

Aruma Resources Limited

ABN 77 141 335 364 ASX: AAJ

ASX ANNOUNCEMENT 7 December 2011

NEW GOLD LEASE OPTION 'FLAGSHIP POTENTIAL'

Highlights

- Exciting leases optioned at Twin Hills North Project, Menzies District
 - o 15 km of gold bearing greenstone at Twin Hills North
 - Exploration ready, near-term resource potential
- Large EL to add to the Gindalbie Project

Growing Western Australian gold explorer, Aruma Resources Limited (ASX: AAJ) is pleased to announce that it has entered into an option agreement to acquire two new lease areas in WA's prolific eastern Goldfields region, providing an opportunity to acquire a highly prospective landholding in the Menzies district - an established gold-producing province on the historical gold-producing Moriarty Shear - as well as mineralised zones adjacent to its own Gindalbie Leases. These leases were offered by well-known Perth accountant Ross Arancini through his prospecting company LSA Exploration Pty Ltd. Managing Director, Peter Schwann said the lease option will add some 244km² to Aruma's growing position in the Goldfields, increasing the Company's total landholding to more than 1,500km².

"We are very excited to have acquired an option over the Twin Hills North Project (Menzies District). Twin Hills North is potentially Aruma's second flagship project.

"The project has walk-up drilling targets with resource drilling possible in the short term. A total of 15 km of geochemical anomalies have been defined by shallow auger drilling which will be the primary target in the initial aircore-RAB drilling."

"Results from previous limited, shallow drilling (1997 and 2007) identified thick, low grade gold at the bottom of the holes. Historical drilling returned thick intersections of 0.9 g/t Au over a 150m strike length, to depths of 50m. The intersections also indicated copper present, up to 0.25% Cu, providing potential for copper credits."

"These grades are the same as the head grades Telfer and Boddington, and the exploration target at Twin Hills North has potential for a large tonnage resource amenable to open cut, with the opportunity of finding smaller high-grade zones as well."

"More Importantly, the copper-gold signature, together with the intrusive monzogranites and maficultramafic belt make this 15km long trend highly attractive for new techniques to identify major gold ore bodies. In addition, the reported Garden Well-type ultramafic-sediment target as well as the reported Majestic-Tonalite target types are both present; which together with the proven mineralisation, reinforces our confidence in the prospectivity of the Twin Hills North project."

"We plan to commence exploration at Twin Hills North immediately, commencing with a detailed review of the full data base, followed by an 84-hole RAB drill programme to identify targets for follow up RC resource drilling thereafter."



"We reasonably expect to complete these programmes in the September quarter 2012, at which time we will have sufficient indication of resource potential to make a decision on executing our option over this project."

Twin Hills North comprises two lease areas, one of which is granted with the second grant imminent.

"We are also pleased to have secured an option over the Camel Dam prospect, extending the Company's Gindalbie Project," Mr Schwann said.

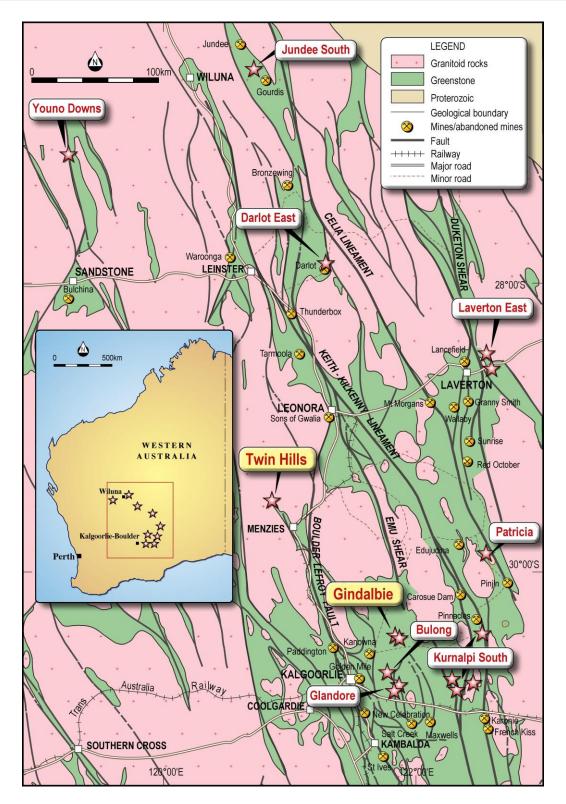
"Following a review of the consolidated database over the Gindalbie tenements, we will undertake a HyVista survey over the collective tenement areas."

Gold potential at the Camel Dam (Gindalbie) Project remains within the under-explored greenstone sequence in the eastern half of the project. The greenstone sequence is known to host gold mineralisation, as numerous historical gold workings have been located in the area. Rock sampling from around an abandoned shaft (The Lady Lauren) in the northwest of the project returned a best assay of 25.81ppb? Au.

LEASE DETAILS

Twin Hills North										
Lease	Prospect	Area Blocks	Area	Date Granted	Native Title Claim					
EL29/743	Woodline Well	34 blocks	100km²	9/4/2010	Nil					
ELA29/823	Unfinished Well	24 blocks	72km²	Pending	Nil					
Gindalbie										
EL27/397	Camel Dam	24 blocks	72km²	10/8/2009	Central Eastern					





Aruma projects location map showing Twin Hills North and Gindalbie

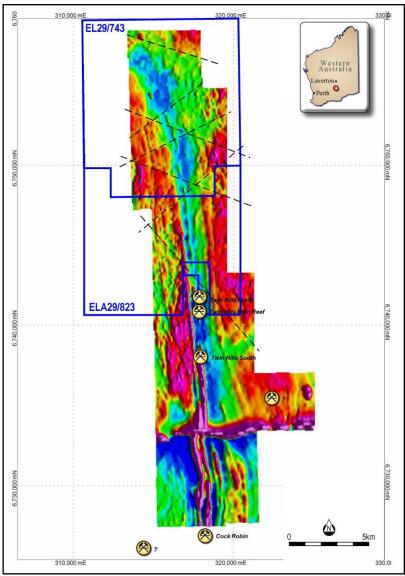


TWIN HILLS NORTH PROJECT OVERVIEW

Geological Setting

The Twin Hills North Project area is mostly covered by moderate younger sediments consisting of soft sand with minor laterites. The magnetic image below clearly shows the buried greenstone belt running north-south between the two granites under cover.

The Twin Hills Greenstone sequence is a relatively narrow belt between two different granites and extends the full length of the leases over some 15 km. The greenstones are reported by previous workers to be ultramafic, mafic and sedimentary rocks, and are approximately 1.2 km wide. The presence of ultramafic to BIF rocks intruded by granites on structures fits the exploration model used by Aruma for all its tenements.



TMI Map of Twin Hills North Project on the N-S Moriarty Shear. with gold mines, cross structures and leases.



Hole ID	MGA mN	MGA mE	From	То	Interval (m)	g/t Au	ppm Cu
THR 301	6755258	314685	25	47	22	1.04	NA
THR 288	6755208	314757	25	26	1	2.56	NA
THR 331	6755408	314792	50	70	20	0.54	NA
WRC01	6755252	314668	43	55	12	0.84	308
Including	6755252	314668	53	54	1	1.79	2360
WRC03	6755313	314670	32	60	28	0.86	182
WRC04	6755307	314648	24	48	24	0.51	113
WRC06	6755365	314655	24	48	24	0.39	99

Table of historical intersections

Previous Exploration

1989-90 CRA: 500m spaced Auger Sampling produced six areas >20ppb Au, with the best at

0.6g/t. The reports do not state the depth of the Augur Samples but it would be less than

2m in 1989 on tractor mounts.

Work included 200m spaced Mag-Rad aerial survey - identifying the mafics extending under

cover to the north.

1996-97 Global Exploration (GEM) was exploring for diamonds but instead hit gold in the T4 target area that was drilled in five lines at 50m spacing. The results included:

THR 301 22m at 1.04g/t Au from 25m
THR 288 1m at 2.56 g/t Au from 25m
THR 331 20m at 0.54 g/t Au from 50m

1996-97 Astro Mining explored for diamonds after GEM.

1997-2006 No exploration due to low gold price.

2006-7 Teakdale Nominees completed eight RC holes in the T4 area, with some good intersections over three of the five lines from the GEM drilling, including best results:

WRC01 12m at 0.84g/t Au from 43m

Incl 1m at 1.79 g/t Au and .25% Cu from 53m

WRC03 28m at 0.86 g/t Au from 32m WRC04 24m at 0.51 g/t Au from 24m WRC06 24m at 0.39 g/t Au from 24m

These results were originally considered to be steep and plunging to the north in two zones. It is suggested that the zone is actually flat and shallow dipping to the east. The zones are also on a major NW trending dislocation and possible feeder structure that is repeated to the north and south and are targets for major systems.



Intrusive hosted major gold zones are just being recognised in the region with the new deposits at Integra's new Majestic and Imperial zones, and are being targeted at Glandore and other leases in the Aruma property list.

The Copper Gold signature seen here together with the intrusive monzogranites and mafic-ultramafic belt make this 15km long trend highly attractive for new techniques to identify major gold orebodies. In addition, the Garden Well ultramafic-sediment target, as well as the Majestic tonalite target types, are both present, as is proven mineralisation identified in previous drilling.

Work Program

- 1. Immediately to start work on both areas with full data base examination;
- 2. RAB drill the geochemical anomalies and favourable geological structures on a 500 by 50m grid for 84 holes at 40m deep; and
- 3. Follow up drilling RC for resource drilling.

Target and range

The Exploration Target¹ would be an open cut tonnage of economic grade to enable custom milling for medium to high grade small tonnes, ranging to full plant construction for large tonnages.

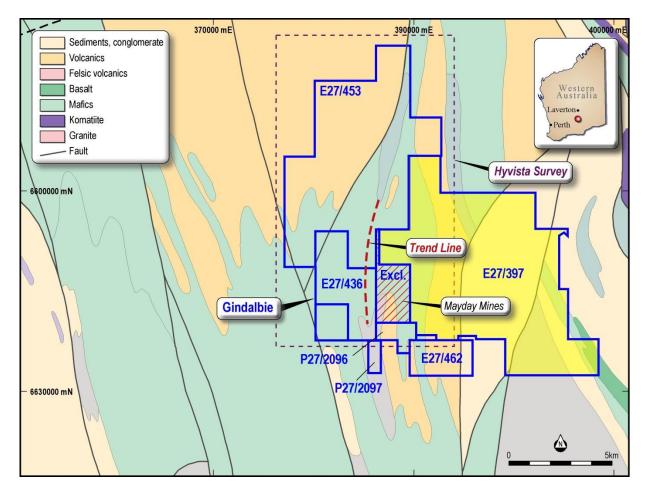
The resource range is expected to be 2-20 Mt with a head grade of >0.8 g/t Au with a probable 2 g/t Au head grade¹. The current and expected gold price is now making lower grades economical.

¹ Aruma Resources has not yet reported Mineral Resources at Twin Hills North and any discussion in relation to targets and mineral resources is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.



Camel Dam Project Overview

At Gindalbie, Aruma will have a complimentary 72km² of ground adjacent to the existing Gindalbie leases as shown below in blue. The yellow area is the area offered and surrounds the Mayday mines.



Map of complimentary area at Gindalbie with E27/397 shaded yellow (excluded Mayday leases red striped)

Geology of the Lease Area

The project area is essentially underlain in the west by a sequence of gabbro, dolerite and basalt. To the east the tenure is underlain by felsic volcanics and sequential arkosic to argillaceous metasediments. Rhyolitic flows and tuffs with interbedded pebble conglomerates and metasediments underlie the eastern edge of the tenure. The project is essentially divided by an east-west trending dolerite-gabbro Proterozoic dyke.



Nearby gold mining areas include the Mayday Mining Area, located 2km south of the Camel Dam Project, which currently has a resource of 1,019,653t @ 1.89g/t for 62,048oz Au. The Kalpini gold deposit, located 2km east of the Camel Dam Project, currently has a resource of 2,700,000t @ 2.8g/t for 242,000oz Au.

Within the project area, the felsic and conglomerates are not the primary targets as these have been downgraded by previous explorers. Gold potential at the Camel Dam Project remains within the underexplored greenstone sequence in the western half of the project. The greenstone sequence is known to host gold mineralisation, as numerous historical gold workings have been located in the area; rock sampling from around an abandoned shaft (The Lady Lauren) in the northwest of the project returned a best assay of 25.81ppm Au.

Work Program Gindalbie

- 1. Immediately start work on both areas with full data base examination;
- 2. Fly Hyvista of total Gindalbie package; and
- 3. On Granting of E27/453, commence exploration as normal on full package.

SUMMARY OF OPTION AGREEMENT TERMS

Under the terms of the option agreement, Aruma Resources will pay \$100,000 and issue 1 million shares in the Company to the vendor giving Aruma the right to explore the tenements over the 18 month option period. Aruma Resources can exercise its right to acquire LSA Exploration Pty Ltd, the holder of the tenements, within the option period for consideration of \$2 million and the issue of a further 5 million shares in Aruma. No royalty would be payable over any of the tenements to the vendor.

Included in the transaction is a good data package as well as detailed magnetics.

ARUMA PROJECTS PROGRESS

- PoW prepared for Twin Hills North and will be submitted this week;
- Steeple Hill and Laverton East assays are awaiting completion;
- Drilling completed for 23 holes and 1042m at Jundee South;
- Hyvista Surveys completed at the Patricia, Laverton East Extension, Gindalbie and Darlot leases; and
- The Fluid Flow Study at Glandore is progressing, and the initial report will be issued on the 9th December

ENDS



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Competent Person's Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Schwann who is a Fellow of the 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.