

Aruma Acquires Portfolio of Copper and Uranium Projects

Highlights

- Aruma has acquired a portfolio of copper and uranium exploration assets in tier-1 mineral precincts in South Australia and Queensland;
 - The Wilan IOCG-Uranium Project in the Olympic Dam precinct in South Australia; and
 - The Fiery Creek Copper Project and Bortala Copper Project in the Mt Isa region of Queensland
- All three projects have copper-gold (stratiform and IOCG) discovery potential - along with playa lake and paleochannel uranium targets at the Wilan Project
- As consideration for the acquisition Aruma is to issue shareholders of the vendors, NHM Holdings (Australia) Pty Ltd (NHMHA);
 - 26.5m fully paid AAJ ordinary shares (which will be subject to a 6-month voluntary escrow from date of issue);
 - 24.5m options each non-transferable and exercisable into one ordinary AAJ share for a nil exercise price on Aruma securing all required approvals for drilling at the Wilan Project;
 - 28m options each non-transferable and exercisable into one ordinary AAJ share for a nil exercise price on AAJ reporting a drill intercept of 3m at >600ppm U₃O₈, or at least 20m at >0.8% Cu or metals equivalent at one of the new projects; and
 - AAJ will also pay a 2% NSR to NHMHA shareholders over any minerals extracted and sold from the new projects
- Due diligence over the projects has been successfully completed - acquisition completion remains subject to Aruma shareholder approval
- The acquisition will see Aruma expand its focus into key, high-demand commodities - copper and uranium - and on completion it will commence targeted field work programs to define priority targets for first-phase drilling (subject to results)

Aruma Resources Limited (**ASX: AAJ**) (**Aruma** or **the Company**) is pleased to announce the acquisition of a portfolio of copper and uranium exploration assets in tier-1 mineral precincts in South Australia and Queensland.

Aruma Resources LtdACN 141 335 364
ASX: AAJ**Issued Capital**196,891,506 Shares
54,930,003 Listed options
16,000,000 Unlisted options**Business Office**1st Floor, 2 Richardson Street
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E: info@arumaresources.com**Board and Management**JAMES MOSES – Non-Executive Chairman
GLENN GRAYSON – Managing Director
BRETT SMITH – Non-Executive Director

Aruma has executed a share acquisition agreement to acquire the Wilan IOCG-Uranium Project in the Olympic Dam precinct in South Australia, and the Fiery Creek Copper Project and the Bortala Copper Project in the Mt Isa region of Queensland from NHM Holdings (Australia) Pty Ltd (NMHA).

This is a pivotal acquisition for Aruma. It will see the Company expand its focus into key high-demand commodities, copper and uranium, via a portfolio of high-potential exploration projects in two of Australia's pre-eminent, active mineral precincts.

Aruma has successfully completed due diligence over the new projects. Completion of the Acquisition remains subject to Aruma shareholder approval, to be sought at a shareholder meeting to be convened in the near future.

On completion of the acquisition, the Company plans to commence targeted, systematic field work programs across the new projects to define priority drill targets, with the aim of progressively drill testing priority targets to unlock each project's full value proposition.

As consideration for the Acquisition, Aruma proposes to issue the following to NHMHA shareholders:

- 26.5 million fully paid Aruma ordinary shares (Shares), which will be subject to a voluntary escrow period of 6 months from the date of issue;
- 24.5 million options each non-transferable and exercisable into one Share for a nil exercise price upon Aruma securing environment protection and rehabilitation (PEPR) approval for drilling at the Wilan Project in South Australia, and obtaining any other necessary approvals to conduct drilling at the Wilan Project; and
- 28 million options each non-transferable and exercisable into one Share for a nil exercise price upon AAJ reporting an aggregate drilling intercept (in one drill-hole) of 3m at >600ppm U₃O₈, or at least 20m at >0.8% Cu or metals equivalent at one of the new projects.

Aruma will also pay a 2% net smelter royalty to NHMHA shareholders over any minerals extracted and sold from the tenements.

Aruma Resources managing director Glenn Grayson said:

"We are excited about the company-changing potential of this acquisition. In seeking to expand our asset portfolio we have assessed a number of projects against key criteria designed to drive market support for the company and value accretion for shareholders. We see the combination of quality exploration asset portfolio in high-demand commodities, located in active tier-1 mineral belts in progressive mining jurisdictions as the clear right-fit for Aruma Resources.

In tandem with our ongoing focus on our Western Australian assets, we plan to implement targeted field work programs across the new asset portfolio, with a view to defining priority targets and systematically drilling these projects to unlock and maximise their IOCG, uranium and copper potential.

The Company views the ability to acquire this IOCG, uranium and copper prospective asset portfolio at a time of prevailing strength in these commodity markets underpinned by a bullish long term outlook as being potentially transformational, and we look forward to sharing details of our journey to unlock the value of this new asset portfolio in the weeks and months ahead."

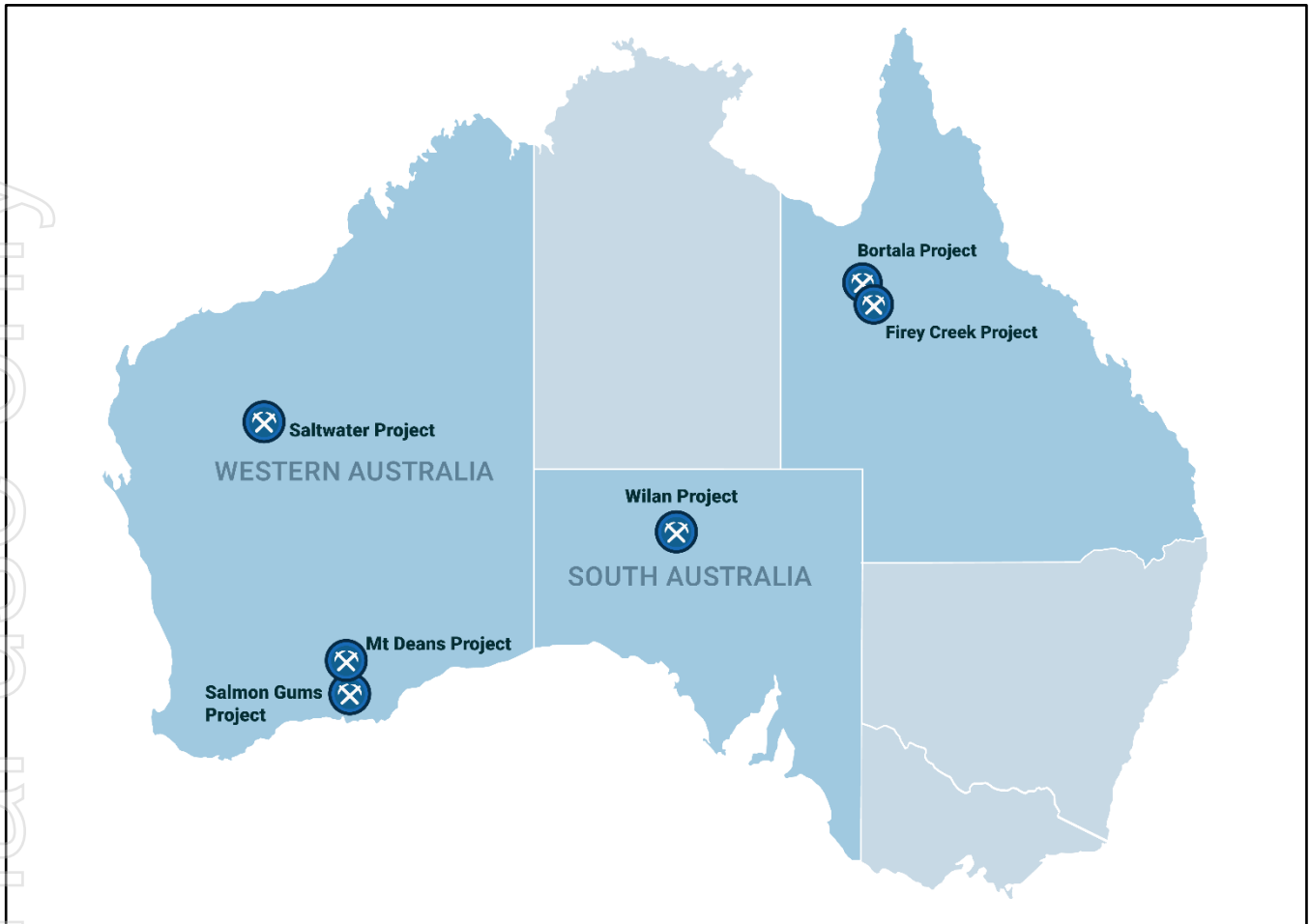


Figure 1. Aruma Resources project portfolio including Wilan IOCG-Uranium Project, South Australia and Fiery Creek and Bortala Copper Projects, Queensland.

New Projects Portfolio Commentary

Wilan IOCG-Uranium Project

The **Wilan Project (EL6819, EL6870)** is located on the eastern side of the Gawler Craton in South Australia, and covers a total area of 1,993km² (Figures 1 and 2).

The Gawler Craton is a prolific minerals belt, which hosts multiple world-class mining and exploration operations. These include BHP's Olympic Dam Deposit, the world's largest single source of copper-gold-REE and uranium located just 140 km south-west of Wilan, and its Prominent Hill Copper Project. The Wilan Project is located immediately south of Copper Search's Paradise Dam prospect with the main basement structures continuing onto Aruma's Wilan ground.

The Wilan Project is covered by post Devonian sediments, typical of the Gawler Craton. A priority IOCG target and separate priority Playa Lake Uranium target has been identified within the Project area. These will both be key exploration targets for Aruma.

In the Gawler Craton, IOCG deposits have been identified with magnetic anomalies coincident gravity anomalies. The priority IOCG target at Wilan is interpreted as having this signature. It is located in the south-east of the Project, and has never been drill tested

Aruma plans to explore for IOCG mineralisation in the Paleoproterozoic basement rocks at this target – as well as potential sedimentary-hosted copper mineralisation in the basin rocks above the basement.

Both styles of deposits have alteration systems that make the rocks more dense. As such, detailed gravity surveys will be undertaken as the initial method to develop drill targets. Paleoproterozoic structures will be the initial targets of these gravity surveys.

The gravity surveys will be followed by further geophysical surveys, with the aim of identifying conductive bodies, for a planned first phase of drilling (subject to results).

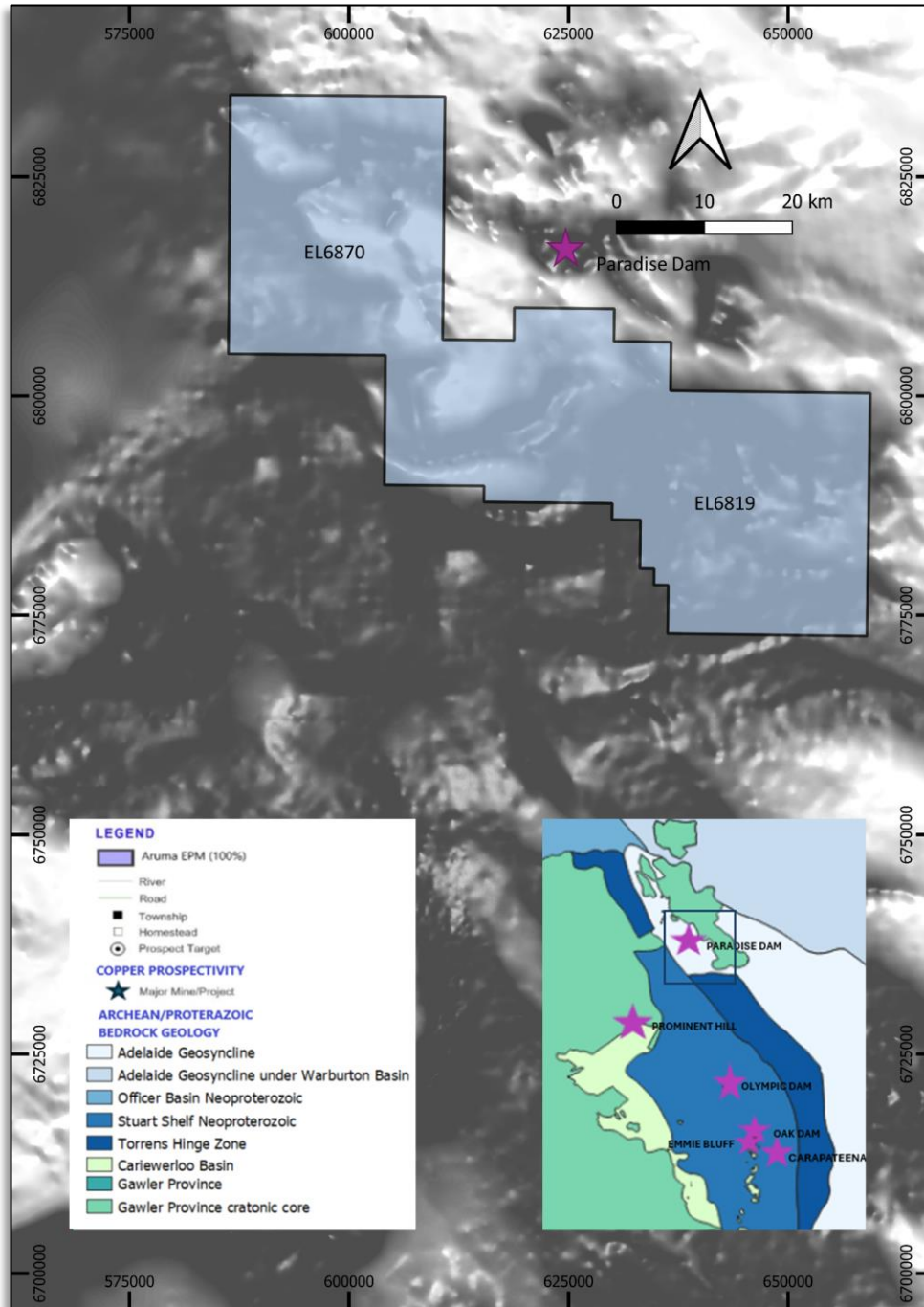


Figure 2. Geology of the Wilan Project area.

The Playa Lake Uranium target is located in the west of the Project area. Playa-type uranium deposits are acknowledged as typically being relatively easy to explore and exploit, as they tend to be shallow and laterally continuous.

Uranium (and potentially vanadium) is hosted in clays, calcrete and organic matter, generally disseminated or 'encrusted' onto sediments.

The target has been identified through a radiometric anomaly with a co-incident helium hyperspectral response – with helium being produced by the decay of uranium in a lake area. The radiometric and helium anomalies cover an area of approximately 4km x 1.5km. Aruma plans to drill test these areas for uranium anomalism. There are also other elevated areas, which the Company plans to further evaluate for their exploration potential.

In addition, in the southern extent of the project, two paleochannels have been inferred by the South Australian Geological Survey. Such features are known to be prospective for uranium.

The northern paleochannel is approximately 25km long and 2km wide, and the southern paleochannel is approximately 23km long and 2.5km wide. Both represent significant targets in their own right, and Aruma plans to explore the potential of these two paleochannels as part of its uranium exploration strategy at the Wilan Project.

The Bortala Copper Project

The Bortala and Fiery Creek Projects are located in the northern area of the world-class Mt Isa copper-belt. Both projects are located in an under-explored region, which hosts multiple significant copper mines including, Mount Oxide, Lady Loretta and Capricorn Copper. In addition, global tier-1 mining houses such as Rio Tinto, Anglo American and Teck have substantial exploration landholdings in the region.

The **Bortala Project (EPM28271)** (Figures 1 and 3) is interpreted as being prospective for Mount Isa/Mammoth-style breccia copper deposits and epigenetic uranium mineralisation within the reactive sediments of the western Mt Isa succession.

An east-north-east trending linear fault in the south of the Project area has copper-gold mineral occurrences and historic workings identified by the Ashton Mining in 1989. In addition, the Bortala Project hosts members of the Mount Isa Group, which exhibit widespread lead-zinc anomalism, and strong copper potential along bounding faults.

Within the Project area several magnetic lineations and magnetic high zones have been identified by previous explorers, which may indicate the presence of enhanced iron oxide occurrences. The geophysical features on the Project offer key exploration target areas and are proximal and adjacent to these magnetic high zones, particularly in the eastern area of the Project.

Aruma plans to target the Bortala Project area with techniques to explore for an IOCG system, similar to those in the Cloncurry district in Queensland and the Gawler Craton in South Australia.

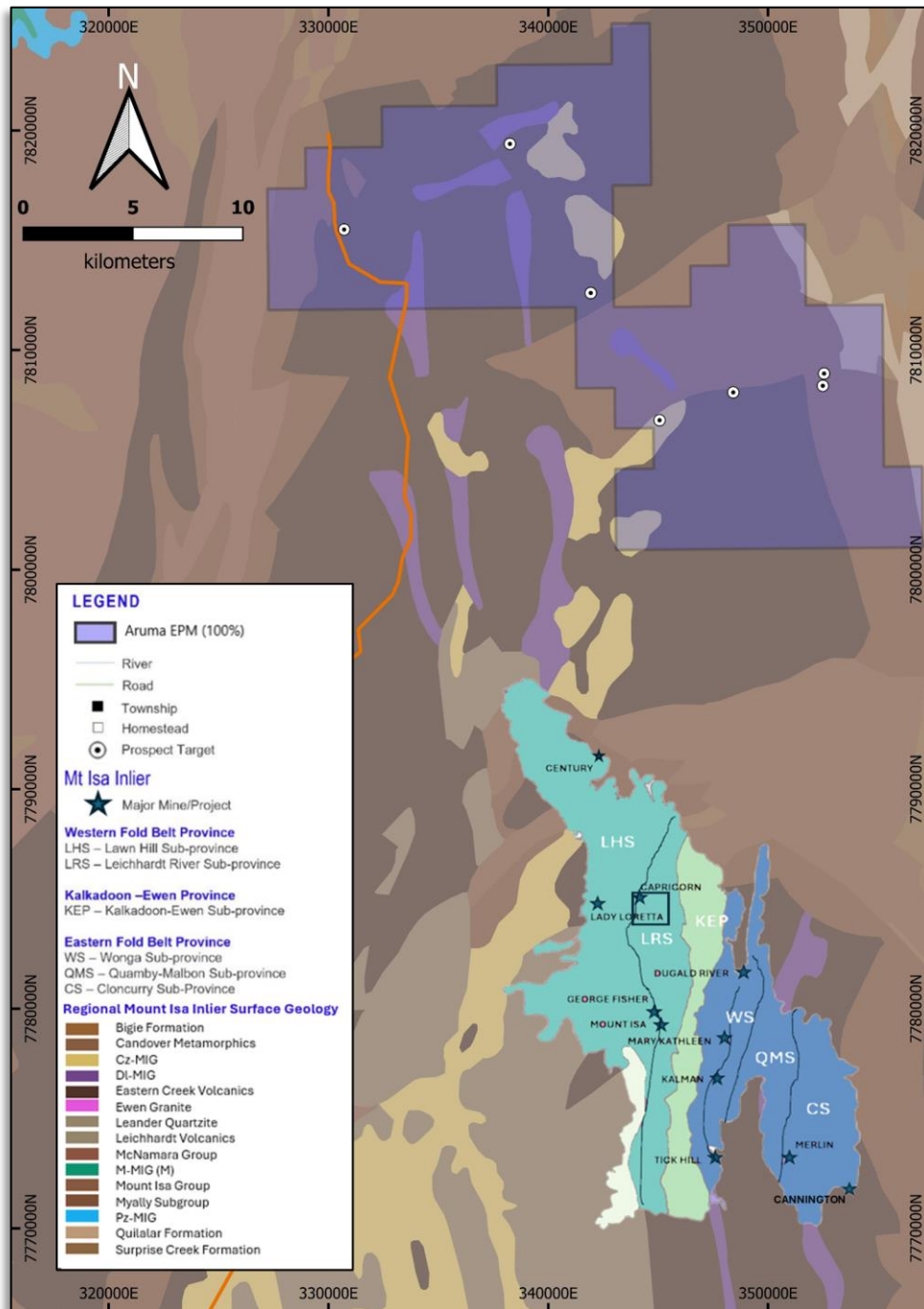


Figure 3. Geology of the Bortala Project area.

Fiery Creek Copper Project

The geology of the **Fiery Creek Project (EPM27879)** (Figures 1 and 4) is interpreted as being analogous to the units that host copper deposits within the western fold belt of the Mount Isa Inlier. Aruma will adopt the Lady Loretta formation and Esperanza formation as a stratigraphic model for its plan to explore for a stratiform copper deposit within the Project area. The Company will also assess the IOCG potential of the Project area via its exploration activities.

Anglo American own the majority of the tenure neighbouring Fiery Creek and the ground has been previously held by MIM Holdings (now Glencore), BHP, RIO Tinto and Sumitomo. The stratigraphy of the area is the Lay Lorretta Fomation and Gunpowder Formation, both of which host economic

deposits in the Isa Belt. Minimal work has been done at the Project area with no detailed geophysics undertaken - and only minimal previous drilling, by Sumitomo.

To date, only government-scale gravity and magnetic surveys have been conducted. Aruma plans to undertake a detailed gravity survey to understand the structure and alteration systems present. This can then be followed up detailed magnetic surveys and follow-up electromagnetic surveys of targets that may be generated.

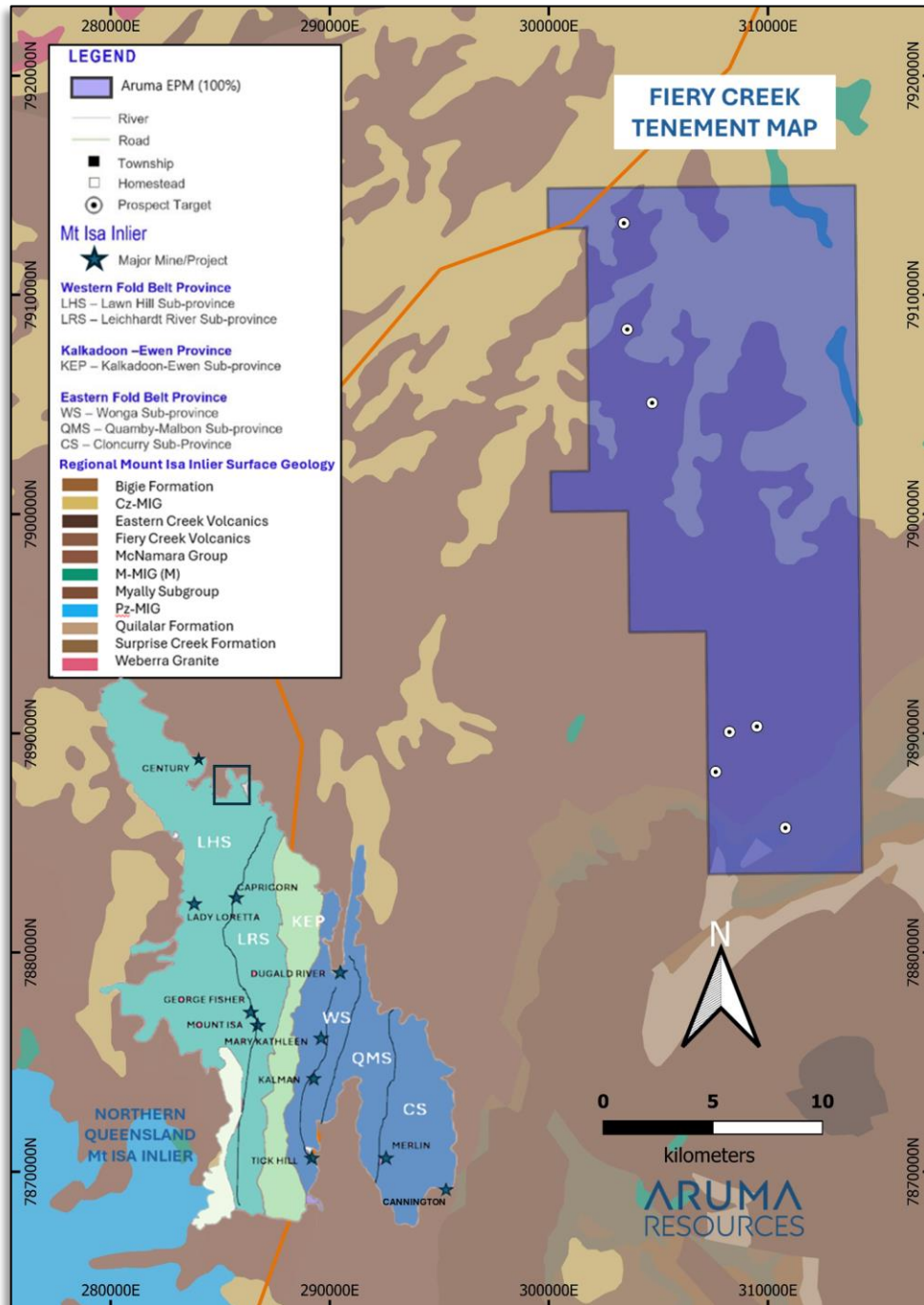


Figure 4. Geology of the Fiery Creek Project

Next Steps

Completion of the Acquisition is subject to Aruma shareholder approval, which will be sought at a shareholder meeting, details of which will be confirmed in the near future. Upon securing

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shareholder approval, Aruma plans to commence field work at the new project portfolio, subject to securing all required approvals for on-ground field work - including any landholder and traditional owner approvals.

Initial field work will include detailed gravity surveys, which are planned to be followed up by further geophysical surveys aimed at defining initial drill targets. The Company plans to progressively drill priority targets identified by its target generation field work.

Transaction Summary

Aruma has entered into a share acquisition agreement with the shareholders of NHMHA under which Aruma will acquire all of the issued shares of NHMHA.

NHMHA is a holding company that has the following three wholly owned subsidiaries (two with assets in Queensland and one with assets in South Australia):

- Rab Resources Pty Ltd (ACN 633 441 826);
- New Horizon Metals Pty Ltd (ACN 633 441 335); and
- Wilan Resources Pty Ltd (ACN 648 050 837),

(together, **NHMHA Subsidiaries**), which together own 100% of granted tenements outlined below:

Rab Resources Pty Ltd (ACN 633 441 826)	Mt Isa region, Queensland	EPM 27879 – “Fiery Creek Project”
New Horizon Metals Pty Ltd (ACN 633 441 335)	Mt Isa region, Queensland	EPM 28271 – “Bortala Project”
Wilan Resources Pty Ltd (ACN 648 050 837)	Gawler Craton, South Australia	EL 6819 & EL 6870 – “Wilan Project”

As consideration for the acquisition, at completion Aruma is proposing to issue to the shareholders of NHMHA, subject to shareholder approval:

- 26.5 million Shares, which will be subject to a voluntary escrow period of 6 months from the date of issue;
- 24.5 million options each non-transferable and exercisable into one Share for a nil exercise price upon satisfaction of the following:
 - a program for environment protection and rehabilitation (PEPR) in respect of initial drilling activities at the asset in South Australia being approved, and Aruma obtaining

any necessary approvals for the purposes of section 63F of the *Mining Act 1978* (WA) to conduct initial drilling activities; and

- 28 million options each non-transferable and exercisable into one Share for a nil exercise price upon Aruma publishing an aggregate drilling intercept in one drill-hole of 3m at >600ppm U₃O₈ or at least 20m at >0.8% Cu or metals equivalent at one of the assets and announces that to the ASX.

Aruma has also granted the shareholders of NHMHA a 2% net smelter royalty over any minerals extracted or sold from the tenements.

The acquisition is subject to and conditional upon Aruma obtaining any approvals it requires, including shareholder approval for the issue of the consideration securities set out above.

Aruma will hold an extraordinary general meeting of shareholders to seek all requisite approvals for the acquisition in due course.

This announcement has been authorised for release by the Board of Aruma Resources Ltd.

ENDS

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About Aruma Resources

Aruma Resources Limited (ASX: AAJ) is an ASX-listed minerals exploration company focused on the exploration and development of a portfolio of prospective projects in high-demand commodities – copper and uranium - in world-class mineral belts, in South Australia and Queensland. It also holds gold, lithium and REE prospective projects in Western Australia.

Competent person statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Glenn Grayson who is a Member of the Australian Institute of Geoscience (AIG). Mr Grayson is Managing Director and a full-time employee of the Company. Mr Grayson 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 Grayson 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. 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.

Forwood 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 confirm 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.

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