Aruma Resources Limited
ABN 77 141 335 364
ASX: AAJ

ASX ANNOUNCEMENT
5 May 2014

COPPER INTERSECTED AT BULLOO DOWNS

- **Bulloo Downs Copper Project initial drilling intersects**
  - **4m at 2.2% Copper intersected at Madison (1% Cu cut-off)**
  - **8 of 14 holes intersect anomalous copper (>500ppm)**
  - **Drilling confirms mineralised structures at Madison and Lachlan**
  - **Heritage survey, soil sampling and mapping underway**

- **Corporate**
  - **$526,000 R and D Tax refund received (after costs)**
  - **Cash position at 2 May 2014 was $2.8M**

Junior explorer **Aruma Resources Limited (ASX: AAJ)** ("Aruma") is pleased to advise that its first pass drilling has encountered a significant copper intersection on its recently optioned Bulloo Downs Copper Project in Western Australia.

Managing Director Peter Schwann said the drilling confirmed the mineralisation model at Bulloo Downs and opened the path for systematic exploration of the full lease package.

"The results confirmed the **hydrothermal copper in deep crustal structures model** postulated when picking up the project", Mr Schwann said, "and to have this intersection in the first pass drilling program is a real pointer for further success in the area".

HOLE ID	Easting	Northing	RL	Depth	Azimuth	Dip	Line	From	To	Cu%
BMRC13	750640	7348758	567	60	345	-60	Madison	51	52	1.14
BMRC13	750640	7348758	567	60	345	-60	Madison	52	53	2.15
BMRC13	750640	7348758	567	60	345	-60	Madison	53	54	2.78
BMRC13	750640	7348758	567	60	345	-60	Madison	54	55	2.78
BMRC13	750640	7348758	567	60	345	-60	Madison	55	56	0.81
BMRC13	750640	7348758	567	60	345	-60	Madison	56	57	0.68
BMRC13	750640	7348758	567	60	345	-60	Madison	57	58	0.33
BMRC13	750640	7348758	567	60	345	-60	Madison	58	59	0.21

Table 1 **Significant (>0.1% Cu) assays in BMRC 13. (Full hole details are listed in Table 3 below). End of hole was 60m.**

The trends sampled and drilled are less than 1km of the current HyMap identified >60km structures on the leases. The pleasing feature of these results is that they show that the mineralisation is continuous on the structures but also has grades that encourage future exploration.

Aruma completed a 14-hole reverse circulation (RC) drilling program for a total of 1,792 metres at Bulloo Downs, where the Company has optioned two granted ELs, E52/2024 and 2464. Another lease has been applied for to the west of the optioned leases.

Thirteen holes ranging in depth from 60m to 150m were drilled on the western Madison Trend, while one 172m hole was drilled under an old shaft known as the Bulloo Ilgarari on the Lachlan Trend.

HOLE ID	Easting	Northing	RL	Depth	Azimuth	Dip	From	To	Int.	Cu%
BMRC02	750709	7348736	568	150	330	-60	0	1	1	0.11
BMRC05	750832	7348780	572	120	330	-60	71	72	1	0.07
BMRC07	751021	7348819	554	120	350	-60	78	80	2	0.06
BMRC08	751078	7348800	559	150	356	-60	141	142	1	0.22
BMRC09	751194	7348885	564	120	355	-60	28	29	1	0.06
BMRC09	751194	7348885	564	120	355	-60	91	93	2	0.09
BMRC12	751507	7348828	563	150	355	-60	14	17	3	0.07
BMRC13	750639	7348757	567	60	345	-60	20	22	2	0.07
BMRC13	750639	7348757	567	60	345	-60	25	26	1	0.05
BMRC13	750639	7348757	567	60	345	-60	51	52	1	1.14
BMRC13	750639	7348757	567	60	345	-60	52	53	1	2.15
BMRC13	750639	7348757	567	60	345	-60	53	54	1	2.78
BMRC13	750639	7348757	567	60	345	-60	54	55	1	2.78
BMRC13	750639	7348757	567	60	345	-60	55	56	1	0.81
BMRC13	750639	7348757	567	60	345	-60	56	57	1	0.68
BMRC13	750639	7348757	567	60	345	-60	57	58	1	0.33
BMRC13	750639	7348757	567	60	345	-60	58	59	1	0.21
BMRC13	750639	7348757	567	60	345	-60	59	60	1	0.08
BLRC01	752636	7345021	567	172	330	-60	119	121	2	0.06
BLRC01	752638	7345020	567	172	330	-60	137	138	1	0.05

Table 2 **Drillhole details of RC at Bulloo Downs with all intersections over 0.05% Cu (500ppm Cu).** (The co-ordinates are hand held GPS co-ordinates and are GDA94 Datum). BMRC holes are on the Madison Trend and BLRC are on the Lachlan Trend.

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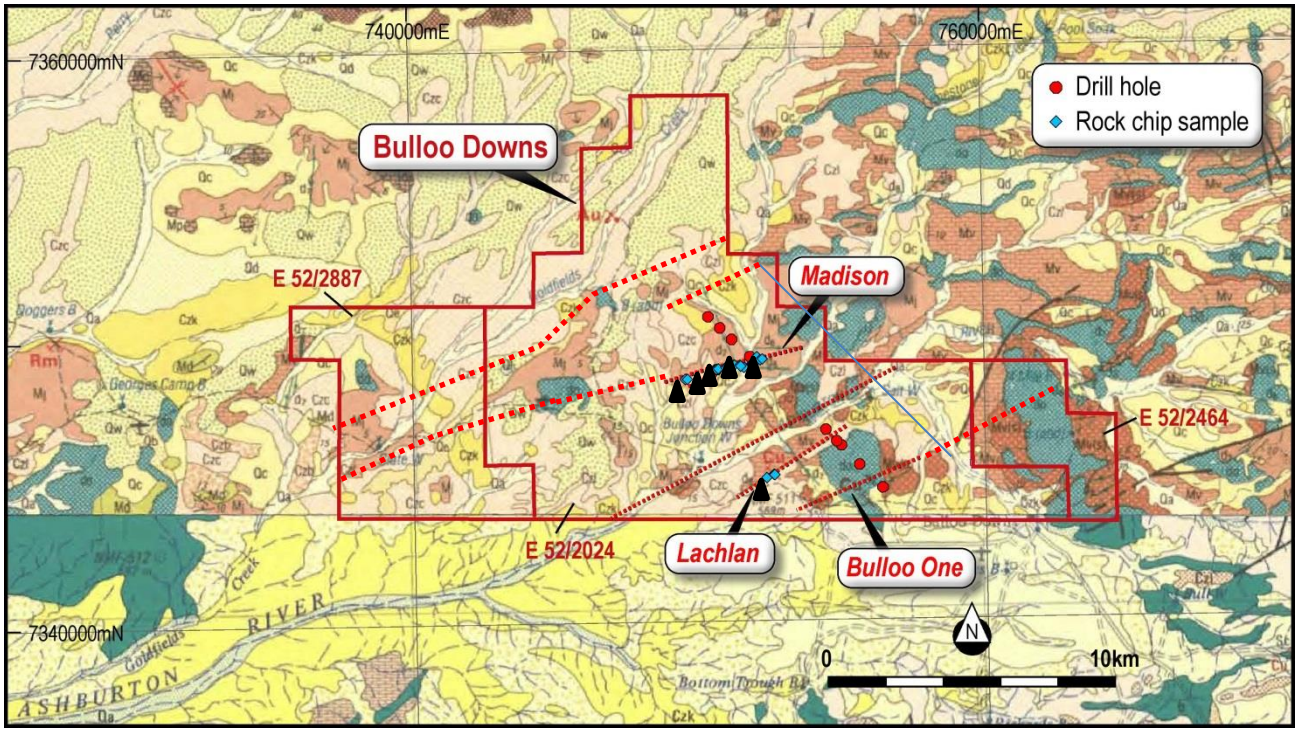

Figure 1 **Leases showing the mapped copper occurrences and the new copper trends (red dots). The first pass drilling is shown as black triangles.**

HOLE ID	Easting	Northing	RL	Depth	Azimuth	Dip	Line
BMRC01	750648	7348724	561	150	330	-60	Madison
BMRC02	750709	7348736	568	150	330	-60	Madison
BMRC03	750643	7348748	565	120	345	-60	Madison
BMRC04	750721	7348753	568	120	330	-60	Madison
BMRC05	750832	7348780	572	120	330	-60	Madison
BMRC06	750914	7348797	561	120	330	-60	Madison
BMRC07	751021	7348819	554	120	350	-60	Madison
BMRC08	751078	7348800	559	150	356	-60	Madison
BMRC09	751194	7348885	564	120	355	-60	Madison
BMRC10	751200	7348857	564	120	355	-60	Madison
BMRC11	751421	7348897	564	120	355	-60	Madison
BMRC12	751507	7348828	563	150	355	-60	Madison
BMRC13	750640	7348758	567	60	345	-60	Madison
BLRC01	752638	7345020	567	172	330	-60	Lachlan

Table 3 **Drillhole details of RC drilling at Bulloo Downs. All samples are 1m intervals.**

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The drilling information to date does not allow the trues thickness of the intersection in BMRC13 to be estimated, but the holes were sited to hit the mineralisation tangentially.

Bulloo Downs 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.

Current Exploration Program

Another surface geochemical sampling program is currently being undertaken using the HyVista information along the identified 60km of structures associated with the new copper mineralisation. Upon completion, the area will be further explored by Hoistem in June to find the thick conductors associated with massive copper sulphides.

Following successful sampling, Hoistem and first pass drilling results, the area is to be follow up drilled. The sampling results combined with HyVista and historical data analysis will assist in planning an RC program. The eastern areas of outcropping gossan (6 to 8% Cu) and conductors with good geochemical responses will be the primary targets along with the zone of significant grade identified by the initial Drilling. Heritage clearance for these areas is scheduled for the coming month.

For further information please contact:

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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 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.*	• 1m samples were split at the rig with a Jones riffle splitter • Samples were all of a similar size • The location of the drillholes was recorded by GPS.
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.).*	• RC
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.*	• All samples of a similar size • Dust collector and riffle split
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.*	• Geologically logged and chip trayed
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.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for*	• 1m samples were split off the rig with a Riffle Splitter • Samples were all of a similar size • Rock is fine grained so sample size is applicable

Criteria	JORC Code explanation	Commentary
	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.*	• All samples were checked at the hole, collecting, group bagging and submission
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.*	• Drill holes surveyed at approximate 50m intervals • 1m samples.
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 orientation
Sample	• *The measures taken to ensure sample security.*	• All samples cross referenced and numbered on site and checked as taken, as logged, as

Criteria	JORC Code explanation	Commentary
security		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 license 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.*	• Previous work on the area not applicable
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Structurally controlled Hydrothermal Copper

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 exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All in the report

Criteria	JORC Code explanation	Commentary
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.*	• Robust results with no spikes
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').*	• The holes were drilled at 60^{o} and approximately tangential to the trend • It is too early to estimate the true thickness due to single intersection
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.

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