

20 August 2021

## UPDATE ON PLANS FOR DRILLING AT MT DEANS LITHIUM PROJECT

### Highlights

- **Maiden 12-hole RC drilling program at Mt Deans Lithium-Tantalum Project planned to commence next month**
  - **Flora and Fauna Survey at Mt Deans completed**
  - **Updated Program of Work (PoW) for drilling submitted**
  - **Drill targets confirmed and site preparation to be completed**
- **Project is located in Western Australia's 'lithium corridor' in the Eastern Goldfields Terrane of the Yilgarn Craton**
- **Mt Deans is considered highly prospective for lithium minerals, tantalum and rare earth elements.**
- **Project is located adjacent to road and rail infrastructure providing direct access to the Port of Esperance**
- **Updated service agreement with Managing Director and appointment of exploration geologist**

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following update on plans for its maiden drilling program at the 100%-owned Mt Deans Lithium Project, near Norseman in south-east Western Australia (Figure 1).

Aruma views the Mt Deans Project (P63/2063) as being highly prospective for lithium minerals, as well as tantalum and rare earth element (REE) minerals. Previous exploration has identified swarm pegmatites over a strike length of 1 kilometre.

The Project sits within the lithium corridor in south-east WA, which hosts multiple significant hard-rock lithium projects. It is interpreted to sit within the same host rocks and structures as the significant nearby Mt Marion, Bald Hill and Buldania Lithium Projects.

The Company advises that a comprehensive flora and fauna survey has been completed at Mt Deans. This was a key requirement for the Program of Work (PoW) for the planned drilling at Mt Deans.

### ASX: AAJ

#### Capital Structure

106M Shares on Issue  
22M Options on issue  
CASH \$2.4M

#### Board of Directors

Non-Executive Chairman  
**Paul Boyatzis**  
Managing Director  
**Peter Schwann**  
Non-Executive Director  
**Mark Elliott**  
Company Secretary  
**Phillip MacLeod**

#### Gold Projects - 1,696km<sup>2</sup>

##### Norseman

SCOTIA SOUTH - 222KM<sup>2</sup>

##### Pilbara

MELROSE - 381KM<sup>2</sup>

SALTWATER - 652KM<sup>2</sup>

#### NSW Lachlan Fold Belt

CAPITAL - 358KM<sup>2</sup>

#### Li Ta Project

##### Norseman

MT DEANS - 1.44km<sup>2</sup>

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The survey was conducted by leading environmental firm Botanica Consulting Pty Ltd, and did not identify any plant or animal life that could impede the exploration planned for the project area.

With the flora and fauna survey now complete, Aruma has submitted an updated PoW for drilling and expects this drilling to commence next month.

The drill targets for the maiden program have been confirmed, and drilling contractors have been engaged. Site preparations will be completed in the near future.



**Figure 1:** Mt Deans Lithium-Tantalite Project area, with pegmatites and projected cauldron

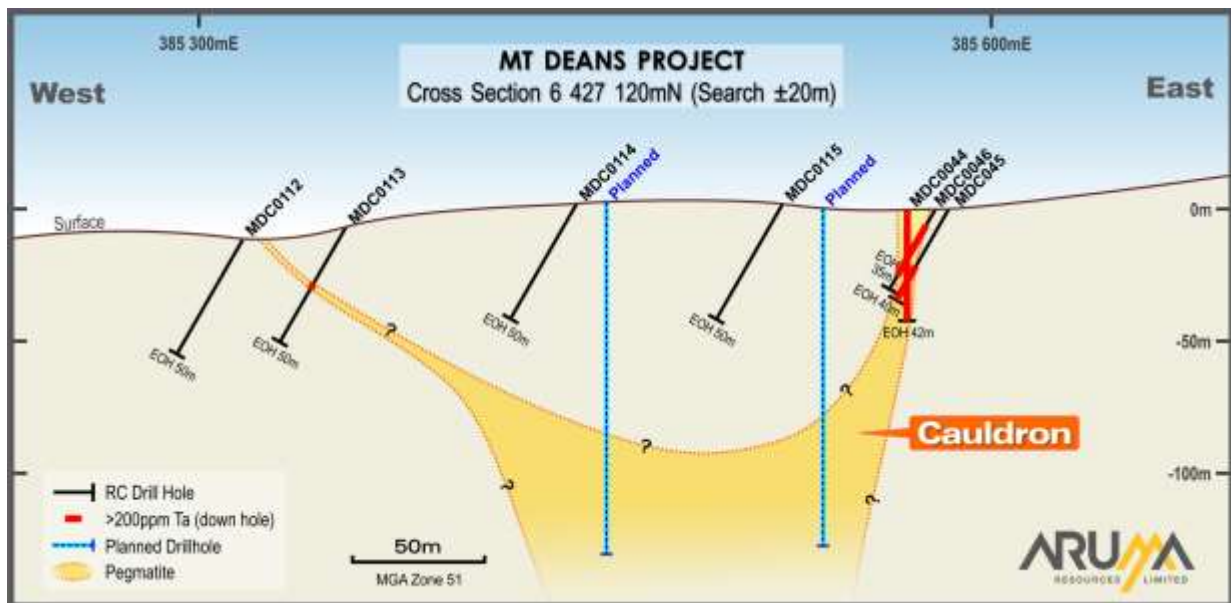
### Plans for Mt Deans Drilling Program

The Mount Deans pegmatite field covers an area of 6 kilometres north-to-south and 4 kilometres in extension east-to-west, and comprises multiple individual pegmatite sheets and lenses. It is Archaean in age and hosted in the north-south trending Dundas Hill greenstone belt.

Aruma plans to conduct an initial 12 reverse circulation (RC) hole drilling program at the Mt Deans Project. Drilling is planned to a maximum hole depth of 200 metres, with holes

spaced approximately 120 metres apart, and is designed to intersect an interpreted cauldron or pegmatite chamber (Figure 2).

The Company plans to investigate the potential for the Project to host direct shipping lithium ores, given its location adjacent to the Coolgardie-Esperance Highway and rail infrastructure which provides direct access to the Port of Esperance rail hub. Combined, these offer the potential for significant transport and infrastructure advantages.



**Figure 2:** Mt Deans Lithium-Tantalite drill section with pegmatites and projected cauldron with the planned holes (From Tantalum Australia Operations Pty Ltd Annual Report 2002 (A65809)).

### About the Mt Deans Lithium Project

The Mt Deans Project encompasses Prospecting Licence P63/2063 and covers an area of 1.44km<sup>2</sup> in the Mt Deans pegmatite field, which is part of the Eastern Goldfields Terrane of the Yilgarn Craton. The Project is located approximately 170 kilometres south of the major regional centre of Kalgoorlie, and approximately 10 kilometres south of the mining town of Norseman.

The geology at Mt Deans presents as potentially analogous to that of Liontown Resources' (ASX: LTR) world-class Kathleen Valley Lithium-Tantalum Project in the Mid-West region of WA, where the lithium mineralisation is hosted within spodumene-bearing pegmatites.

Rock chip samples have been previously reported from Mt Deans (ASX announcement, 24 March 2021) which returned high-grade lithium oxide (Li<sub>2</sub>O) results with high tantalum (Ta) and other rare earth elements (REE) (Table 1).

The Mt Deans area has a swarm of 71 recognised pegmatites covering 4.5 by 1.5 kilometres trending north, north-west (as discussed in Amit Eliyahu's University of Western Australia thesis on the Mt Deans pegmatite). The pegmatites range from 500 to 2000 metres in length and 0.3-7.5 metres thick, with some being 20 metres thick.

The pegmatites have an upper portion quartz-poor, feldspar-rich marginal layer, which is where most of the cassiterite and tantalum is found. The pegmatites in the project area are considered later (deeper) and are suggested to be closer to a main 'cauldron' or 'chamber' that may host spodumene-rich material, potentially suitable for direct shipping.

A prime example of this style of deposit is Liontown Resources' Buldania and Kathleen Valley lithium deposits, where finger-like thin, steep pegmatites coalesce into a thick spodumene zone at shallow depth.

	Li <sub>2</sub> O	Ta <sub>2</sub> O <sub>5</sub>	Zone 51H		Samples	
Sample	%	ppm	Easting	Northing	Type	Li Mineral
AR001	0.8	222.7	385,687	6,427,446	Rock	Zinnwaldite
AR002	1.3	185.1	385,663	6,427,307	Rock	Lepidolite
AR003	2.1	555.9	385,541	6,427,026	Rock	Lepidolite
AR004	1.3	136.5	385,480	6,426,823	Rock	Lepidolite
<b>Average</b>	<b>1.4</b>	<b>275.0</b>				
<b>Comparison</b>	1.4	130.0	<b>Kathleen Valley(LTR)</b>			
	1.3	120.0	<b>Pilgangoora(PLS)</b>			
	1.0	44.0	<b>Buldania(LTR)</b>			

**Table 1:** Rock Chip samples from Mt Deans with comparisons of grade

## Corporate

The Board of Aruma advises that it has executed an executive services agreement with Managing Director, Mr Peter Schwann. This agreement updates the existing agreement with Mr Schwann with the material terms being:

- Base salary of \$250,000 p.a. plus statutory superannuation;
- Remuneration review every 12 months;
- Grant of 1,000,000 performance rights, subject to shareholder approval, convertible to shares on the Company achieving a market capitalisation of at least \$50 million prior to 30 June 2022;
- The agreement is ongoing unless it is terminated by either party with 3 months' notice. The agreement may be terminated immediately at any time in certain circumstances such as serious misconduct.

Aruma has also appointed Ms Grace Jaravani as exploration geologist with the Company. Grace brings a strong understanding of hydrothermal gold mineralisation and will be part of the exploration team with exploration manager Steve Denn in pushing the aggressive drilling and exploration program over the coming months at the three gold and lithium projects to be drilled in Western Australia.

Authorised for release by Peter Schwann, Managing Director.

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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. 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. All exploration results reported have previously been released to ASX and are available in the Western Australian DMIRS WAMEX and MINEDEX Reports, specifically A54463. The Company confirms it is not aware of any new information that materially affects the information included in the original reports. 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.

**Forward Looking Statement**

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on several 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 conform 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.