am (Western Standard Time) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

GENERAL BUSINESS

Accounts and Reports

To receive and consider the annual financial report of the Company, the Directors' Report and the Independent Audit Report for the year ended 30 June 2011.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

"That, for the purpose of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 30 June 2011."

Short Explanation: The Remuneration Report is in the Directors Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The resolution will be determined as an ordinary resolution but is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the Company will not disregard a vote if:

- (c) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

Resolution 2 - Re-election of Director – Daniel Costick

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Daniel Costick, who retires by rotation in accordance with clause 7.3(a) of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Short Explanation: Daniel Costick has been a Director of the Company since 6 January 2010. Daniel Costick is presented for re-election in accordance with the rotation requirements of the Company's Constitution.

Resolution 3 – Election of Director – Ki Keong Chong

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Ki Keong Chong, being a Director of the Company appointed by the Directors during the year as an additional Director and holding office until this Meeting in accordance with clause 7.3(f) of the Company's Constitution and, being eligible, offers himself for election, is hereby elected as a Director of the Company."

Short Explanation: Mr Chong was appointed by the Board as an additional Director on 1 February 2011 and by clause 7.3(f) of the Company's Constitution holds office until this Meeting. Mr Chong is presented for election in accordance with the Company's Constitution.

Resolution 4 – Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 125,000 fully paid ordinary shares in the capital of the Company on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Ratification of Tranche 1 Placement of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 9,413,333 fully paid ordinary shares in the capital of the Company at 7.5 cents each on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Approval of Tranche 2 Placement to Paul Boyatzis

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,100,000 fully paid ordinary shares in the capital of the Company at 7.5 cents each to Paul Boyatzis a Director of the Company (or his nominee) on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 7 - Approval of Tranche 2 Placement to Peter Schwann

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 666,667 fully paid ordinary shares in the capital of the Company at 7.5 cents each to Peter Schwann a Director of the Company (or his nominee) on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 8 - Approval of Tranche 2 Placement to Daniel Costick

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 133,333 fully paid ordinary shares in the capital of the Company at 7.5 cents each to Daniel Costick a Director of the Company (or his nominee) on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 9 – Approval of Tranche 2 Placement to Ki Keong Chong

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 200,000 fully paid ordinary shares in the capital of the Company at 7.5 cents each to Ki Keong Chong a Director of the Company (or his nominee) on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 10 – Approval of Employee Incentive Scheme

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 Exception 9(b) and for all other purposes, Shareholders approve the issue of securities under the "Aruma Resources Limited Employee and Officer Share Option Plan" for a period of 3 years commencing on the date of this meeting on the terms set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on this resolution by the Directors of the Company and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Phillip MacLeod
Company Secretary
Dated: 25 October 2011

ARUMA RESOURCES LIMITED

ACN 141 335 364

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report of the Company for the year ending 30 June 2011 is set out in the Director's Report of the Company's Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for executive and non-executive Directors and executive employees of the Company. A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (Spill Resolution).

If more than 50% of the Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (Spill Meeting) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of the Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, ***you must direct the proxy how they are to vote***. Where you do not direct the Chair, or another member of the Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2011.

Closely Related Party of a member of the Key Management Personnel means:

- (a) A spouse or child of the member;
- (b) A child of the members spouse;
- (c) A dependent of the member or the members spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporations Regulations 2001 (Cth).

2. **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DANIEL COSTICK**

Mr Costick was appointed a director of the Company on 6 January 2010.

Pursuant to clause 7.3(a) of the Company's Constitution, Mr Costick, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Costick is a non-executive director of the Company. Details of the qualifications and experience of Mr Costick are set out in the 2011 Annual Report of the Company.

3. **RESOLUTION 3 – ELECTION OF DIRECTOR – KI KEONG CHONG**

Mr Chong was appointed by the Board as an additional Director on 1 February 2011 and by clause 7.3(f) of the Company's Constitution holds office until this Meeting. Mr Chong is therefore presented for election in accordance with the Constitution.

Mr Chong is a non-executive director of the Company. Details of the qualifications and experience of Mr Chong are set out in the 2011 Annual Report of the Company.

4. **RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUES OF SHARES**

4.1 **Background**

The Company announced on 15 June 2011 that it had issued 125,000 Shares to one of the native title parties involved in the Native Title Agreements over mining leases at the Glandore project.

On 13 September 2011, the Company announced the placement of approximately 11.5 million Shares at 7.5 cents to raise \$863,500 (before costs) (**Placement**). Tranche 1 of the Placement was the issue of 9,413,333 Shares to sophisticated investors under the Company's placement capacity pursuant to Listing Rule 7.1. Tranche 2 of the Placement is the issue of up to 2.1 million Shares to related parties (being Paul Boyatzis, Peter Schwann, Daniel Costick and Ki Keong Chong as Directors) and is subject of approval under Resolutions 6, 7, 8 and 9.

ASX Listing Rule 7.1 provides, subject to certain exceptions, that without shareholder approval, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue.

Listing Rule 7.4 provides that an issue of securities made without the approval under ASX Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach ASX Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and Shareholders subsequently approve it.

4.2 Resolution 3

The Company issued 125,000 Shares within its 15% capacity under Listing Rule 7.1. The Company now seeks Shareholder approval to ratify this issue and refresh the 15% capacity.

Listing Rule 7.5 provides that for Shareholders to approve an issue subsequently, the notice of meeting must include particular information. This information is as follows:

- (a) The number of securities issued and allotted was 125,000 Shares.
- (b) The Shares were issued pursuant to the terms of a Future Act Agreement in relation to mining leases at the Company's Glandore project.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Shares were allotted to the trustees of the Widji Charitable Trust. The allottees are not related parties of the Company.
- (e) No funds were raised from the issue.

4.1 Resolution 4

The Company issued 9,413,333 Shares under the Placement within its 15% capacity under Listing Rule 7.1. The Company now seeks Shareholder approval to ratify this issue and refresh the 15% capacity.

Listing Rule 7.5 provides that for Shareholders to approve an issue subsequently, the notice of meeting must include particular information. This information is as follows:

- (a) The number of securities allotted was 9,413,333 Shares.
- (b) The Shares were issued at a price of 7.5 cents each
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The allottees of the Shares were sophisticated investor clients of Patersons Securities Limited who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act. None of the allottees are related parties of the Company.
- (e) The Company intends to use the funds raised from the tranche 1 placement for targeted exploration programs on the Company's existing projects, review of new exploration and development opportunities and for general working capital.

5. RESOLUTIONS 6, 7, 8, AND 9 – APPROVAL OF TRANCHE 2 PLACEMENT OF SHARES

Resolutions 6, 7, 8 and 9 seek Shareholder approval for Messrs Boyatzis, Schwann, Costick and Chong (or their nominees) to participate in the placement capital raising by the Company issuing up to 1,100,000 Shares to Mr Boyatzis (or his nominee), up to 666,667 Shares to Mr Schwann (or his nominee), up to 133,333 Shares to Mr Costick (or his nominee) and up to 200,000 Shares to Mr Chong (or his nominee).

ASX Listing Rule 10.11 requires the Company to obtain shareholder approval prior to the issue of securities to a related party. Messrs Boyatzis, Schwann, Costick and Chong, as Directors of the Company, are related parties of the Company. Accordingly, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11 for each of Messrs Boyatzis, Schwann, Costick and Chong.

Approval pursuant to ASX Listing Rule 7.1 is not required as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of the securities will not be included in the 15% calculation of the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out the matters which must be included in the notice of meeting convened to seek shareholder approval under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 6, 7, 8 and 9:

- (a) The Shares will be issued to Paul Boyatzis or his nominee (by Resolution 6), Peter Schwann or his nominee (by Resolution 7), Daniel Costick or his nominee (by Resolution 8) and Ki Keong Chong or his nominee (by Resolution 9).
- (b) The maximum number of securities the Company will issue to Paul Boyatzis (or his nominee) is 1,100,000 Shares, the maximum number of securities the Company will issue to Peter Schwann (or his nominee) is 666,667 Shares, the maximum number of securities the Company will issue to Daniel Costick (or his nominee) is 133,333 Shares and the maximum number of securities the Company will issue to Ki Keong Chong (or his nominee) is 200,000 Shares.
- (c) The Shares will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) The issue price of the Shares is 7.5 cents each and the Shares will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.
- (e) The Company intends to use the funds raised from the tranche 2 placement for targeted exploration programs on the Company's existing projects, review of new exploration and development opportunities and for general working capital..

6. RESOLUTIONS 10 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

6.1 Background

In June 2011 the Board adopted the Employee and Officer Share Option Plan ("**Option Plan**") to enable the Company to issue Options to eligible participants including employees and officers.

The Option Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth and provide an incentive to contribute to that growth. The Option Plan is further designed to assist in retaining employees.

A copy of the Option Plan will be made available for inspection at the Meeting. A summary of the Option Plan is set out in Schedule 1.

6.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the ASX Listing Rules for the establishment or operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the 15% limit imposed by ASX Listing Rule 7.1 on the number of securities that may be issued without shareholder approval. ASX Listing Rule 7.2 exception 9(b) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by shareholders and the issue of securities is within 3 years from the date of shareholder approval of the issue of securities under the employee incentive scheme.

If an offer is made to a Director to participate in the Option Plan then separate Shareholder approval will need to be obtained.

6.3 Recommendation

The Board recommends that Shareholders approve the Option Plan. It will allow the Company to issue securities for the benefit of participants of the Option Plan whilst preserving the Company's 15% limit of issuing securities and provide flexibility in the manner in which the Option Plan is managed.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 27 November 2011 at 5:00pm (Western Standard Time).
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**Aruma Resources**" means Aruma Resources Ltd (ACN 141 335 364).

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this Explanatory Statement.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to acquire a Share.

"**Option Plan**" means the Employee and Officer Share Option Plan with the terms and conditions summarised in Schedule 1.

"**Optionholder**" means a holder of an Option.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of shares in the Company.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

SCHEDULE 1 Terms and Conditions of Option Plan

Following is a summary of the terms and conditions of the Option Plan:

- 1. Purpose** The purpose of the Option Plan is to offer Options to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants** Eligible participants are a full or part-time employee, consultant or an officer of the Company or a subsidiary ("**Eligible Participants**").
- 3. Offers** Subject to any necessary Shareholder approval, the Board may offer Options to Eligible Participants for nil consideration.
- 4. Exercise Price** The exercise price of Options will be determined by the Board in its discretion provided that the exercise price will not be less than 80% of the average closing sale price of Shares on ASX over the 5 trading days immediately preceding the date of the offer.
- 5. Expiry Date** The expiry date of Options will be determined by the Board but will be no later than 5 years from the date of issue of an Option.
- 6. Vesting and Lapse**

An Option may only be exercised after that Option has vested and before its expiry date. The Board may determine the vesting period, conditions and restrictions (if any). On the grant of an Option the Board may in its absolute discretion impose other conditions on the exercise of an Option.

An Option will lapse upon the first to occur of its expiry date; the holder acting fraudulently or dishonestly in relation to the Company; 60 days following the participant ceasing to be an officer, employed or engaged by the Company; or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

If, in the opinion of the Board, a change of control event (scheme of arrangement, takeover bid or a person with a sufficient relevant interest to replace the Board) has or is likely to occur, then the Board may declare an Option to be free of any conditions of exercise. Similarly, Options will be free of any conditions of exercise where a notice of meeting is issued to enter into a scheme of arrangement resulting in a person obtaining a relevant interest in not less than 90% of the Shares.
- 7. Shares issued on exercise of Options** Each Option entitles the holder to one fully paid ordinary share on exercise of the Option.
- 8. Transferability and quotation** Options may not be transferred other than to a nominee of the holder or with the prior consent of the Board. Quotation of the Options on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on exercise of Options.
- 9. Limitation on number of Options** Shares to be received on the exercise of all Options under the Option Plan when aggregated with the number of Shares issued during the previous 5 years under any employee share plan of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.
- 10. Administration of the Plan** The Option Plan will be administered under the directions of the Board and the Board may make regulations and establish procedures for the administration and management of the Option Plan as it considers appropriate.
- 11. Operation** The operation of the Plan is subject to the ASX Listing Rules and the Corporations Act.

ARUMA RESOURCES LIMITED
ACN 141 335 364
PROXY FORM

APPOINTMENT OF PROXY

Aruma Resources Limited
ACN 141 335 364

I/We

being a Shareholder of Aruma Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 58 Kings Park Road, West Perth, Western Australia on 29 November 2011 at 9:00am (WST) and at any adjournment thereof.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Daniel Costick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Ki Keong Chong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Tranche 2 Placement to Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Tranche 2 Placement to Peter Schwann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of Tranche 2 Placement to Daniel Costick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Tranche 2 Placement to Ki Keong Chong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Important note for Resolution 1: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 6 to 10** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 6 to 10 and that votes cast by the Chair of the Annual General Meeting for Resolutions 6 to 10 other than as proxy holder may be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 6 to 10 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 6 to 10.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Please return this Proxy Form to the Company Secretary, Aruma Resources Limited, PO Box 2803, West Perth, WA, 6872 or by fax to (08) 9481 1756 by 9:00am (WST) on 27 November 2011.

Signed this _____ day of _____ 2011.

Signature of Member(s):

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 24 Colin Street, West Perth, Western Australia, 6005

Fax Number: +61 (8) 9481 1756

Postal Address: PO Box 2803, West Perth, Western Australia, 6872

by no later than 48 hours prior to the time of commencement of the Meeting.