

DRILLING ON NEW TARGETS

HIGHLIGHTS

- **Glandore South Gold project**
 - **New “Black Flag Model” anomalies to be tested**
 - **1,000m program to follow up anomaly trends**
 - **Multiple targets from previous exploration**

New Target Stratigraphy Opens Up New Opportunities

The discovery of Invincible by Gold Fields Australia Pty Ltd (Gold Fields) in 2012 under Lake Lefroy at Kambalda and Baloo by Sirius Resources NL in 2015 has confirmed the prospectivity of the Black Flag Group Sediments (BFG). These rocks have had limited historic exploration, due to the focus of exploration on basalt, dolerite and gabbro. The Bardoc and Paddington mines are located on the BFG, and the same stratigraphy is evident at Aruma’s Glandore Leases. The major attraction of such orebodies is thickness, tonnes and grade making them low cost producers.

The simplified geological sections below give the rock types and stratigraphy of Gold Fields’ Invincible and Aruma’s Glandore locations and emphasises the importance of the interbedded mudstones (siltstones and shales) and the conglomerate-sandstone (conglomerates and greywackes) to form the mineralized zones in the shales.

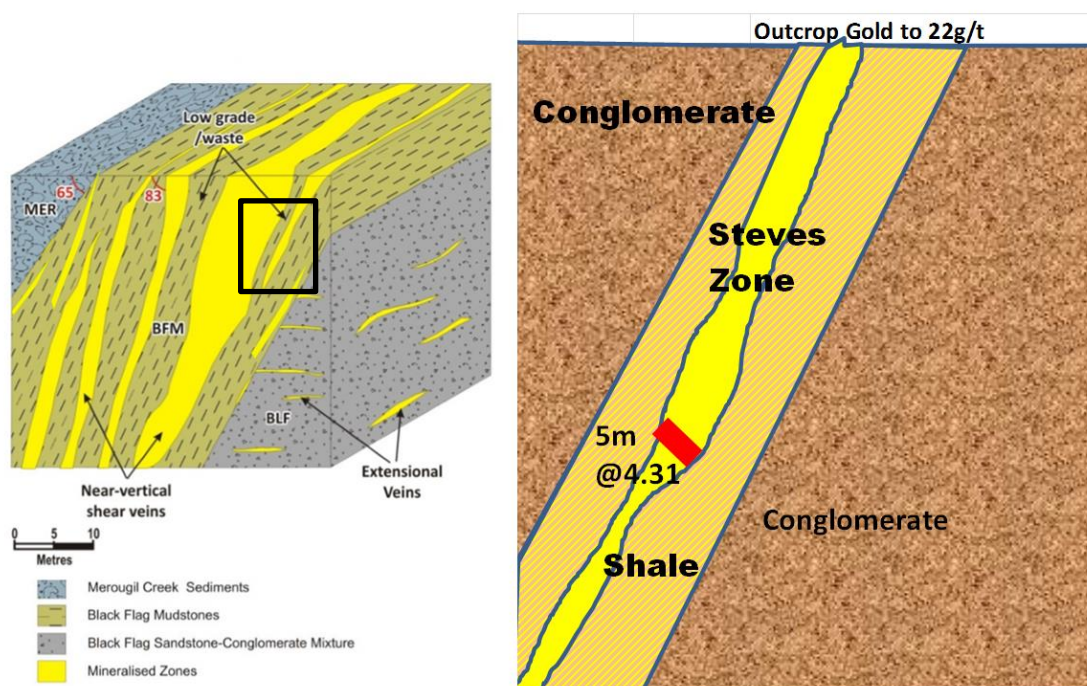


Figure 1 Similarity of the BFG mineralisation at Invincible (Left, looking NNW, from Gold Fields 2015 Diggers and Dealers presentation) with the area in the black rectangle with the similar Steve’s Zone at Glandore (right, looking South)

Many gold regions of varying ages with sediment hosted gold mines include the Tian Shan (300Ma), Birimian (2,100Ma) and Karoo (3,000Ma) greenstone belts. WA's Telfer (25Moz) is a sediment hosted orogenic deposit similar to the Tian Shan mines at Muruntau (175Moz at 3.4g/t) and Kumtor (20Moz at 2 to 6g/t).

Previous work and the 2015 diamond drilling in the Glandore area has identified thick volcano-sedimentary Bouma sequences with ultramafics and conglomerates and clearly demonstrated that the "dolerites and Gabbros" are greywackes and part of the submarine sedimentary sequence. Further recent work has also identified sulphides of sedimentary origin with two-stage pyrite paragenesis highlighted by LA-ICPMS mapping

- Stage one – formation of Co-Ni-Bi-Se-As-Au-Te enriched core
- Stage two – Higher Co, Ni, and As rims grown over stage 1 pyrite

Aruma has established land holdings at Glandore (and Clinker Hill), with applications for additional tenements in areas where BFG sediments are covered by overburden or transported material.

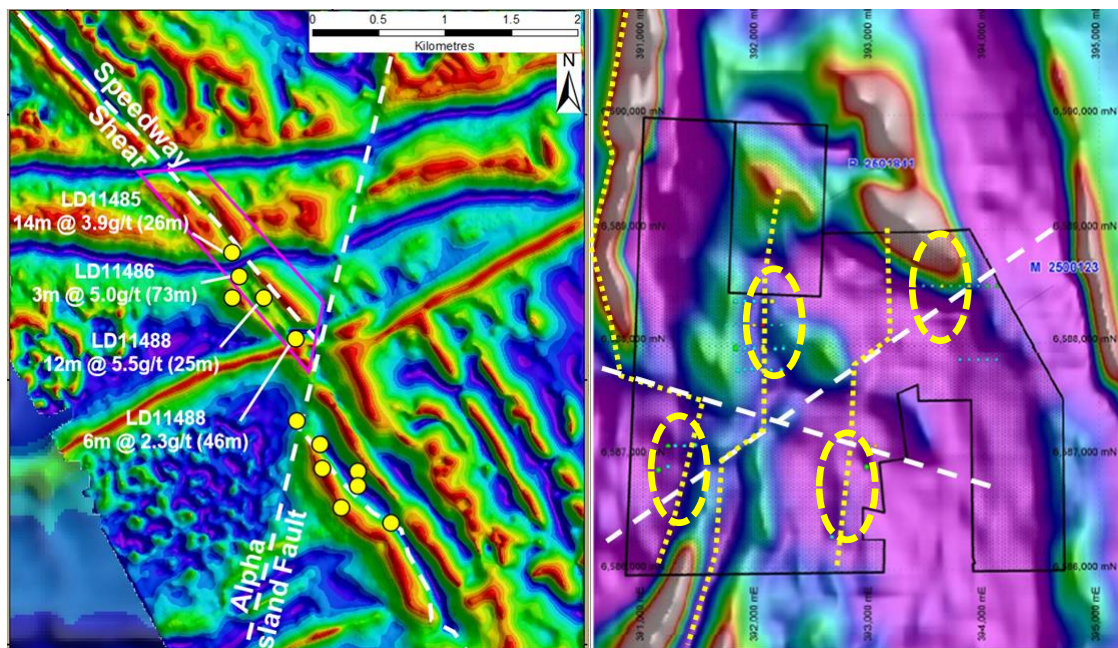


Figure 2 Similarity of the structure and anomalism on the magnetics at Invincible (left) and the South Glandore area (right) with anomalies in yellow ellipses.

Review of open file data over the southern Glandore leases has identified an anomalous gold zone, defined from broad spaced shallow aircore drilling, that extends to the north for over 3.0km of strike, with limited follow up exploration having been completed (Rubicon Resources Limited, 2009).



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Year	Prospect	Hole ID	Northing (m)	Easting (m)	From (m)	To (m)	Width (m)	Gold (ppm)
2007	Emu Dam	RYAC385	6588160	392050	44	48	4	1
2008	Emu Dam	RYAC414	6588360	392130	52	60	8	0.4

Table 1 Anomalous drill results from Rubicon Resources Limited

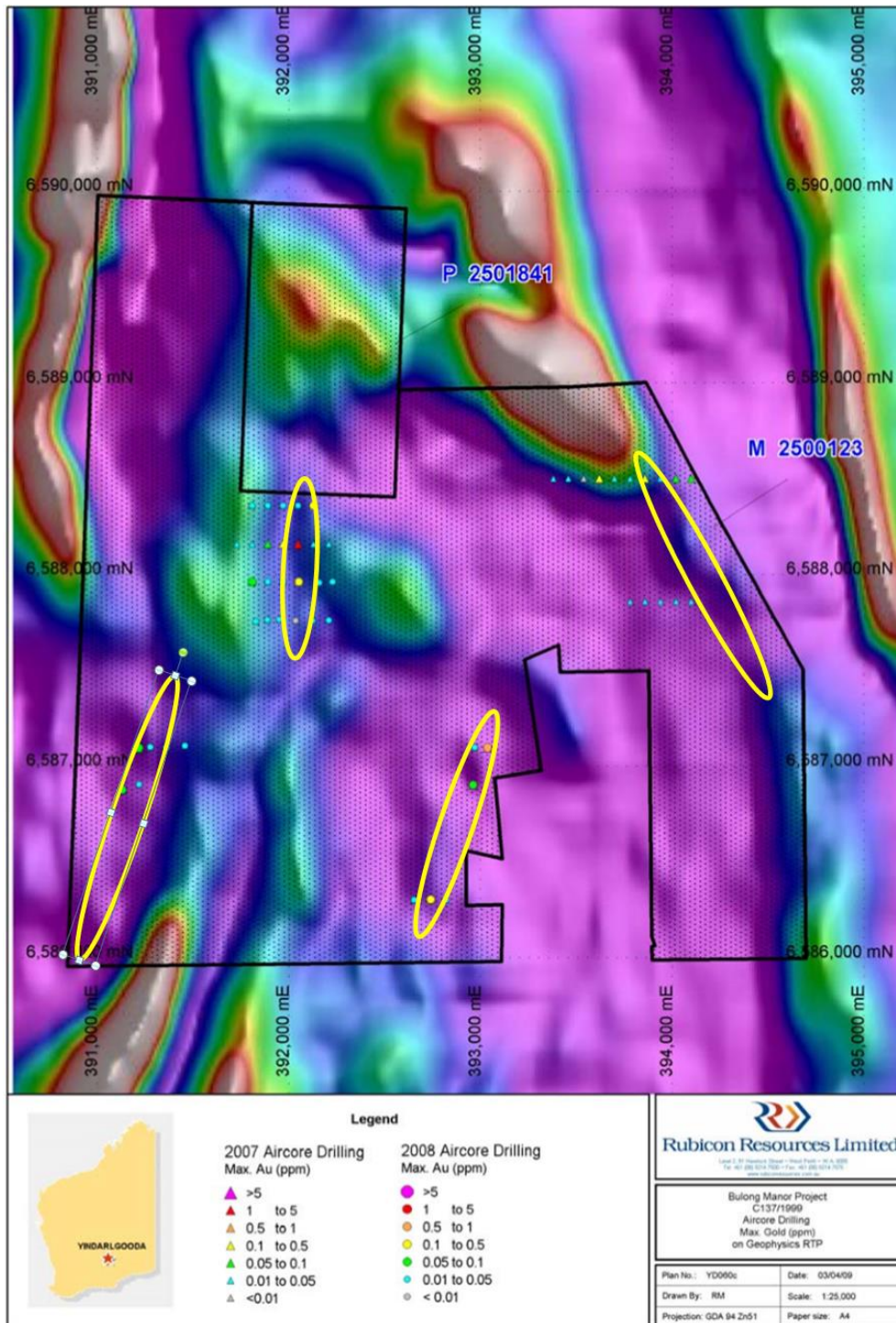


Figure 3 Rubicon's (2009) drilling on the magnetic image and the trends to be drilled for BFG mineralisation.

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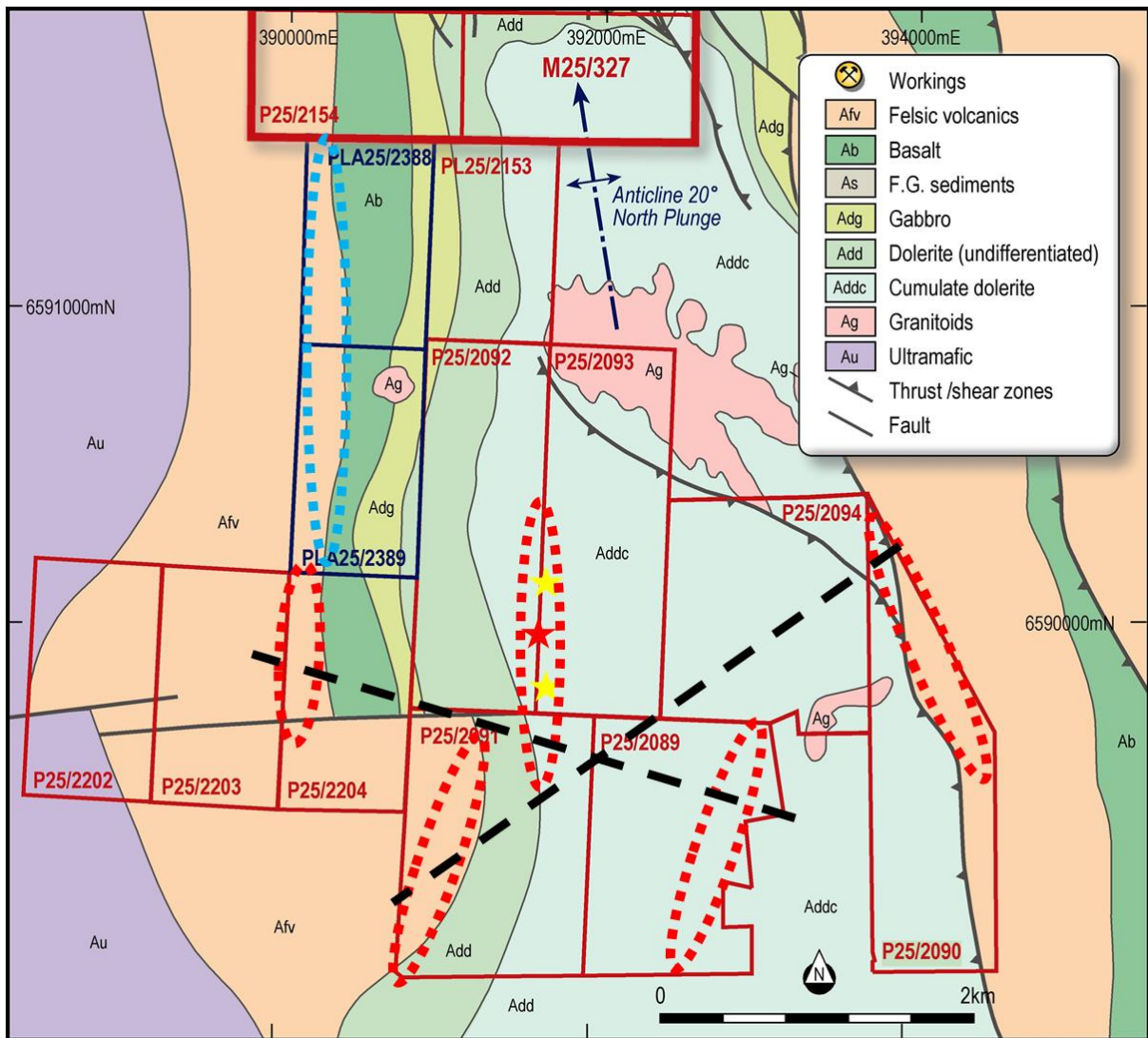


Figure 4 The previous geological interpretation with the new structures and anomalous holes (yellow <1g/t and red >1g/t Au) structure and anomalies with targets as red ellipses and further targets in the blue ellipse on grant of two new tenements.

The requirements of gold mineralisation of this style are sulphidic sediments in structurally prepared areas with heat sources such as granites in a gold endowed area. The Glandore area has all these attributes and the targets areas will be tested with some 1,000m of RC drilling.

Further exploration using this model will also be done on the Clinker Hill Project, which also has all the attributes listed above.



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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 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.