

1 June 2018

ASX Announcement

ARUMA COMMENCES NEXT PHASE OF DRILLING AT SLATE DAM GOLD PROJECT

HIGHLIGHTS

- 3rd Phase 25 hole – 3,000m RC drilling program to commence at Slate Dam Gold Project
- Drilling to follow up successful previous drilling and further expand the gold mineralised system at Slate Dam
- Program to include:
 - 8 holes to target gold extensions to the north of current drill defined area
 - 6 holes to target gold extensions to the south of the new S2 gold shoot discovered in Phase 2 drilling
 - 9 holes to seek repetitions of Slate Dam mineralised system to the east of the current drill defined area; and
 - 2 holes to seek repetitions of Slate Dam mineralised system to the west of the current drill defined area near shafts.
- Program expected to be completed in June and results to be released when available
- Company is utilising targeted exploration programs to discover new large scale sediment-hosted gold deposits at Slate Dam

Aruma Resources Limited (ASX: AAJ) is pleased to announce that the third phase of drilling at the Company's 100%-owned Slate Dam Gold Project in the Eastern Goldfields of Western Australia will commence today, Friday 1 June 2018.

The Company plans to complete approximately 3,000 metres of reverse circulation (RC) drilling across a total of 25 holes in this phase of drilling, with planned drilling depths of up to 150 metres.

Drilling is expected to be completed in mid-June with results to be released as they become available.

The program will target priority areas to the north and south of the currently drill defined shoots at Slate Dam, and is designed to extend the Slate Dam gold mineralised system. Drilling will also seek to identify repetitions of the mineralised system to the east and to the west of the current drill defined area.

ASX: AAJ

Capital Structure

514.8M Shares on Issue

12M Options on issue

Cash \$1.3M

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

Phillip MacLeod

Active Gold Projects

SLATE DAM PROJECT

BEOWULF PROJECT

Head Office

Level 1, 6 Thelma Street

West Perth, WA 6005

T +61 8 9321 0177

F +61 8 9226 3764

E info@arumaresources.com

W www.arumaresources.com

Postal Address

Locked Bag 2000,

Nedlands, WA 6909

ABN 77 141 335 364

Specifically the program will include:

- Eight holes to target gold extensions to the north of current drill defined area;
- Six holes to target gold extensions to the south of the new S2 gold shoot discovered in Phase 2 drilling;
- Nine holes to seek repetitions of Slate Dam mineralised system to the east of the current drill defined area; and
- Two holes to seek repetitions of Slate Dam mineralised system to the west of the current drill defined area.

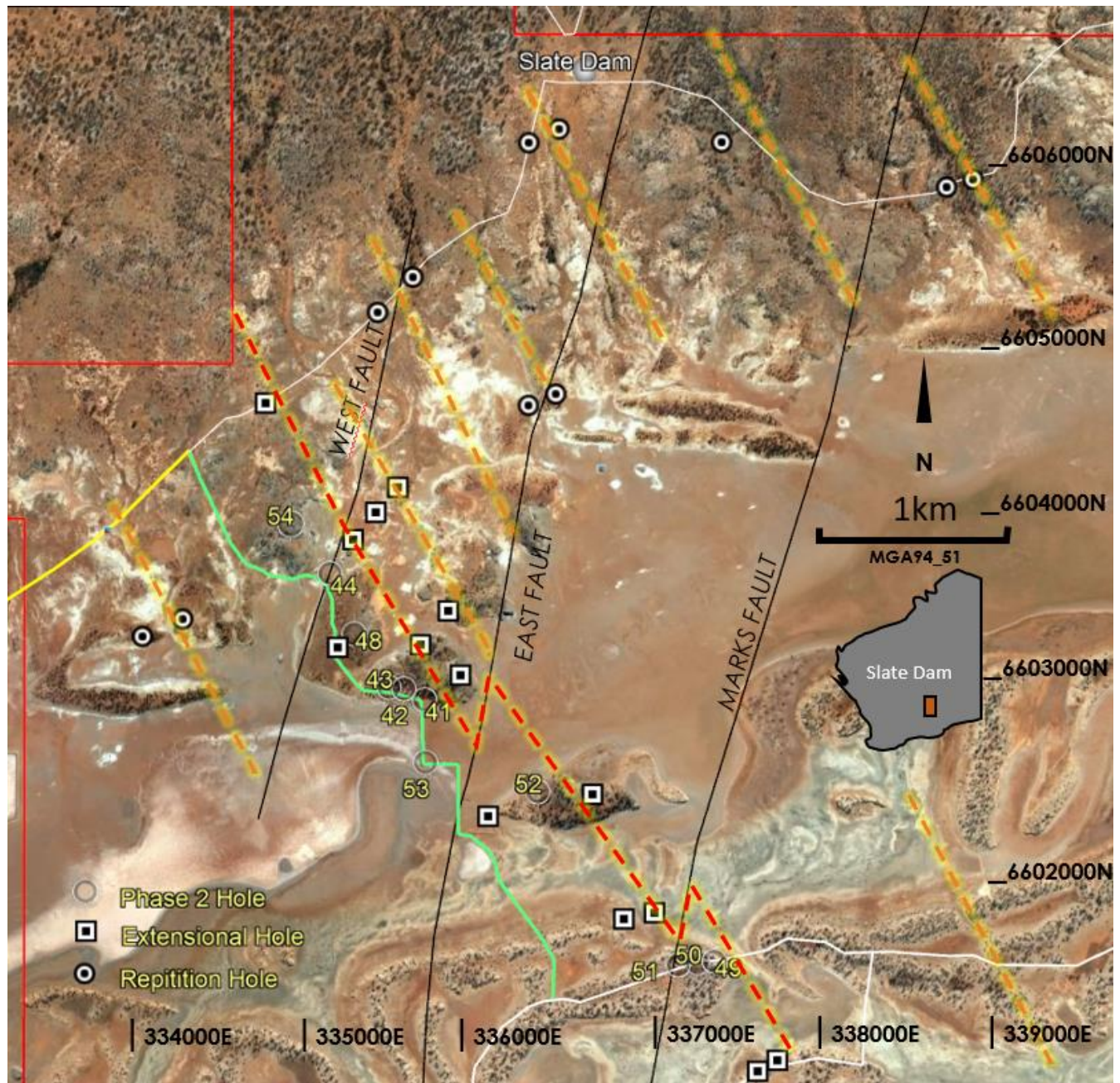


Figure 1 The locations of the Phase 3 drilling in June, showing

- Significant holes from Phase 2 in yellow, and
- Phase 3 extensions holes as square targets
- Phase 3 repetition holes as round targets
- Shale hosted targets (orange) with the known mineralised shoots (red)

This phase of drilling will seek to extend the dip and strike potential of the major gold shoots identified in drilling to date, and also to delineate any higher grade lodes within these shoots that are located in the sulphidic shales seen in previous drillholes.

Aruma managing director Peter Schwann said;

"We are highly encouraged by the results of our two drilling programs to date at the Slate Dam Gold Project. Drilling has successfully taken the project from concept to validation, and has continually expanded the gold mineralised system at Slate Dam. The next phase of drilling will commence immediately, on June 1, with the aim of extending the significant current mineralised system and also seeking to discover new gold mineralised shales to the east and west of the initial drill defined area."

Background to Slate Dam Project

Aruma has completed two phases of drilling at the Slate Dam Project in 2018, all in the initial Exploration Licence, E25/553. The first phase program resulted in the discovery of a significant new gold system at Slate Dam (ASX announcements, 1 February and 21st February 2018), and the second phase program successfully expanded the Slate Dam gold mineralised system to a total distance of at least four kilometres (from the north-west to the south east) – via the delineation the new S2 gold shoot in the second phase drilling.

Aruma has completed a total of 63 RC holes for 6,774 metres in its two phases of drilling to date at Slate Dam. The results, plus historic drill results from the Project, have confirmed (Phase 1 drilling) and then strengthened (Phase 2 drilling) the Company's exploration model for Slate Dam to host significant sediment-hosted gold deposits. The current program will bring the total metres drilled to nearly 10,000 metres in six months.

Drilling to date has defined two major, tabular 20 metre thick shoots dipping 30 degrees to the west, interpreted to host mineralised sediments grading >1g/t Au. These shoots are offset by the East Fault, and both currently extend for approximately >1,000 metres both sides of the East Fault, and remain open in all directions.

The second phase of drilling has further increased the extent of the gold mineralised system at Slate Dam to a current total distance of at least four kilometres. The Phase 3 drilling will seek to further extend this as well as define possible repetitions to the east and west.

ENDS

For further information please contact:

Peter Schwann
Managing Director

Aruma Resources Limited
Telephone: +61 8 9321 0177
Mobile: +61 417 946 370
Email: info@arumaresources.com

James Moses
Media and Investor Relations

Mandate Corporate
Mobile: +61 420 991 574
Email: james@mandatecorporate.com.au

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 AIG and Australasian Institute of Mining and Metallurgy. 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 Reserve'. 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. All exploration results reported have previously been released to ASX and are available to be viewed on the Company website www.arumaresources.com.au. The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Forward Looking Statement

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. There can be no assurance that Aruma plans to develop exploration projects that will proceed with the current expectations. There can be no assurance that Aruma will be able to conform the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic and will be successfully developed on any of Aruma's mineral properties. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2018.

