ARUNTA RESOURCES LIMITED

a Level 14, 31 Queen Street Melbourne, Victoria 3000
t +61 3 8610 8633 **f** +61 3 8610 8666 **e** info@aruntaresources.com.au
www.aruntaresources.com.au
ABN 73 089 224 402

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ASX ANNOUNCEMENT

Outstanding Thick Gold-Copper Intersection at SXB Project as Drilling Points to Deeper IOCG/VMS Potential

Deep drill campaign planned for December quarter on the back of airborne EM

Highlights:

- Partial results received from diamond drilling program at Southern Cross Bore (SXB) Project, NT, with best result returned from in-fill geotechnical hole at Johnnie's Reward prospect:
  - ***35.3m @ 3.44g/t Au, 0.45% Cu and 4.42g/t Ag from 67.7m*** *(13JRRCD040) using a >0.50g/t lower cut*
  - Results still pending from extensional hole JRRCD0366 designed to intersect Johnnie's Reward mineralisation between 200m and 230m
- Elevated VMS and IOCG pathfinder elements and anomalous grades intersected in diamond hole 13BARCD038 at Black Angus. This hole was designed to intersect potential primary sulphide mineralisation in a host shear zine defined from shallow RC drilling
- Black Angus remains a key target for base-metal VMS or carbonate replacement style of mineralisation
- Airborne geophysics proposed to further define drilling targets in this area, with planning underway for detailed airborne EM and gravity surveys
- Drilling to resume in December 2013 Quarter to complete testing of IOCG mineralisation to at least 300m depth
- Arunta expands its strategic ground holding in the region with a new 580km^2 tenement application surrounding the SXB Project – landholding at SXB increased to over 650km^2

Summary and Management comment

Arunta Resources Limited ("Arunta" or "the Company") (ASX Code: AJR) advises that partial results have now been received from the recent diamond drilling program at its 100%-owned Southern Cross Bore (SXB) Project, located in the Arunta Mineral Province in the Northern Territory.

The diamond drill program targeted the advanced Johnnie's Reward prospect and the Black Angus soil anomaly, 1.5km to the north.

The completed program comprised 21 Reverse Circulation (RC) holes for 1,648m (for which results were reported on 21 August 2013) and four diamond holes totaling 400.5m of NQ core (plus 198m of pre-collars).

The proposed deeper diamond drilling at Johnnie's Reward was suspended, with the program to be completed during the December 2013 quarter as part of a larger drilling program which will be designed following completion of SKYTEM (airborne electro-magnetic ['EM']) and gravity surveys.

These geophysical surveys are designed to help locate buried sulphide mineralisation associated with larger IOCG (iron oxide copper-gold) and VMS (volcanogenic massive sulphide) mineralisation.

The drilling completed to date has reinforced the robustness of the Johnnie's Reward prospect, for which Arunta is aiming to complete a maiden JORC compliant Mineral Resource in the December 2013 quarter, while also reinforcing the prospectivity of the broader SXB Project to significant sulphide deposits at depth.

Results – Johnnie's Reward diamond drilling

Results have been received from two diamond holes (geotechnical hole 13JRRCD040 and an extension of previous hole 12JRRC009) but are still pending for hole JRRCD036, which was drilled to 272.5m and designed to intersect Johnnie's reward mineralisation between 200m and 230m.

Proposed diamond holes 12JRRCD037 and 12JRRCD038 were not completed. Pre-collars will now be drilled with a much larger RC rig to at least 200m depth during the December 2013 quarter.

Geotechnical hole 13JRRCD040 was completed between previously successful holes 12JRRC1 (24m @ 4.19g/t Au and 0.33% Cu from 79m) and 12JRRC004 (34m @ 3.83g/t Au and 0.44% Cu from 63m) and was drilled to 135m with orientated NQ size drill core from 60m. Results from this hole broadly repeated the success of earlier drilling in this part of the mineralised zone, returning an outstanding thick gold-copper intercept:

- **13JRRCD040: 35.5m @ 3.44g/t Au, 0.45% Cu and 4.42g/t Ag from 67.7m down-hole**
  (using a >0.50g/t lower cut)

Drill-hole 12JRRC009, completed in 2012, intersected 7m @ 1.12g/t Au and 0.33% Cu from 117m down-hole and ended in mineralisation; diamond tail 12JRRC009 EXT was drilled as part of the recent program to extend this hole a further 26m from 156m to 182m in the footwall.

Only minor gold mineralisation was noted between 167m and 168m (1m at 0.21g/t Au, 0.16% Cu and 1g/t Ag). However, broad low-grade silver was evident between 156.5m to 175m (18.5m @ 1.71g/t Ag).

Results – Black Angus diamond drilling

RC drilling over the Black Angus soil geochemical anomaly, located 1.5km north of the Johnnie's Reward prospect, was completed in July (17 holes totaling 1,000m).

Results have confirmed broad gold-silver and base metal anomalism in an extensively sheared contact between the Upper and Lower Cadney Metamorphics comprising calc-silcate-biotite-garnet gneiss and marble in the footwall and hanging wall respectively. The 20m-40m wide sheared contact is a strongly weathered quartz-sericite schist that has been mapped at surface over a 4km strike length and remains strongly open to the south and north west.

The contact is a major structural zone that is geochemically anomalous in precious and base metals with numerous surface gossans located along its strike length.

The sheared contact has been interpreted by Arunta to be the likely source of the Johnnie's Reward intrusive. The shear zone is also linked to the Pinnacles, a series of very high-grade quartz copper carbonate veins located 800m to the east by a series of fractures which have likely acted as transfer zones for the copper mineralisation.

The RC drilling intersected a broad base metal copper-lead-zinc anomalism within a deeply weathered quartz sericite altered sheared unit in the footwall to the gold mineralisation in drill lines 1 to 4. It was postulated that mineralisation has been substantially leached from the weathered zone and the economic target at Black Angus is in the primary zone of the sheared system.

Diamond drill-hole 13BARCD038 was drilled to intersect the shear zone at a depth of 180 to 250m, south-east of drill Line 3 (Figures 1 and 2.)

The quartz-sericite-goethite-hematite shear was intersected at 157.8m. Core recovery from this depth was poor and the hole collapsed from 166m and was eventually abandoned at 168.

Elevation **in copper, zinc, bismuth and arsenic was noted in assays received from 157.5m to 159.1m** down-hole and increasing grades of anomalism from surface strongly support this zone being a key target for base-metal VMS or carbonate replacement style of mineralisation.

Primary zone conductors will be targeted by SKYTEM (airborne EM) and ground geophysics as a prelude to further drilling in the December 2013 quarter.

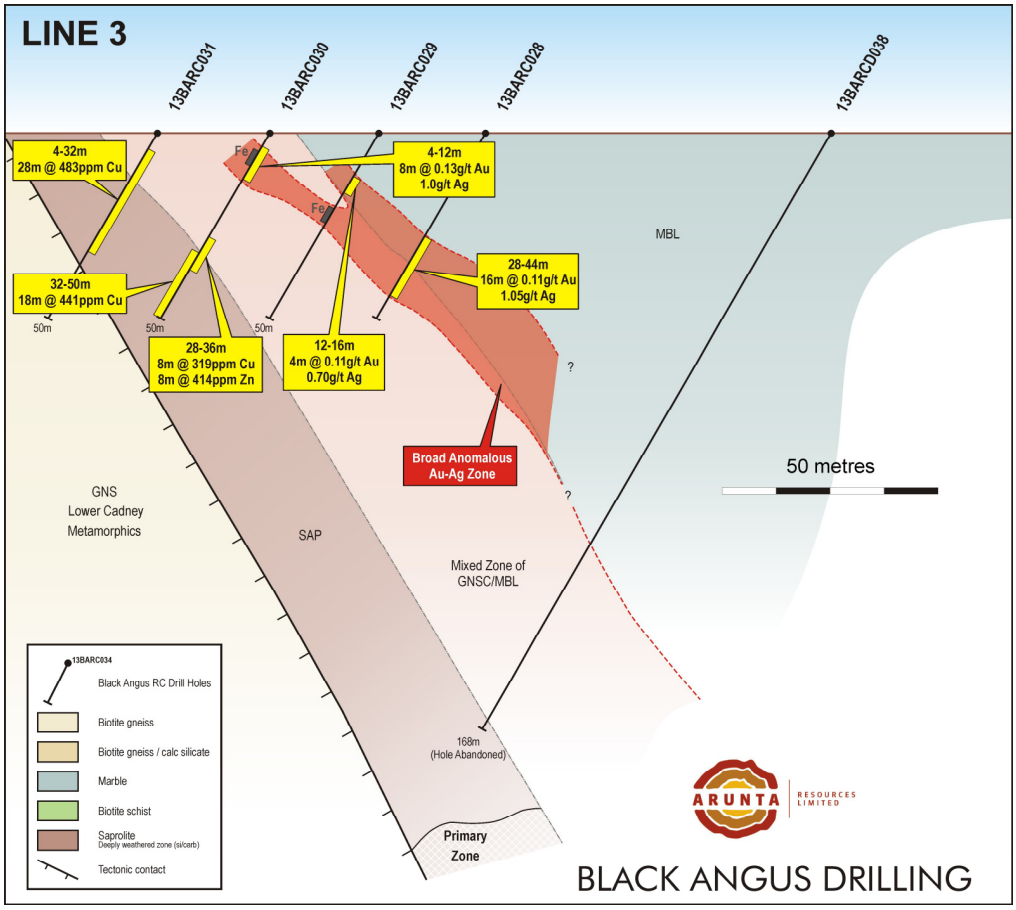

Figure 1: Line 3, Black Angus Drilling – 13BARCD038

Figure 2: Core from 156.8–165.8m down-hole, 13BARCD038 sheared zone, Black Angus

Results – Brahman prospect

At the Brahman prospect, located just 300m north of Johnnie's Reward, four RC drill holes were completed for 450m. The holes were designed to intersect a magnetic bulls-eye target similar but much smaller than the Johnnie's Reward magnetic anomaly.

The soil anomaly at Brahman is semi-continuous over 150m and is a gold-only anomaly with a peak value of 92ppb Au. Drilling intersected a biotite-tremolite-magnetite skarn with minor pyrite and chalcopyrite that occurs above the quartz-biotite-gneiss footwall zone. This is similar stratigraphy to the mineralisation at Johnnie's Reward, however only minor disseminated sulphides were noted.

An additional drill-hole, 13BRRC039, was completed on a moderate EM anomaly located 100m south-west of the geochemical anomaly at Brahman and although up to 1% pyrite was noted in drill-chips, no significant intersections were returned. Brahman will be re-evaluated subsequent to the SKYTEM and gravity programs to be conducted during the December 2013 quarter.

Geophysics planning

The gold, copper, zinc and arsenic soil anomaly at Black Angus is continuous and open, extending over a 4km strike length from Black Angus, through Wagyu and to the south-east of Johnnie's Reward, which is the current limit of the geochemistry grid and surface mapping.

The anomalies are aligned with a major north-west, south-east structure interpreted as the contact between the Upper and Lower Cadney Metamorphics. The contact is strongly sheared along the hiatus in sedimentation, ie the contact between essentially arenaceous or possibly volcanic derived metamorphics and a carbonate (shallow marine) dominated sequence. This geology, structure and associated geochemistry provides an ideal setting for exhalative VMS style mineralisation.

Johnnie's Reward is categorized as an IOCG "magnetite" style of mineralisation that plunges north-east towards the Black Angus-Wagyu shear. **The priority target in this area (6km by 10km) is a potentially buried VMS (similar to the Kidman Resources' Home of Bullion prospect) or a haematic IOCG deposit associated with a major structure.**

The Company is now planning a combined detailed airborne EM/magnetic survey and ground-based gravity survey to cover this priority structure and surrounding fractured and mineralised areas.

New Application ELA 30090

Arunta has submitted a new application, ELA30090, covering an area of 580km^2 surrounding the SXB Project (EL28045). This tenement covers major structural extensions and prospective regional geology (see Figure 3) related to the known mineralisation styles in the Aileron Province and within the SXB Project.

This is an exciting addition to Arunta's strategic land-holding in the area, substantially increasing its existing holding within EL 28045, which covers an area of 75km^2.

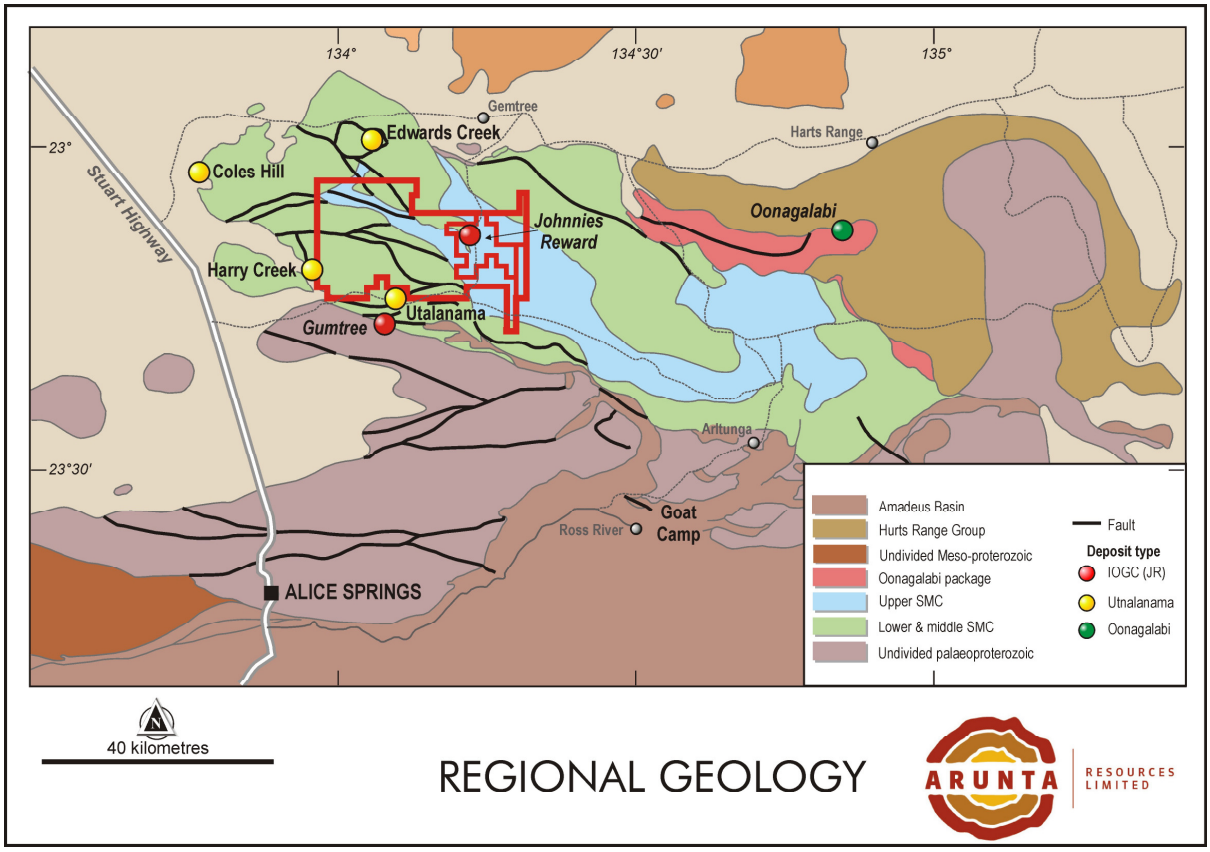

Figure 3: Regional Geology – major structures and Arunta's tenement holdings

Commenting on the results, Arunta's Executive Chairman, Mr Neil Biddle, said:

> *"We are very encouraged and excited by the results from the SXB Project to date and we believe we have a large and highly prospective project on our hands with potential to host more than one style of economic mineralisation. We have defined a program to unlock this potential in the coming months.*
>
> *"The recent drilling program at the SXB Project has provided a clear indication of the broader potential of the Project and prompted us to substantially expand our holding in the Arunta Mineral to over 650km^2.*
>
> *"In addition to the outstanding broad intersection returned from the geotechnical diamond drill hole at Johnnie's Reward, we are now developing a much clearer understanding of the regional geological picture and the relationship between the known high-grade gold-copper mineralisation at Johnnie's Reward and the broad anomalous zones at Black Angus and along the contact shear zone to the north.*
>
> *"It is becoming clear that all of these prospects may in fact be derived from a major source of IOCG or VMS-style mineralisation at depth, which clearly represents the major economic prize in the area. While Johnnie's Reward is shaping up as an attractive high-grade gold deposit in its own right, we believe the real potential of this area may only be uncovered through systematic deeper drilling. This interpretation is supported by experience with other emerging discoveries in the Arunta Province.*

"Accordingly, we have begun planning for a program of airborne and ground-based geophysics to identify conductive bodies at depth which we will then target through a comprehensive and appropriately targeted RC and diamond drilling program."

Neil G Biddle
Executive Chairman

For further information:

Investors:
Angus Edgar, Director
Arunta Resources Limited
Tel: +61 (03) 8610 8633

Neil Biddle, Executive Chairman
Arunta Resources Limited
Tel: +61 (0)418 915 752

Matt Shackleton, Chief Executive Officer
Arunta Resources Limited
Tel: +61 (0)438 319 841

Media:
Nicholas Read
Read Corporate
Tel: +61 (0)419 929 046

Competent Person Statement: The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr John Young, a Corporate Member of the Australasian Institute of Mining and Metallurgy and a Director of Sturt Resources Ltd, the Manager of the Southern Cross Bore Project. Mr Young has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Young consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Appendix1

Table 1: July – August Drill Collars at the SXB Project

Hole	Project	East	North	Level	UTM_Zone	Depth	Azimuth	Dip
13BARC018	Black Angus	419740	7442384	710	GDA94:53S	50	225	-60
13BARC019		419721	7442368	709	GDA94:53S	75	225	-60
13BARC020		419697	7442337	710	GDA94:53S	50	225	-60
13BARC021		419678	7442333	708	GDA94:53S	50	225	-60
13BARC022		419659	7442316	710	GDA94:53S	50	225	-60
13BARC023		419640	7442300	712	GDA94:53S	50	225	-60
13BARC024		419817	7442294	716	GDA94:53S	50	225	-60
13BARC025		419800	7442279	718	GDA94:53S	50	225	-60
13BARC026		419784	7442259	720	GDA94:53S	50	225	-60
13BARC027		419764	7442241	720	GDA94:53S	100	225	-60
13BARC028		419870	7442208	715	GDA94:53S	50	225	-60
13BARC029		419853	7442192	716	GDA94:53S	50	225	-60
13BARC030		419835	7442175	717	GDA94:53S	50	225	-60
13BARC031		419817	7442159	718	GDA94:53S	50	225	-60
13BARC032		420077	7442137	716	GDA94:53S	50	225	-60
13BARC033		420062	7442122	714	GDA94:53S	50	225	-60
13BARC034		420045	7442105	717	GDA94:53S	125	225	-60
*13BARCD038		419974	7442200	715	GDA94:53S	168	225	-60
13BRRC035	Brahman	419752	7441010	723	GDA94:53S	150	225	-60
13BRRC039		419850	7440850	725	GDA94:53S	100	270	-60
13BRRC041		419707	7440854	729	GDA94:53S	100	270	-60
13BRRC042		419741	7440947	726	GDA94:53S	100	270	-60
12JRRC009EXT	Johnnie's Reward	419825	7440567	747	GDA94:53S	182	315	-60
13JRRCD036		419961	7440625	745	GDA94:53S	272.5	285	-60
**13JRRCD037		420017	7440646	745	GDA94:53S	93	285	-60
13JRRCD040		419828	7440582	745	GDA94:53S	138.2	285	-60

*Hole in complete, **pre-collar only