

Aruma Resources Limited

ABN 77 141 335 364 ASX: AAJ

ASX ANNOUNCEMENT 26 March 2014

ARUMA ACQUIRES NEW COPPER PROJECT

Highlights

Bulloo Downs

- 2 ELs optioned at Bulloo Downs covering 175km²
- 1 EL applied for 43km²
- New hydrothermal structures identified over 60km
- 1500m of strike at Madison sampled with rock chips grading 4-37.9% Cu
- RC drilling with EM at the Madison and Lachlan Zones

Western Australian explorer Aruma Resources Limited (Aruma) (ASX: AAJ) is pleased to announce it has entered into option agreements to farm-in to three leases in WA's Peak Hill mineral field following an initial reconnaissance survey which demonstrates potential for copper prospects (Table below).

				%	Au	Ag	Fe
Sample ID	Location	Easting	Northing	Cu %	ppb	ppm	%
JB110	Madison	750625	7348767	37.9	20.0	Х	6.7
VRC10002	Lachlan	752607	7345083	33.0	13.0	15.3	7.5
JB101	Madison	750650	7348770	21.7	17.0	0.6	1.3
JB112	Lachlan	752601	7345075	15.0	6.0	1.3	1.5
JB109	Madison	750609	7348768	10.9	31.0	0.1	3.3
JB007	Madison	751919	7348955	8.9	19.0	0.1	41.3
JB102	Madison	750719	7348786	8.7	Х	Х	35.9
PS3	Madison	751880	7348943	6.7	n/a	n/a	n/a
PS2	Madison	751880	7348943	6.6	n/a	n/a	n/a
JB003	Madison	751880	7348943	6.1	2.0	Х	27.5
JB015	Madison	750717	7348784	4.2	2.0	Х	24.7
JB006	Madison	751910	7348952	1.5	Х	Χ	36.6

Table 1 Bulloo Downs project rock chip sampling results > 1% Cu (full sampling results in Table 3).

Aruma Resources Limited Managing Director, Peter Schwann, said "optioning highly prospective copper (gold) assets provided a valuable addition to Aruma's portfolio."

"Aruma is undertaking exploration at Bulloo Downs immediately, starting with a detailed mapping program of the HyVista exploration targets followed by an eight-hole RC drill programme. The drilling program will investigate the 1500m gossan targets and allow down-hole electro-magnetic surveying to be carried out.



With the programme of works already approved for the drilling and exploration - we will be hitting the ground running," Mr Schwann said.

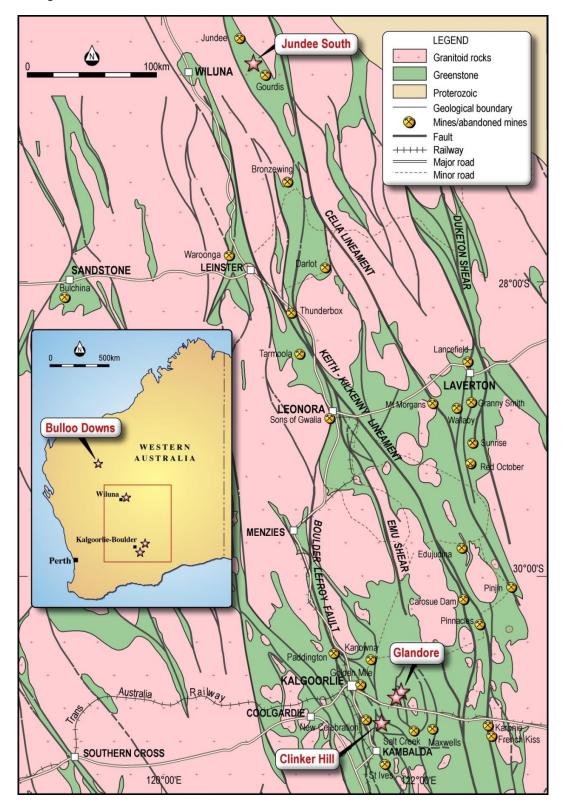


Figure 1 Aruma Resources' Project areas in WA

Aruma Resources Limited



Bulloo Downs

Aruma has optioned two granted ELs, E52/2024 and 2464, from Dynasty Resources Limited (Dynasty) (ASX: DMA). The project is considered by Aruma to potentially be a new copper district and has strong indications of deep-seated, structurally controlled hydrothermal copper bodies with low contaminants and good accessory metals.

The area is in an established copper-producing province that is considered highly prospective for further discoveries. Another lease has been applied for to the west of the optioned leases.

Work to date has been to fly the leases with HyVista (a multispectral mineral scanner used with success by Aruma previously) and to carry out several rock chip sampling programs. These have identified 1500m of >4% copper in outcrop in the Madison area with values up to 37.9% Cu. The outcrop in the Lachlan area gave values up to 32.9% Cu on a known copper occurrence. The outcrop mostly consists of the standard copper gossan green and blue Malachite and Azurite, as well as black silicified Chrysocolla, which was of no interest to the fertilizer industry in the 1950s. The HyMap (from HyVista scanning) interpretation has identified some 60km of hydrothermal alteration to date. These trends are covered by laterite to the west and will be sampled in the current year.

The copper potential at Bulloo is located in the Collier Formation, which overlies the Bangemall Formation, and is broken up by the Peter and Fortescue Faults. These are similar to the Ned's Gap Fault and are SW-NE crustal sutures, which have hydrothermal fluids as seen at the Ilgarari and Ned's Gap copper mines. These mines have the same structure and stratigraphy on similar orientations and have been in production over several periods in the 1950s and 1970s.

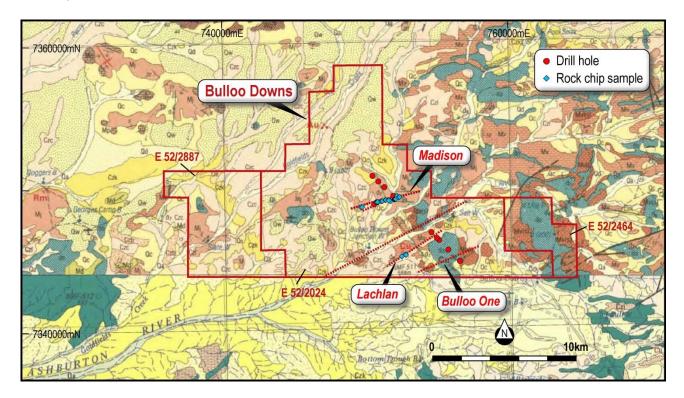


Figure 2 Leases showing the mapped copper occurrences and the new copper trends (red dashes)



Lease Details

Tenement	Holder	Area	Granted	Expiry	Expenditure
E52/2024	Dynasty Resources Ltd	156km²	15/01/08	14/01/18	\$102,000
E52/2464	Dynasty Resources Ltd	19km²	28/04/10	27/04/15	\$30,000
ELA52/2887	Aruma Resources Ltd	43km ²			

Table 2 Lease Details

Results

The assayed results have returned significantly high copper anomalies and will definitely undergo further investigation. A third of the samples taken along the two gossans returned copper grades greater than 1%. Five had grades greater than 10% Cu, seven had grades between 1 to 5% copper, with the highest 37.9% Cu. All grades can be seen in the table below. These grades demonstrate that there is significant high grade copper mineralisation within the gossan and likely in the surrounding areas.

The anomalous samples above show the spectacular values encountered in three phases of sampling, namely the early PS first phase, the second VRC phase in late 2013 and the final JB phase in early 2014. The JB samples are currently being assayed for precious metals.

The main points of note are the length of high-grade copper gossans and a lack of sedimentary hosted relationships, (with lead and zinc having no relationship with the copper, as well as the manganese being independent of copper, as the gossans were often black, not green or blue). This is probably due to outcropping hematitic Chrysocolla. There are Malachite, Azurite and Chrysocolla in most samples, with the high grades reporting in Chrysocolla. The lower grade gossans sampled have iron values in the range of 5 to 46%, which supports a low and high grade precursor mineral, such as Bornite (Chalcocite) for Chrysocolla high grade gossans with Chalcopyrite giving rise to high Fe gossans of lower copper tenor.



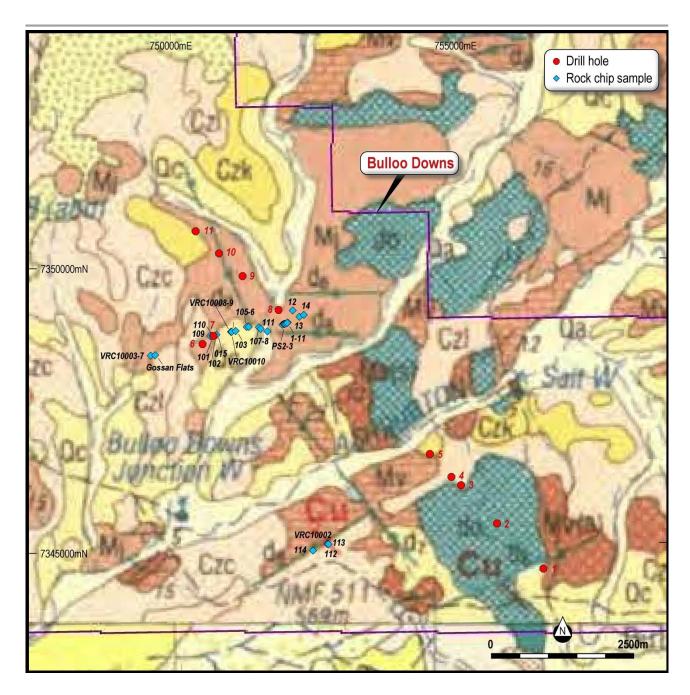


Figure 3 The sampled and mapped copper occurrences



				%	%	%	ppm	ppm	ppm	ppb	ppm	ppm
Sample No	Location	Eastings	Northings	Cu	Mn	Fe	Zn	Pb	Ni	Au	Ag	Со
VRC10002	Lachlan	752607	7345083	32.97	0.09	7.5	71	18	128	13	15.3	65
VRC10003	Gossan Flats	749556	7348440	0.31	0.13	44.9	382	6	618	7	0.5	55
VRC10003D	Gossan Flats	749556	7348440	0.30	0.12	41.7	355	6	574	7	0.5	58
VRC10004	Gossan Flats	749556	7348440	0.01	0.03	3.0	23	12	<1	2	0.1	<2
VRC10005	Gossan Flats	749556	7348440	0.01	0.24	2.0	<1	12	6	4	0.1	11
VRC10006	Gossan Flats	749556	7348440	0.20	0.02	37.4	600	13	167	8	0.4	37
VRC10007	Gossan Flats	749556	7348440	0.00	2.78	0.7	55	16	21	2	0.2	90
VRC10008	Madison	750977	7348835	0.40	0.07	46.5	131	15	143	4	0.3	56
VRC10009	Madison	750981	7348837	0.04	0.01	3.5	2	5	1	2	0.1	20
VRC10010	Madison	750978	7348830	0.11	0.03	26.3	<1	16	12	4	0.3	14
PS2	Madison	751880	7348943	6.64	n/a	n/a	22	14	9	n/a	n/a	n/a
PS3	Madison	751880	7348943	6.69	n/a	n/a	20	14	X	n/a	n/a	n/a
JB001	Madison	751882	7348943	0.71	3.41	38.8	4	220	87	1	Х	175
JB002	Madison	751881	7348943	0.61	2.93	34.4	1	211	71	2	Х	125
JB003	Madison	751880	7348943	6.05	0.05	27.5	9	6	4	2	Х	5
JB004	Madison	751879	7348943	0.70	3.67	38.5	1	108	79	Χ	X	141
JB005	Madison	751905	7348957	0.83	4.05	43.0	2	202	128	1	Х	273
JB006	Madison	751910	7348952	1.45	0.21	36.6	6	146	53	Χ	Х	148
JB007	Madison	751919	7348955	8.85	0.71	41.3	2	67	43	19	0.12	76
JB008	Madison	951940	7348961	0.25	2.71	39.4	1	98	61	2	X	118
JB009	Madison	751977	7348981	0.14	2.33	38.3	8	80	50	Χ	X	107
JB009D	Madison	751977	7348981	0.18	2.32	Χ	7	69	48	Χ	X	104
JB010	Madison	751966	7348972	0.21	3.05	41.1	2	144	67	Χ	X	138
JB011	Madison	751966	7348972	0.26	3.37	49.5	1	159	94	Χ	X	166
JB012	Madison	752066	7349187	0.02	1.71	46.5	2	173	100	2	X	91
JB013	Madison	752181	7349075	0.06	2.61	36.0	1	59	25	1	X	42
JB014	Madison	752261	7349108	0.00	5.25	30.8	5	94	18	Х	0.02	56
JB015	Madison	750717	7348784	4.17	0.01	24.7	44	161	442	2	X	171
JB101	Madison	750650	7348770	21.70	0.02	1.3	6	77	55	17	0.56	24
JB102	Madison	750719	7348786	8.67	0.00	35.9	10	156	292	Χ	X	116
JB103	Madison	750987	7348833	0.40	0.09	Χ	9	140	109	Χ	0.05	57
JB104	Madison	751058	7348848	0.04	0.02	Χ	6	39	34	Χ	X	18
JB105	Madison	751252	7348915	0.03	0.06	Χ	4	32	20	Χ	0.04	52
JB106	Madison	751287	7348915	0.05	0.04	Χ	6	66	44	Χ	0.03	68
JB107	Madison	751468	7348903	0.02	0.49	Χ	1	270	81	Χ	X	56
JB108	Madison	751498	7348877	0.01	0.46	Χ	1	192	102	Χ	X	76
JB109	Madison	750609	7348768	10.90	0.01	3.3	3	73	61	31	0.11	39
JB110	Madison	750625	7348767	37.90	0.00	6.7	68	206	248	20	X	139
JB111	Madison	751617	7348830	0.05	0.83	43.7	1	110	130	1	X	155
JB112	Madison	752601	7345075	15.00	0.00	1.5	11	7	5	6	1.27	2
JB113	Madison	752623	7345073	0.04	0.35	Χ	15	79	71	Χ	X	44
JB114	Madison	752351	7344965	0.02	9.40	25.6	10	258	33	1	X	136

Table 3 Sampling results from E52/2024. All from Madison Gossan Line except VRC1002 from Lachlan Gossan to the south. Gossan Flats is to the West of Madison Gossan. (D is Duplicate sample).



A second regional rock chip sampling program is to be the next phase of exploration and the new interpretation of the HyVista data will deliver the targets to plan a larger scale targeted sampling program.

HyVista

HyVista is an integral part of Aruma's exploration as it gives information on areas that would often be difficult to understand without drilling, such as areas with heavy cover. The leases were flown with HyVista in late 2013 and the HyMaps generated provide a key tool in identification of the alteration minerals in the area. Figure 4 is an initial HyMap displaying a wide range of minerals. The gossan is clearly visible giving off a strong Kaolinite-Dickite signature. This is indicative of deep-seated crustal structures with hydrothermal mineralisation similar to Ventnor Resources Limited's (ASX: VRX) Thaduna deposit.

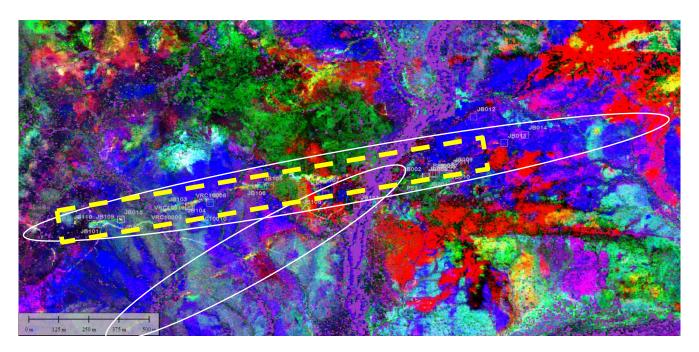


Figure 4 Initial HyMap of the Madison copper gossan with targets showing alteration. The yellow rectangle is 1600m of >4% Cu Gossan.



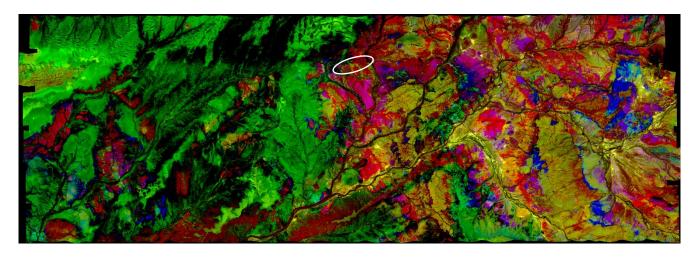


Figure 5 Larger scale HyMap of the area in Figure 4 and the rest of the leases. The area of image is 30 by 12km.

EXPLORATION PROGRAM

Another rock chip sampling program will be conducted using the HyVista information along the identified 60km of structures associated with the new copper mineralisation. Upon completion, the area will be reassessed and drilled on the identified targets.

An area just south of the gossan should be investigated as previous drilling and rock chip sampling shows anomalism. The HyVista HyMap also shows a distinct SW-NE trending structure on which the anomalous results occur (see Figure 5 for location).

Following successful sampling and positive results, the area is to be drilled. The sampling results combined with HyVista and historical data analysis will assist in planning an RC program. The areas of outcropping gossan will be the primary targets along with the zones of significant grade identified by the initial rock chip sampling. Secondary targets will include the areas under cover along the established gossan trend line. These will be drilled in attempt to establish continuity along the structure.

SUMMARY OF OPTION AGREEMENT TERMS

Under the terms of the option agreement, Aruma Resources will earn 50% with expenditure of \$160,000 in the first year and 70% with expenditure of another \$130,000 in year two. By expending another \$130,000, the Company will earn another 20%, increasing its interest to 90%. The Vendor can then elect to be 5% free carried to production or remain at 10% by contributing.



GLANDORE HUB PROJECTS PROGRESS

Clinker Hill

Following successful soil sampling with positive gold results at Clinker Hill, north of Kambalda in the WA goldfields, the anomalous area is to be drilled. The sampling results combined with HyVista and historical data analysis will assist in planning an RC program. A programme of works is being prepared for this area.

GLANDORE PROJECT PROGRESS

The two programmes of work at Glandore have been approved and the project will be drilled on the east side for the first time in several years due to a heritage claim on the lake area. The traditional owners are also meeting on the lake to discuss the granting of two additional leases. This is after 4 years of negotiation and NNTT cases.

Some 3000m of aircore drilling using a lake rig will be completed in the June quarter.

REGIONAL PROJECTS

- Jundee South heritage negotiations are to be restarted using a new consultant
- Laverton East leases have been dropped

ENDS

For further information please contact:

Peter Schwann
Managing Director
Aruma Resources Limited
Ph: +61 8 6389 1799, Mobile: +61 417 946 370
info@arumaresources.com

Media enquires:

Annette Ellis/Luke Forrestal Cannings Purple Strategic Communications Ph: +61 8 6314 6300

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 Managing Director and a full time employee of the Company. Mr Schwann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schwann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.



Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	 Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	 Rock chip samples of some ~500g are taken from outcrop and 50% assayed and 50% kept as reference sample. All samples were 30g charge assayed. Samples were taken of outcrop on the Gossan line irrespective of green colour. The black samples were taken as there was a possibility of manganese in the area. Samples were taken by four different teams at three different dates.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	No Drilling
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	No drill samples.
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	No drilling
Sub-sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	No drilling

Aruma Resources Limited



Criteria	JORC Code explanation	Commentary
	 Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established. 	Laboratory standards and methods are industry standards.
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	No drilling
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	Sample location by GPS.All locations are GDA94
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 Not applicable as no such estimates are included in this report. All locations given for each sample.
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	No drilling.

Aruma Resources Limited



Criteria	JORC Code explanation	Commentary		
Sample security	The measures taken to ensure sample security.	All samples photographed and numbered on site and checked as taken, as logged, as loaded to Laboratory and as submitted.		
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	 No audits or reviews were deemed necessary outside of internal standards as this is purely qualitative assaying for exploration. 		

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	 All tenements and issues required are detailed in the reports. All work done under PoWs.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	None completed to our knowledge
Geology	Deposit type, geological setting and style of mineralisation.	Structurally controlled Hydrothermal copper gold silver
Drill hole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this 	No drilling

Aruma Resources Limited



Criteria	JORC Code explanation	Commentary
	exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	No drilling
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	No drilling
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	As done
Balanced reporting	 Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	All samples on the leases are reported.
Other substantive exploration data	 Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	HyVista Data and figures and the relationship with the Aruma exploration and genesis model are detailed in many previous reports and presentations.
Further work	 The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	As detailed in the report.

Aruma Resources Limited