

ARUMA RESOURCES LIMITED

ACN 141 335 364

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

**For the General Meeting to be held
on 17 April 2013 at 9:00am (Western Standard Time) at
18 Stirling Highway, Nedlands, 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 GENERAL MEETING AND HOW TO VOTE

Venue

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

The Boardroom	Commencing
Ground Floor	at 9:00am (Western Standard Time)
18 Stirling Highway	on Wednesday
Nedlands WA 6009	17 April 2013.

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:

- Hand to the Company's office at Suite 33, 18 Stirling Highway, Nedlands, Western Australia, 6009;
- Facsimile to fax number +61 (8) 6389 0112;
- Post to Locked Bag 2000, Nedlands, Western Australia, 6909; or
- Email to pmacleod@gapcs.com.au,

so that it is received not later than 9:00 am (WST) on Monday, 15 April 2013.

ARUMA RESOURCES LIMITED
ACN 141 335 364

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Aruma Resources Limited will be held at The Boardroom, Ground Floor, 18 Stirling Highway, Nedlands, Western Australia on Wednesday, 17 April 2013 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

Resolution 1 – 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 19,668,000 Shares in the capital of the Company at 5 cents each on the terms set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates 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 2 – Approval of Tranche 2 Placement to Unrelated Parties

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 7.1 and for all other purposes, Shareholders approve the issue of up to 25,040,000 Shares in the capital of the Company at 5 cents each to unrelated parties of the Company on the terms set out in the Explanatory Statement."

Short Explanation:

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 3 – 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 2,000,000 Shares in the capital of the Company at 5 cents each to Paul Boyatzis a Director of the Company (or his nominee) on the terms set out in the Explanatory Statement."

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 4 - 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 3,200,000 Shares in the capital of the Company at 5 cents each to Peter Schwann a Director of the Company (or his nominee/associates) on the terms set out in the Explanatory Statement."

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 5 – 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 100,000 Shares in the capital of the Company at 5 cents each to Ki Keong Chong a Director of the Company (or his nominee) on the terms set out in the Explanatory Statement."

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 6 – Approval to Grant Options 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 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant to Paul Boyatzis or his nominee up to 1,000,000 Options to acquire Shares in the capital of the Company, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Paul Boyatzis or his nominee or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Resolution 7 – Approval to Grant Options 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 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant to Peter Schwann or his nominee up to 2,000,000 Options to acquire Shares in the capital of the Company, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Peter Schwann or his nominee or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Resolution 8 – Approval to Grant Options 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 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant to Ki Keong Chong or his nominee up to 500,000 Options to acquire Shares in the capital of the Company, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ki Keong Chong or his nominee or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Resolution 9 – Approval to Grant Broker Options

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 7.1 and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates 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.

By order of the Board



Phillip MacLeod
Company Secretary
Dated: 12 March 2013

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. Information Relating to Resolution 1 – Ratification of Tranche 1 Placement of Shares

1.1 Background

On 4 March 2013, the Company announced that it had agreed to issue up to approximately 50 million Shares at 5 cents each to raise up to approximately \$2.5 million (before costs) (**Placement**) in two tranches. The funds were to be raised to fund continued exploration on the Company's existing projects in Western Australia including the Glandore, Gindalbie and Jundee South projects; general working capital; and costs associated with the issue. Tranche 1 of the Placement was the issue of 19,668,000 Shares to sophisticated investors under the Company's placement capacity pursuant to Listing Rules 7.1 and 7.1A. The issue of the Shares for this first tranche occurred on 11 March 2013.

Of the 19,668,000 Shares the subject of Tranche 1, 11,895,625 Shares were placed pursuant to the Company's 15% placing capacity under Listing Rule 7.1 and 7,772,375 Shares were placed pursuant to the Company's additional 10% placing capacity under Listing Rule 7.1A that was approved by Shareholders at the annual general meeting held on 28 November 2012. Ratification for the issue of the Tranche 1 Shares placed both pursuant to Listing Rule 7.1 and Listing Rule 7.1A is the subject of Resolution 1.

Tranche 2 of the Placement is the issue of up to 25.04 million Shares to sophisticated investors who are unrelated parties to the Company and up to 5.3 million Shares to related parties (being Paul Boyatzis, Peter Schwann (and associates) and Ki Keong Chong as Directors) and is subject of approval under Resolutions 2, 3, 4 and 5.

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.

1.2 ASX Listing Rules

Resolution 1 seeks the ratification of the issue of 19,668,000 Shares issued pursuant to tranche 1 of the Placement at an issue price of 5 cents per Share to raise \$983,400 issued under the Company's placement capacities under Listing Rules 7.1 and 7.1A.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A further provides that a company may seek approval at its annual general meeting to issue up to a further 10% of the number of fully paid ordinary securities on issue at the commencement of the 12 month period commencing on the annual general meeting date. The Company received approval under Listing Rule 7.1A at its annual general meeting held on 28 November 2012.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

Issues of securities made under Listing Rule 7.1A can also, after they have been made, be ratified under Listing Rule 7.4. This has the effect of refreshing the Company's ability to issue shares within the additional 10% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for shareholder approval.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 or a further 10% under Listing Rule 7.1A until the Company's next annual general meeting without the requirement to obtain prior Shareholder approval.

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 19,668,000 Shares. 11,895,625 Shares were issued pursuant to Listing Rule 7.1 and 7,772,375 Shares under Listing Rule 7.1A;
- (b) The Shares were issued at a price of 5 cents per Share;
- (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 clients of BBY Limited, and to other sophisticated and professional investors under Section 708 of the Corporations Act. The allottees are not related parties of the Company; and
- (e) The funds raised from this issue will be used to fund exploration on the Company's existing projects in Western Australia; general working capital; and costs associated with the issue.

2. Information Relating to Resolution 2 – Approval of Tranche 2 Placement to Unrelated Parties

2.1 Background

As outlined in Section 1.1 above, Resolution 2 seeks approval for the Company to issue up to 25.04 million Shares to parties unrelated to the Company pursuant to Tranche 2 of the Placement.

2.2 ASX Listing Rules

A summary of the requirements of ASX Listing Rule 7.1 is outlined in Section 1.2 above.

The effect of Resolution 2 will be to allow the Directors to issue the Tranche 2 Shares to parties unrelated to the Company under the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the approval under Resolution 2:

- (a) the maximum number of Shares to be issued is 25,040,000 Shares;

- (b) the Shares are intended to be issued shortly after the date of the General Meeting with allotment to occur on the same date as the issue. In any event, the Shares will be issued no later than 3 months after the date of this meeting (or a later date to the extent permitted by any ASX waiver or modification to the Listing Rules). It is intended that allotment will occur on the same date as any issue;
- (c) the Shares will be issued at a price of 5 cents per Share;
- (d) the Shares will be issued to clients of BBY Limited, and to other investors to which the Company may rely on in Section 708 of the Corporations Act. None of the allottees will be related parties of the Company; and
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from this issue are to be used to fund exploration on the Company's existing projects in Western Australia; general working capital; and costs associated with the issue.

3. Information Relating to Resolutions 3, 4 and 5 – Approval of Tranche 2 Placement of Shares to Related Parties

Resolutions 3, 4 and 5 seek Shareholder approval for the Directors Messrs Boyatzis, Schwann and Chong (or their nominees or associates in the case of Mr Peter Schwann) to participate in Tranche 2 of the Placement capital raising by the Company issuing up to 2,000,000 Shares to Mr Paul Boyatzis (or his nominee), up to 3,200,000 Shares to Mr Peter Schwann (or his nominee and associates) and up to 100,000 Shares to Mr Ki Keong Chong (or his nominee). Of the 3,200,000 Shares to be placed to Peter Schwann, 200,000 of the Shares are intended to be taken up by his son, Daniel Schwann. Daniel Schwann as a child of Peter Schwann (a Director) is a related party of the Company.

ASX Listing Rule 10.11 requires the Company to obtain shareholder approval prior to the issue of securities to a related party (which includes directors and the son of a director). Accordingly, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11 for each of Messrs Boyatzis, Schwann and Chong (and their nominees and associates).

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 3, 4 and 5:

- (a) The Shares will be issued to Paul Boyatzis or his nominee (by Resolution 3), Peter Schwann or his nominee and associates (by Resolution 4) and Ki Keong Chong or his nominee (by Resolution 5).
- (b) The maximum number of securities the Company will issue to Paul Boyatzis (or his nominee) is 2,000,000 Shares, the maximum number of securities the Company will issue to Peter Schwann (or his nominee and associates) is 3,200,000 Shares (with 200,000 Shares to be issued to Peter Schwann's son, Daniel Schwann) and the maximum number of securities the Company will issue to Ki Keong Chong (or his nominee) is 100,000 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 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 this issue to fund exploration on the Company's existing projects in Western Australia; general working capital; and costs associated with the issue.

4. Information Relating to Resolutions 6, 7 and 8 – Approval to Grant Options to Related Parties

Resolutions 6, 7 and 8 seek shareholder approval so that the Company may grant Options to each of the Directors Messrs Boyatzis, Schwann and Chong.

4.1 Chapter 2E of the Corporations Act – Related Party Transactions

The proposed grant of Options to Messrs Boyatzis, Schwann and Chong as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 6, 7 and 8.

(a) The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given

The related parties are Paul Boyatzis (Resolution 6), Peter Schwann (Resolution 7) and Ki Keong Chong (Resolution 8) or their nominees.

(b) The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of up to:

- (a) 1,000,000 Options to Paul Boyatzis (or his nominee);
- (b) 2,000,000 Options to Peter Schwann (or his nominee); and
- (c) 500,000 Options to Ki Keong Chong (or his nominee).

The terms of the Options are set out in Schedule 1.

(c) Directors Recommendation and Basis of Financial Benefit

The Board currently consists of Paul Boyatzis, Peter Schwann and Ki Keong Chong.

By Resolutions 6, 7 and 8 the Company is proposing to grant Options to each of the Directors. In each case, the number of Options to be granted and the terms of the Options was negotiated by the Directors independent of the particular Director to be granted the Options.

The purpose of the Options is to provide each Director with added incentive to achieve the goals set by the Board and to add Shareholder value. The Options are issued as part of each Director's remuneration package.

The independent Directors in each case consider that the quantity of Options together with the terms of the Options in each case constitute an appropriate number to adequately incentivise the Directors in light of that Director's skill and experience and their current remuneration as detailed below.

The Company acknowledges that the issue of the Options to Paul Boyatzis and Ki Keong Chong as non-executive Directors may be contrary to guidelines for non-executive remuneration in recommendation 8.3 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of the Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Mr Paul Boyatzis abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Options.

Mr Peter Schwann abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

Mr Ki Cheong Chong abstains from making a recommendation to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

(d) **Dilution**

The passing of Resolutions 6, 7 and 8 would have the effect of granting up to 3,500,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 3,500,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 3.4% based on the total number of Shares on issue at the date of this Notice being 98,972,167.

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the options are exercised.

(e) **Total Remuneration Package of Related Parties**

The remuneration received by Paul Boyatzis (or his nominees) is \$72,000 per annum as a Non-Executive Chairman's fee.

The remuneration received by Peter Schwann is \$250,000 per annum as Managing Director and CEO and any statutory superannuation entitlement (currently 9% per annum).

The remuneration received by Ki Keong Chong is \$30,000 per annum as a Director's fee.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Boyatzis, Schwann and Chong and their associates have the following relevant interest in securities of the Company (which excludes any Shares to be issued the subject of Resolutions 3, 4 and 5).

Name	Shares
Paul Boyatzis	1,739,079
Peter Schwann	1,581,667
Ki Keong Chong	200,000

(g) **Trading History**

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing Price
Highest Price	18 September 2012	8.5 cents
Lowest Price	7, 13 and 31 August 2012 21 and 27 February 2013	5 cents
Latest Price	11 March 2013	6.2 cents

(h) **Valuation of Options**

The Options will not be quoted on ASX.

The Company has valued the Options to be granted to the Directors or their nominees using the Black-Scholes method.

The following assumptions have been made regarding the inputs required for the option pricing module:

Input		Note
Number of options to related parties	3,500,000	
Underlying security spot price	6.2 cents	1
Exercise price	9 cents	2
Dividend rate	Nil	3
Volatility rate	83.5%	4
Risk free rate	2.82%	5
Expiry Date	17 March 2016	

Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on the valuation date of 11 March 2013 which was 6.2 cents.

Note 2 The exercise price is 150% of the volume weighted average closing price for the 5 trading days prior to issue of the options. This example uses the 5 trading days prior to the Notice date.

Note 3 As at the date of the valuation, the Company had not forecast any future dividend payments. For the purposes of the valuation it is therefore assumed that the Company's share price is "ex-dividend", If dividend payments were forecast, the value of the Options would be reduced.

Note 4 A volatility rate of 83.5% has been adopted. This rate has been calculated by reference to the closing price volatility for the Shares of the Company for the previous two years.

Note 5 The risk free rate is 2.82% based on the current Reserve Bank Treasury Bond rates.

Based on the above assumptions the Options proposed to be issued to Directors have been valued as follows:

Number and Value of Options	
	Options
Paul Boyatzis	1,000,000 Options – 2.8 cents per Option (total value - \$28,000)
Peter Schwann	2,000,000 Options – 2.8 cents per Option (total value - \$56,000)
Ki Keong Chong	500,000 Options – 2.8 cents per Option (total value - \$14,000)

No discount has been applied to the values for vesting conditions.

(i) **Other Information**

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in granting the Options.

For accounting purposes, the Options will be recognised as an expense.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 6, 7 and 8.

4.2 ASX Listing Rule 10.11

Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. Paul Boyatzis, Peter Schwann and Ki Keong Chong are Directors and as such are related parties of the Company. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (and the issue of the Shares will not be included in the 15% placement capacity calculation). Listing Rule 10.13 provides that the notice of meeting to approve the issue of securities under Listing Rule 10.11 must include certain information. For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 6, 7 and 8:

- (a) The Options will be granted to Paul Boyatzis (Resolution 6), Peter Schwann (Resolution 7) and Ki Keong Chong (Resolution 8) or their nominees.
- (b) The maximum number of securities the Company will grant is:
 - 1,000,00 Options to Paul Boyatzis (or his nominees);
 - 2,000,000 Options to Peter Schwann (or his nominees); and
 - 500,000 Options to Ki Keong Chong (or his nominees).
- (c) The Options will be granted 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 Listing Rules).
- (d) Paul Boyatzis, Peter Schwann and Ki Keong Chong as Directors are related parties.
- (e) The Options are granted for nil consideration. The exercise price of the Options is 150% of the 5 day volume weighted average closing price of Shares prior to the date of the Meeting. The Options expire 17 March 2016 and have no vesting criteria. The full terms of the Options are set out in Schedule 1.
- (f) No funds will be raised by the grant of the Options.

5. Information Relating to Resolution 9 – Approval to Grant Broker Options

5.1 General

Resolution 9 seeks Shareholder approval for the allotment and issue of 2,500,000 Options (**Broker Options**) to BBY Limited (or its nominee) as part consideration for ongoing capital raising advice and support including their role in assisting the Company with the completion of the Placement.

A summary of Listing Rule 7.1 is contained in Section 1.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of Options to be issued is 2,500,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for no cash, as they are being issued as part consideration for the assistance of selected brokers for ongoing capital raising advice and support;
- (d) the Options will be allotted and issued to BBY Limited, or its nominee;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of these Options.

6. Enquires

Shareholders may contact Phil MacLeod on (+ 61 8) 6389 1799 if they have any queries in respect of the matters set out in these documents.

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. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed Resolutions (including Resolutions 6, 7 and 8 (Approval to grant options to Directors)). In relation to Resolutions 6, 7 and 8, the proxy form expressly authorises the chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key

management personnel for the financial year ended 30 June 2012. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

4. 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 15 April 2013 at 5:00pm (Western Standard Time).
5. 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.

SCHEDULE 1

Terms and Conditions of Options to Related Parties (Resolutions 6 to 8)

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 17 March 2016 ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price of the Options is 150% of the 5 day volume weighted average closing price of Shares prior to the date of the Meeting.
4. The Options will not be listed on ASX and may only be transferred with the consent of the Board of the Company.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date.
6. Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (iv) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
7. Shares issued on the exercise of the options rank equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

SCHEDULE 2
Terms and Conditions of Broker Options
(Resolutions 9)

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 17 March 2016 ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price of the Options is 150% of the 5 day volume weighted average closing price of Shares prior to the date of the Meeting.
4. The Options will not be listed on ASX and may only be transferred with the consent of the Board of the Company.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date.
6. Within 15 Business Days after the later of the following:
 - (v) the Exercise Date; and
 - (vi) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (vii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (viii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
7. Shares issued on the exercise of the options rank equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

GLOSSARY

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

"**ASIC**" means the Australian Securities and Investments Commission.

"**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.

"**Broker Options**" has the meaning given to that term in Section 5.1 of the Explanatory Statement.

"**Business Day**" means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

"**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.

"**Equity Securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means the explanatory statement accompanying the Notice.

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

"**Notice**" means this notice of meeting including the Explanatory Statement and the Proxy Form.

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

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

"**Proxy Form**" means the proxy form accompanying the Notice.

"**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.

"**\$**" means Australian dollars unless otherwise stated.

ARUMA RESOURCES LIMITED
ACN 141 335 364
PROXY FORM

APPOINTMENT OF PROXY

I/We

being a Shareholder of Aruma Resources Limited entitled to attend and vote at the 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 General Meeting to be held at the Boardroom, Ground Floor, 18 Stirling Highway, Nedlands, Western Australia on 17 April 2013 at 9:00am (WST) and at any adjournment thereof.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Tranche 1 Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Tranche 2 Placement to Unrelated Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Tranche 2 Placement to Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Tranche 2 Placement to Peter Schwann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Tranche 2 Placement to Ki Keong Chong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Grant Options to Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Grant Options to Peter Schwann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Grant Options to Ki Keong Chong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to Grant Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Important for Resolutions 6, 7 and 8

If you appoint a member of the Company's key management personnel (other than the Chair of the Meeting) or a closely related party of a member of the Company's key management personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 6, 7 and 8, your proxy will NOT cast your vote on the Resolution and your votes will not be counted.

If you appoint the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 6, 7 and 8, your vote will be cast FOR each of these Resolutions, and you hereby expressly authorise the Chair of the Meeting to exercise your proxy even though Resolutions 6, 7 and 8 are connected directly or indirectly with the remuneration of the members of the Company's key management personnel.

If the chair of the 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 a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that the votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all Resolutions.** 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 the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions

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, Locked Bag 2000, Nedlands, WA, 6909 or by fax to (08) 6389 0112 by 9:00am (WST) on 15 April 2013.

Signed this _____ day of _____ 2013.

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole 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: Suite 33, 18 Stirling Highway Nedlands, Western Australia, 6009

Fax Number: +61 (8) 6389 0112

Email: pmacleod@gapcs.com.au

Postal Address: Locked Bag 2000, Nedlands, Western Australia, 6909

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