

3 August 2017

ASX Announcement

ASX CODE : AAJ

Capital Structure

361.8M Shares on Issue

4.6M Unlisted Options

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

Phillip MacLeod

Exploration Manager

Kathryn Cutler

Active Projects

BULONG GOLD PROJECT

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MULGA DAM LEASE GRANTED

BULONG GOLD PROJECT

- **Mulga Dam lease granted over geology that host the Majestic/Imperial and Transfind gold mines.**
- **Review highlights large-scale conceptual gold targets on green-fields lease.**
- **Total land holding over the Bulong gold belt exceeds 200km².**

PROJECT UPDATE

Aruma Resources Limited (ASX: AAJ) ("Aruma" or the "Company") is pleased to report the recent granting of the Mulga Dam gold tenement (EL 25/556) (62km²). This tenement is situated between the Slate Dam and Juglah tenements, 50km east of Kalgoorlie. The tenement extends the Company's land holding over the highly anomalous geology which hosts the Majestic-Imperial and historic Transfind gold mines.

The granted Slate Dam, Mulga Dam and Juglah exploration licenses (EL25/553, EL25/556 and EL25/534) now cover 175.6km² of felsic sediments to the east of the Glandore Gold Project. The leases were applied for when geological evaluation of the felsic units identified similarities to that of the 'Invincible' style gold model; a narrow vein gold lode at the stratigraphic contact between sediments. This geological setting until recently had been considered small scale, however with the discovery of the Kambalda, Invincible ~2Moz gold deposit by Gold Fields Ltd, the significance of these ore bodies has been realised.

Managing Director Peter Schwann said; *"This landholding is a strategic position in the fabulously well-endowed Eastern Goldfields region and the sediment hosted potential has hardly been scratched. I expect there will be more deposits of the Invincible-Baloo-Monsoon style found in the next ten years that will match the discoveries to date"*.

This regional Project will be the focus for the Aruma exploration team in the future with a systematic approach to gold exploration in covered greenfields areas. The importance of such projects can be seen in the activities and announcements by Gold Fields on the 28th July 2017.

"Gold Fields has just started the underground at the 1.4 million ounce Invincible discovery this month and sees a big future" Stuart Mathews said. "We've still got a long way to go on our big tenement packages. We still think there's life." (Mining News 28 July 2017).

EXPLORATION MODEL

Aruma is applying the "Hydrothermal Sediment Hosted Sulphidic Gold Model" (HSGM) to identify gold targets, which has been used with success in the last few years by several companies to find major new deposits in the Wiluna-Norseman belt, especially at Invincible (Kambalda) and Baloo and Monsoon (Lake Cowan). Considered for years to be a low grade, low tonnage gold endowment system, this mineralisation model has not been seriously applied to the Kalgoorlie terrain, however Aruma plans to take this model and apply it to the Company's land holdings in the district.

The felsic sediment package adjacent the Bulong sequence contains all the tell-tale geological signs of a significant gold system, stratigraphic sediments conducive to a chemical environment favourable for gold deposition, large intrusive granite systems responsible for heat and fluid movement, and large-scale low-grade gold anomalism in bedrock. The existing bottom of hole 200ppb gold anomaly of Slate Dam, and an existing drill intercept of 113m at 0.22g/t (GWD02) is indicative of this type of orebody, and adds evidence to this area being a large gold system.

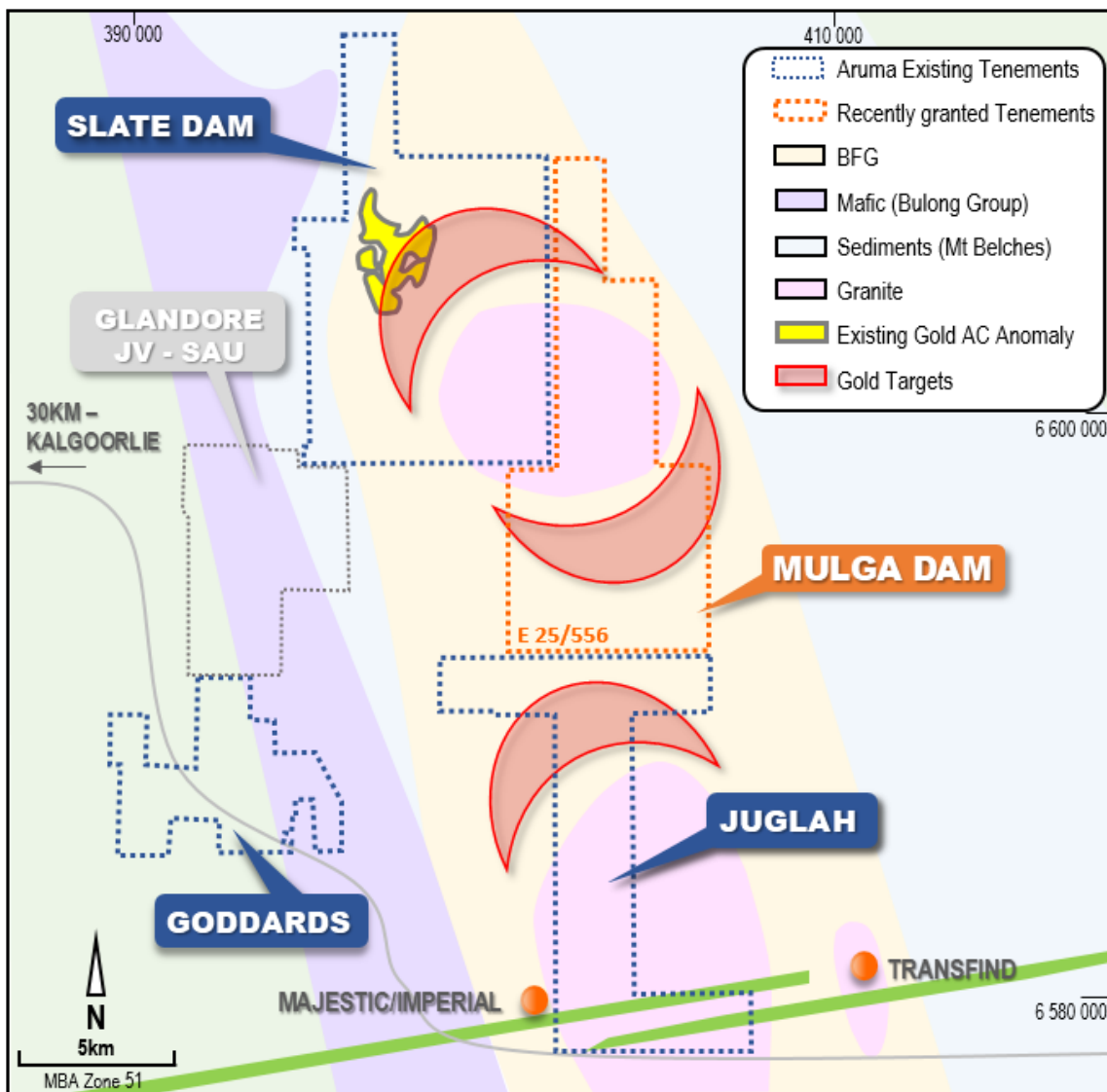


Figure 1. Aruma's Bulong Gold Project cover ~>200km² of highly prospective gold geology of the Bulong sequence. The bottom of hole Aircore gold anomaly is within the pressure shadow locations of the large granite bodies.

Conceptual targeting, given the geological setting, identified the pressure shadows surrounding the granite domes as likely structural targets, Figure 1. However, the presence

of lake sediments and the felsic nature of the host rocks preclude standard soil techniques and supergene outcrop and have hindered exploration in previous years.

The approval of exploration lease E25/556 'Mulga Dam', now takes Aruma's land holding of this highly desirable area to ~>200km². The Company looks forward to progressing these projects with its maiden drill program for Slate Dam scheduled for the second half of 2017.

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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.

Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2017.

