



QUARTERLY ACTIVITIES STATEMENT For the quarter ended 30 September 2016

HIGHLIGHTS

Glandore Gold project

- New Gold model proposed for Goddard's Dam
- New EL applied for over large gold anomaly at Slate Dam

Bulloo Downs

- EIS diamond hole completed

Corporate

- Placement and Rights Issue to raise \$963,000

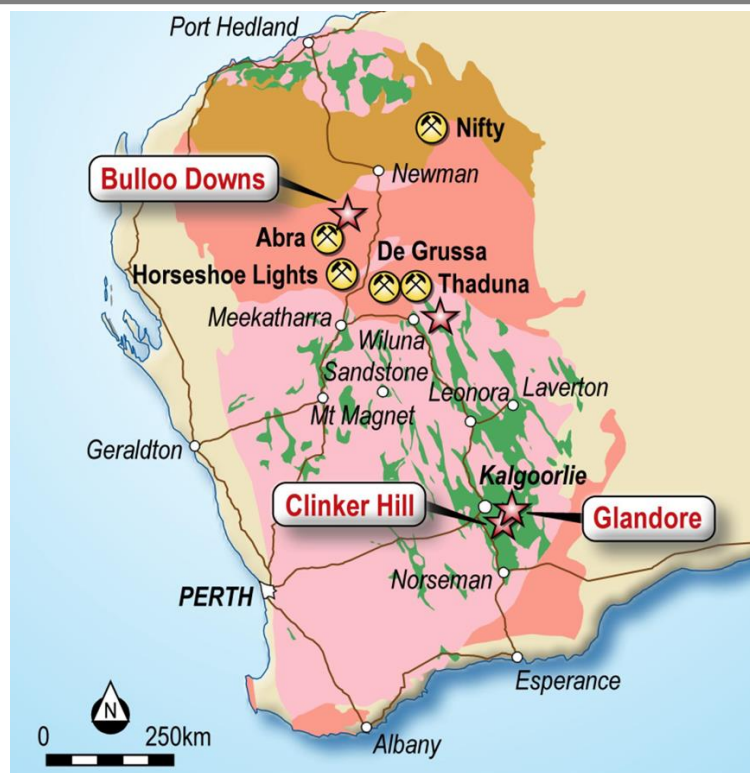


Figure 1 Aruma's Project areas in Western Australia

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Projects

Glandore

The joint venture with Southern Gold Limited is underway and drilling is planned for testing the gold positions at Supergene and Axial Planar.

Goddard's Dam

Recognition of the Black Flag Group (BFG) of sediments and anomalous historical gold assays in the Glandore project has renewed focus on the southern area at Goddard's Dam as shown below in Figure 2.

Historical drilling by Rubicon Resources Limited in the years up to 2009 has shown the presence of anomalous stratigraphy in similar material to the Steve's Line, where 5m at 4.3g/t gold was intersected in sediments in the western conglomerates.

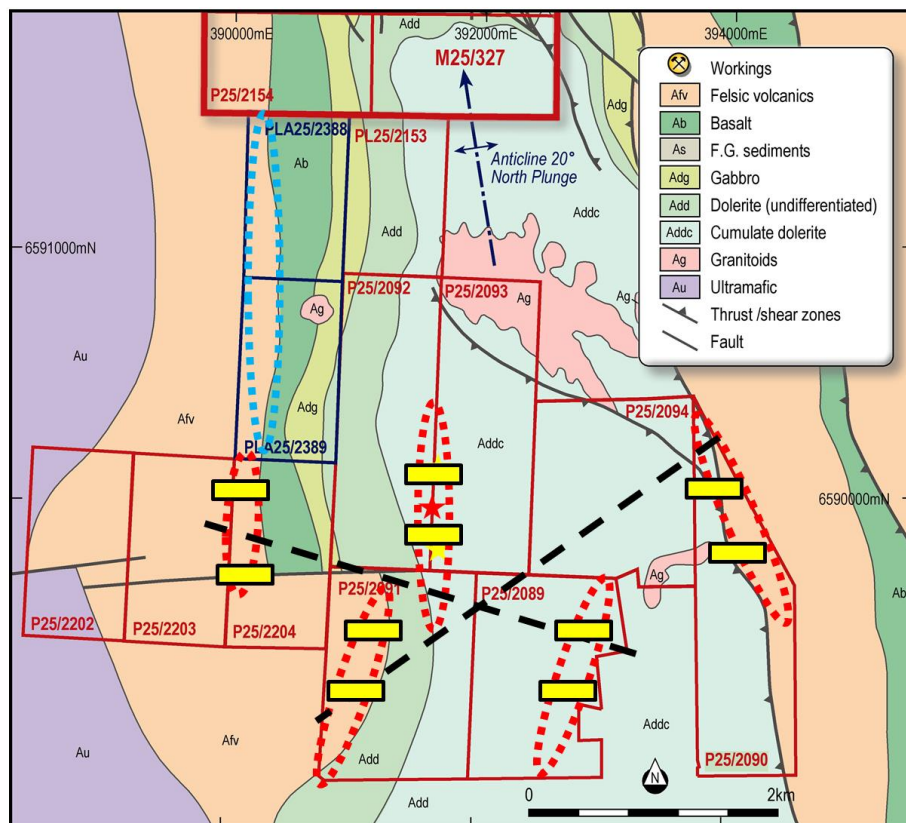


Figure 2 Goddard's Dam Project area showing the previous geological interpretation with structures and anomalous holes (yellow <1g/t and red >1g/t Au) and the proposed drilling is shown yellow rectangles

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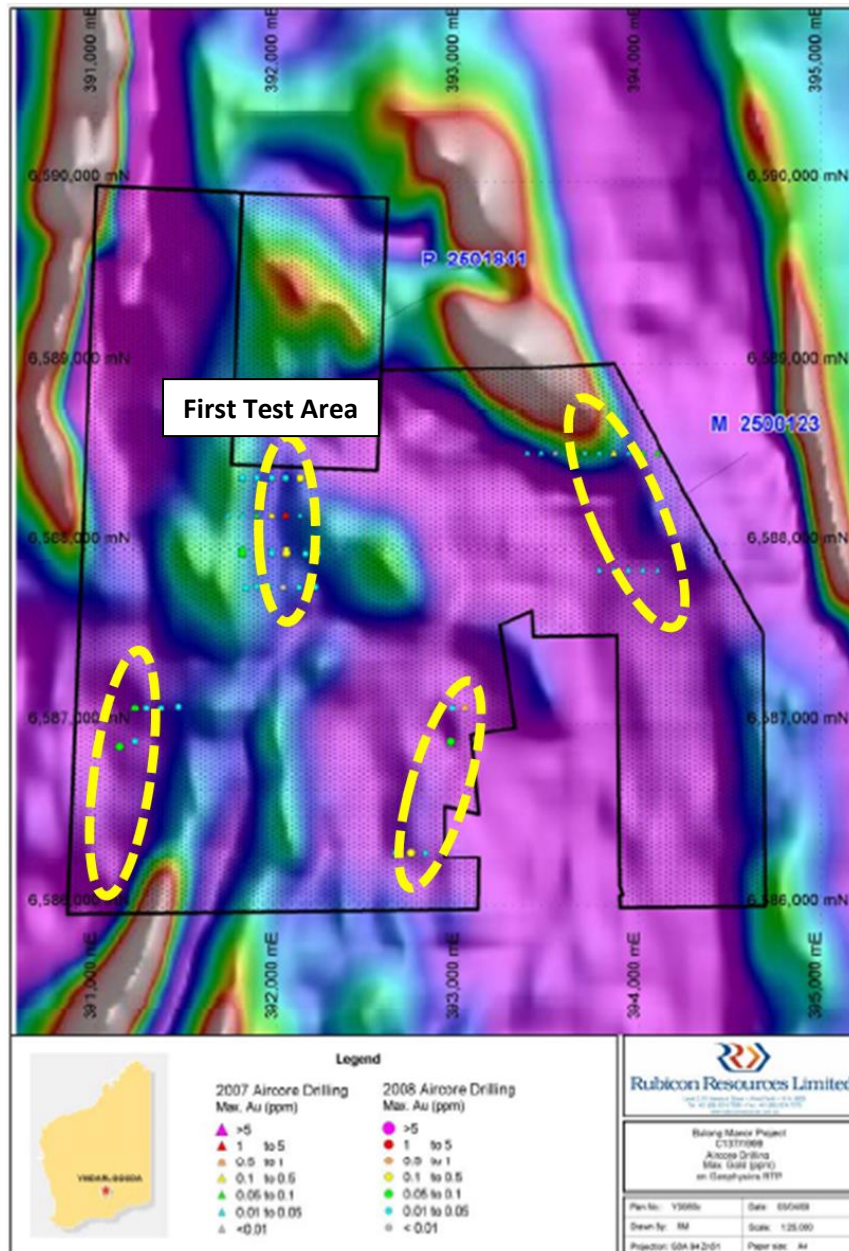


Figure 3 Rubicon’s (2009) drilling on the magnetic image and the trends to be drilled for BFG mineralisation.

A further appraisal of the southern section of the Glandore leases (Goddard’s Dam) has identified several large target zones in previously untested terrain. A drilling program has been designed to test the first zone.



The requirements for the Black Flag style of gold mineralisation 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 RAB/RC drilling.

Further exploration using this model will also be done on the Clinker Hill Project, which has similar attributes to Goddard's Dam.

The recognition of this style of mineralisation and the availability of prospective leases in the Bulong area has encouraged Aruma to apply for the Slate Dam lease which is contiguous to the existing Glandore and Goddard's Dam property. The combined area is now in excess of 120km² in a region with a strong gold endowment.

Slate Dam Application

A new exploration licence (ELA25/553) has been applied for (26 graticular blocks over some 81km²) over a large belt of covered felsic sediments to the north east of Glandore. The intention is to evaluate the gold potential in sulphidic sediments with granites and mineralisation that was defined by previous workers. Historic work on this ground has identified a large area strongly anomalous (>250ppb Au) in gold.

Aruma will be using a hydrothermal sediment hosted sulphidic gold model to identify gold targets, which has been used with success in the last four years by several companies resulting in find major new finds in the Kalgoorlie - Norseman belt.

Bulloo Downs Copper Project

Aruma completed drilling of the third Exploration Incentive Scheme (EIS) co-funded diamond hole of 528m on the Bulloo Downs project to test a number of emissivity anomalies. The Company is seeking interest in the project by companies active in the area before considering a return of the project to the joint venture partners or relinquishing. This will significantly reduce the Company's expenditure commitments and allow exploration to focus on gold in the Kalgoorlie area and other projects reviewed.

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Projects Summary

EASTERN GOLDFIELDS	Glandore Hub	<ul style="list-style-type: none"> ▪ Glandore Gold Project - 40km east of Kalgoorlie-Boulder ▪ JV Agreement underway with Southern Gold Limited (SAU) ▪ New exploration targets developed in Black Flag Sediments ▪ PoW approved for RC drilling on southern leases ▪ Major new 81km² EL applied for over the Slate Dam area
		<ul style="list-style-type: none"> ▪ Clinker Hill Gold Lease - 35km east of Kalgoorlie-Boulder ▪ PoW approved for in south east extensions
	Regional Projects	<ul style="list-style-type: none"> ▪ Bulloo Downs Copper Project ▪ EIS diamond drilling completed ▪ Leases to be returned/relinquished if no joint venture interest

Table 2 Project Status and Activity Table

Corporate

The Company had a cash balance at 30 September 2016 of approximately \$803,000.

Placement

The Company announced a placement of 50 million shares at a price of 0.8 cents per share to raise \$400,000 (the Placement) during the quarter. The Placement, which was completed on 4 October 2016, was made to professional and sophisticated investors with DJ Carmichael Pty Limited (DJC) acting as Lead Manager.

Rights Issue

Subsequent to the end of the quarter the Company announced a pro-rata non-renounceable rights issue (Rights Issue) on the same terms as the Placement. The Rights Issue is on the basis of 1 new share for every 4 shares held by eligible shareholders to raise approximately \$563,000. The Rights Issue is fully underwritten by DJC.

The funds raised from the Placement and Rights Issue will be used for targeted exploration programs on the Company's existing gold projects, the evaluation of additional mineral resources projects as well as costs of the issues and general working capital.

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Proposed Exploration Activities for Q2 FY2017

- **Goddards** – PoW approved and drilling to be scheduled.
- **Clinker Hill** – PoW approved with work scheduled in the new year.
- **Slate Dam** – Statutory approvals and data search and evaluation.
- **Glandore** – Joint venture underway.
- **Bulloo Downs Copper Project** – lease evaluation after EIS hole completed.

Aruma will also be appraising leases that are becoming available in the Kalgoorlie terrain, especially where adjacent to current projects or with resources or intersections.

In addition to its current projects in Western Australia, Aruma continues to evaluate other potential project opportunities.

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 Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Schwann is a full time employee of the Company. Mr Schwann has sufficient relevant experience to qualify as a Competent Person as defined in the JORC Code (2012) and consents to the inclusion of this 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 present have not been materially modified from the original announcements.

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SUMMARY OF TENEMENTS

AUSTRALIA	Interest at beginning of Quarter	Interest at end of Quarter
Glandore (Gold)		
M25/327 M25/329 M25/330 P25/2073 P25/2074 P25/2075 P25/2076 P25/2103 P25/2117 P25/2118 P25/2119 P25/2154 P25/2215 P25/2216	Southern Gold Limited JV Southern Gold can earn up to 90%	Southern Gold Limited JV Southern Gold can earn up to 90%
P25/2089 P25/2090 P25/2091 P25/2092 P25/2093 P25/2094 P25/2153 P25/2202 P25/2203 P25/2204	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
PLA25/2388 PLA25/2389	100% Aruma Exploration Pty Ltd Under Application	100% Aruma Exploration Pty Ltd Under Application
PLA25/2400 PLA25/2401 PLA25/2402	Nil	100% Aruma Exploration Pty Ltd Under Application

Clinker Hill (Gold)	Interest at beginning of Quarter	Interest at end of Quarter
P25/2201 P25/2319 P25/2320	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

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AUSTRALIA	Interest at beginning of Quarter	Interest at end of Quarter
Bulloo Downs Copper Project		
E52/2024	Option to earn-in for up to a 90% interest (Dynasty)	Option to earn-in for up to a 90% interest (Dynasty)
E52/2329 E52/2330 E52/2337 E52/2351 E52/2429	Option to earn-in for up to a 90% interest (Atlas/Warwick)	Option to earn-in for up to a 90% interest (Atlas/Warwick)
E52/2464	Option to earn-in for up to a 90% interest (Dynasty)	Option to earn-in for up to a 90% interest (Dynasty)
E52/2887	100% Aruma Exploration Pty Ltd. Under application and transfer from Plasia Pty Ltd. Option to acquire JV interest.	100% Aruma Exploration Pty Ltd. Transfer from Plasia Pty Ltd. Option to acquire JV interest.
E52/3096 E52/3172	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

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