
GOLD EXPLORATION UPDATE

HIGHLIGHTS

Slate Dam Gold Project

- **EL 25/553 Granted (82.6km²)**
- **PoW lodged for a 5,000m RC program**
- **Data interpretation underway**

Corporate

- **Exploration Manager appointed**
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Company Focus

Aruma Resources Limited (ASX: AAJ) (“Aruma” or the “Company”) is pleased to report the recent granting of the Slate Dam gold tenement. This tenement is adjacent to the Glandore JV (Southern Gold Limited) and Goddards Dam Projects, 40km east of Kalgoorlie. The tenement covers highly anomalous gold ground within the geology that hosts the Majestic and Imperial Gold Deposits. The adjacent Mulga Dam lease is scheduled for granting in the coming months.

The Slate Dam and Mulga Dam exploration licences (EL25/553 and ELA25/556) were applied for (26 and 20 graticular blocks, 142.6km²) in 2016 over a large belt of covered felsic sediments to the north and east of the Glandore Gold Project. The intention was to investigate the gold potential in sulphidic sediments associated with granites and mineralisation similar to the Invincible Deposit at Kambalda.

Statutory requirements for programs of work (PoW) and Heritage Surveys are being arranged and the existing exploration databases and geology are being validated in preparation for drilling.

Managing Director Peter Schwann said; *“Aruma now has a significant landholding in excess of 200 sq. km in a desirable address east of Kalgoorlie which is highly prospective for gold. Our activity in the area will increase this year as we define and drill targets from an extensive database of drilling results, magnetic surveys and HyVista mapping”.*

This increased activity has required an increase in the Company’s personnel and Ms Kathryn Cutler has been appointed as Exploration Manager to drive the exploration effort in the coming year on these new projects.

Research Driven Exploration

Aruma will be applying the hydrothermal sediment hosted sulphidic gold model to identify gold targets, which has been used with success in the last few years by several companies to find major new finds in the Wiluna-Norseman belt, especially at Invincible (Kambalda) and Baloo and Monsoon (Lake Cowan).

Aruma will be using the effective HyVista mapping technique and magnetics to confirm the large drill defined gold anomaly at Slate Dam and identify other areas that may have the same alteration pattern. This will accelerate exploration in the prospective rock types of the Black Flag Group (BFG) and the interpreted major granite center to drive mineralisation.

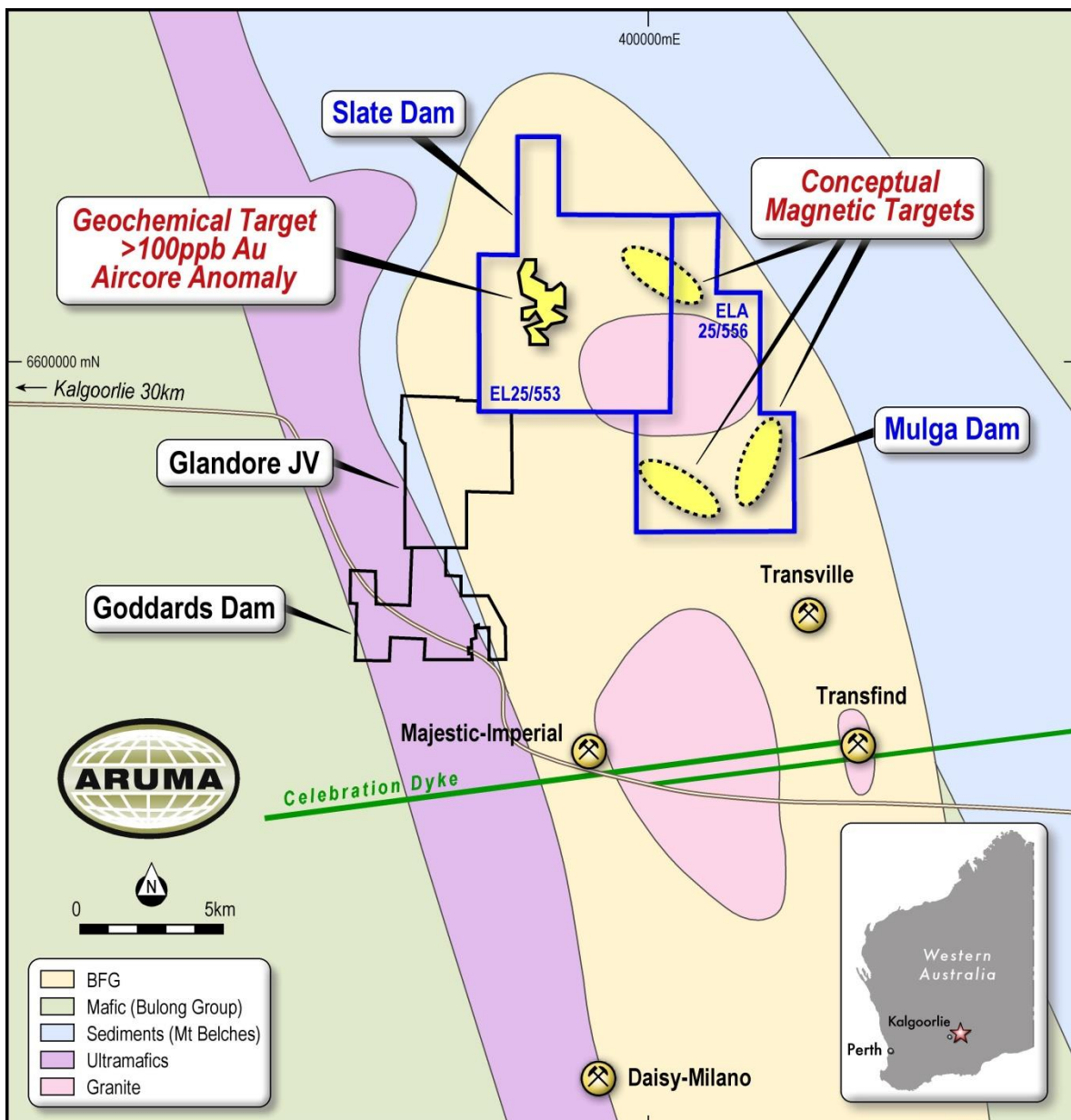


Figure 1 Aruma's Kalgoorlie Projects cover 200km² of highly prospective gold geology in the Black Flag Group (BFG).

Slate Dam Program

The Slate Dam Exploration Licence covers 82.6km² of the felsic sediments suggested to be the Black Flag Group as mapping indicates to the north and east of the Glandore Project.

Aruma is planning to rapidly explore and extend the high (250ppb Au) tenor 7km² drill defined gold anomaly at Slate Dam. Evaluation of magnetics has identified a ring structure indicating a granite body, similar in structure to Majestic-Imperial, south of this anomaly. In house expertise and experience will allow focussed and detailed exploration on this and the adjacent tenements in the area.

Aruma is planning 5,000m of first pass Reverse Circulation drilling over the high (>250ppb Au) tenor 2km by 3.5 km drill defined gold anomaly at Slate Dam. This will be done by drilling 200m spaced lines of 100m deep angled drill holes at 50m intervals into the steeply dipping stratigraphy.

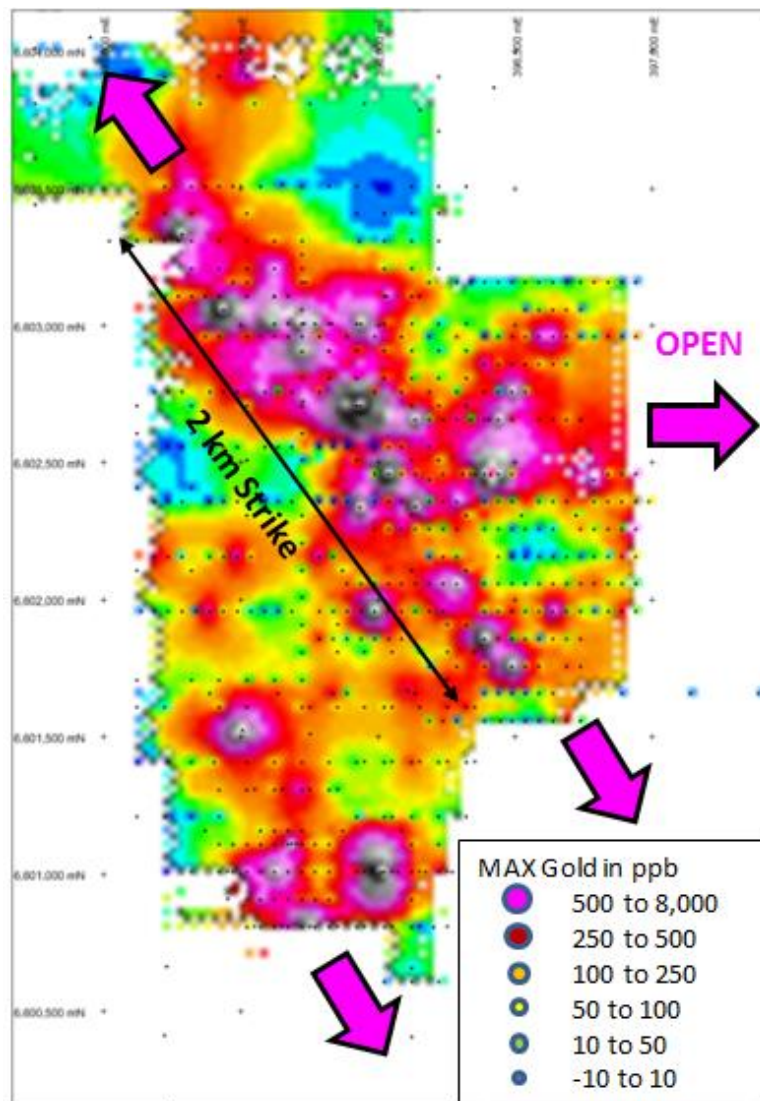


Figure 2 Slate Dam drilling generated gold anomaly from previous figure showing the drilling values and contoured with the red >250ppm Au. Note the anomaly is controlled by the drilling and remains open in all directions.



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ASX ANNOUNCEMENTS
7 April 2017
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The appointment of an Exploration Manager allows the Company to develop the new exploration projects capable of hosting a successful gold discovery. Ms Kathryn Cutler is a geologist with experience in the Eastern Goldfields working in near-mine exploration at Jundee and the Matilda-Wiluna gold mine. This experience will be a good fit with the research based targeting that Aruma uses and will be concentrating on sediment hosted orebodies such as high tenor Invincible and Baloo Deposits in the Black Flag Group sediments.

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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.