

30 October 2019
ASX Announcement

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

HIGHLIGHTS

- Drill targets at Slate Dam and Beowulf gold projects confirmed from AEM survey and soil geochemistry
- Site preparation completed for RC drilling programs
- Prospecting at Clinker Hill gold project identifies new target
- 21 hole RC drilling program to test these high priority targets completed post quarter – results pending
- Mt Deans lithium tenement granted
- Capital raising undertaken post quarter end

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following report on its activities for the quarter ending 30 September 2019.

Aruma continued to advance its 100% owned Kalgoorlie-region gold projects during the quarter. Work in the quarter focused on preparation for the next phase of drilling at the Slate Dam and Beowulf gold projects, and also drilling at a new target at the Clinker Hill gold project. This phase of drilling consisted of a 21-hole reverse circulation (RC) drill program and was completed subsequent to the quarter end. Results are currently pending. The Company also secured the grant of the Mt Deans lithium tenement during the quarter.

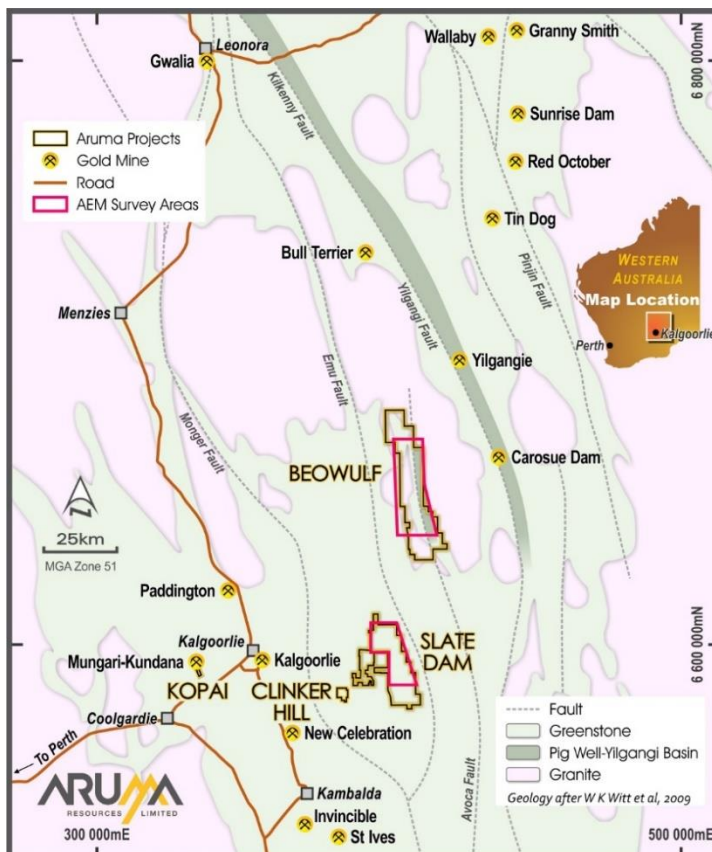


Figure 1: Regional Geological plan of Aruma leases - AEM survey areas in red

ASX: AAJ

Capital Structure

657M Shares on Issue
12M Options on issue

Board of Directors

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

Active Gold Projects

SLATE DAM PROJECT
BEOWULF PROJECT
CLINKER HIL

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Next Phase of Drilling at Beowulf and Slate Dam Gold Projects

During the quarter environmental studies were completed and Program of Works (PoW) for drilling at the Slate Dam and Beowulf Projects were approved by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS). Site clearance and preparation was completed, and the 21-hole RC program (with drilling depths to around 100 metres) was successfully completed subsequent to the end of the quarter.

This phase of drilling was designed to test high priority gold targets identified by the Company's airborne electromagnetic (AEM) survey and soil sampling program undertaken earlier in the year.

Aruma's exploration at Slate Dam and Beowulf is targeting interpreted new greenstone belts defined by the Company, which have proven gold endowment and mineralised structure in rocks that host very large Tier 1 gold deposits in surrounding areas.

Results are currently being assessed and will be released when available.

Clinker Hill Gold Project

Recent prospecting at Clinker Hill has defined a new area of strongly anomalous gold, situated to the west of areas previously drilled and anomalies sampled within the project area. This represents a new priority target area (and is highlighted in Figure 2) and a two hole first-pass drilling program was planned and completed in October, as part of Aruma's drilling campaign at its core Slate Dam and Beowulf gold projects.

Results for the Clinker Hill drilling are also pending and will be released when available.

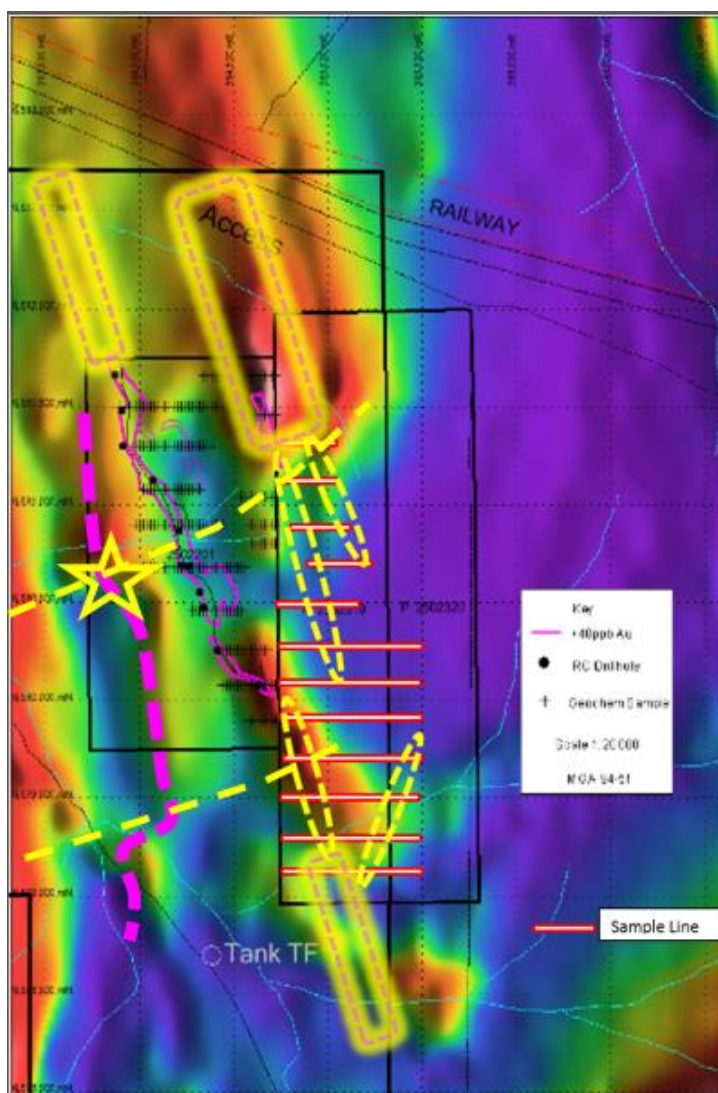


Figure 2: High-Grade Gold Target (star) at Clinker Hill on Magnetics

Mt Deans Lithium Lease (P63/2063)

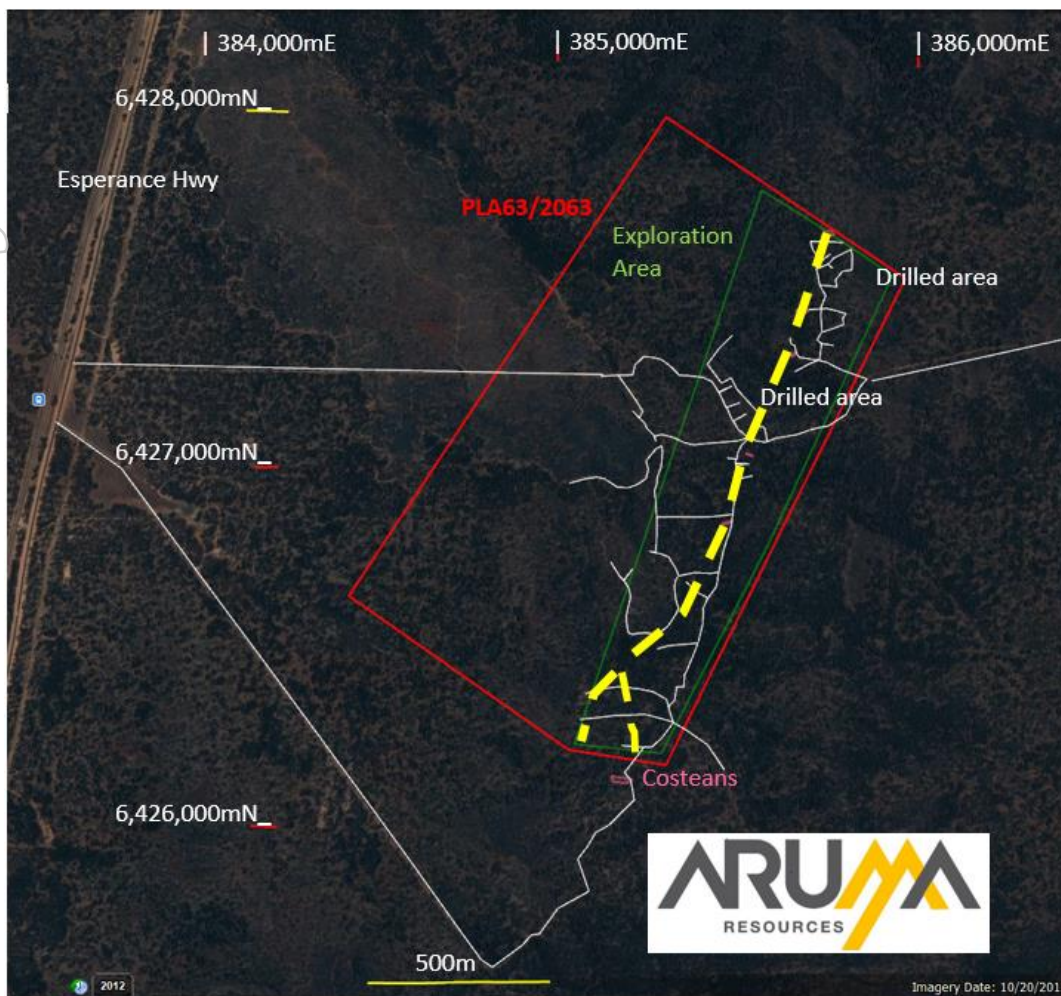


Figure 3: Mt Deans Lithium lease with pegmatite outcrops in yellow

Mt Deans Lithium Tenement Granted

Aruma's Mount Deans lithium lease (P63/2063) was granted during the quarter. The Mount Deans pegmatite field is located approximately 10 km south of Norseman, in the Eastern Goldfields Terrane of the Yilgarn Craton.

The Mount Deans tenement was granted after Environmental and Exploration Plans were accepted for exploration on a timber reserve covering the bottom half of the lease. With the grant of the tenement, an agreement with Lithium Australia NL (ASX: LIT) came into effect with LIT agreeing to:

- reimburse costs of approximately \$30,000 associated with the grant of the tenement, issue \$75,000 worth of LIT shares to Aruma and keep the tenement in good standing over 9 months to earn a 50% interest in the tenement;
- issue a further \$50,000 worth of LIT shares after a further 9 months to take their interest in the tenement to 80%.

The grant of this prospective lithium lease has been protracted but the Company has seen the grant process through to a successful conclusion. Aruma holds a positive view of the lithium potential of the lease area with previous work having identified swarm pegmatites over 1km in length.

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

Two phases of pegmatites are reported and the Type 2 in the north is considered later (deeper) and is suggested to be closer to a main cauldron or chamber that may host spodumene-rich material desirable for direct shipping. A prime example of this style of deposit is Liontown Resources' (ASX: LTR) Buldania and Kathleen Valley lithium deposits, where the finger-like thin, steep pegmatites coalesce into a thick spodumene zone at shallow depth.

CORPORATE

The Company had a cash balance at 30 September 2019 of approximately \$400,000.

On 25 October 2019, the Company announced it had received commitments to raise approximately \$260,000 via a placement of up to 52 million shares at 0.5 cents each. The placement is being made to sophisticated investor clients of Rawson Lewis, the Lead Manager to the issue.

A tax incentive rebate claim is being prepared for R&D activities undertaken by the Company during the 2019 tax year. It is anticipated that the rebate claim amount will be approximately \$400,000.

Projects Summary

EASTERN GOLDFIELDS	Kalgoorlie Projects	<ul style="list-style-type: none"> ▪ Glandore Gold Project – joint venture earn-in completed by Southern Gold for a 90% interest. Leases transferred with Aruma taking a 1.25% net smelter royalty
		<ul style="list-style-type: none"> ▪ Slate Dam - Drilling completed in October 2019 ▪ Beowulf- Drilling completed in October 2019 ▪ Clinker Hill – Prospecting identifies priority drill target. Initial drill program completed in October 2019 ▪ Goddards Dam - Project to be relinquished. ▪ Kopai – Sale or joint venture

Table 3: Gold Project Status and Activity Table

For further information please contact:

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Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2019.



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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. All exploration results reported have previously been released to ASX and are available to be viewed on the Company website www.arumaresources.com.au. 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.

Forward 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 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.

Summary of tenements

Glandore (Gold)	Interest at beginning of Quarter	Interest at end of Quarter
M25/327 M25/329 M25/330 P25/2154	Southern Gold earnt 90% Aruma elected for 1.25% net smelter royalty	1.25% net smelter royalty

Goddards Dam (Gold)	Interest at beginning of Quarter	Interest at end of Quarter
P25/2202 P25/2203 P25/2204 P25/2388 P25/2400 P25/2401 P25/2402 P25/2389	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

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Slate Dam	Interest at beginning of Quarter	Interest at end of Quarter
E25/553 E25/534 E25/556 E25/558 E25/526 P25/2333 P25/523 M25/104 E25/571	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Clinker Hill	Interest at beginning of Quarter	Interest at end of Quarter
P25/2320 E25/568	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Beowulf	Interest at beginning of Quarter	Interest at end of Quarter
E28/1900 E28/1901 E28/2086 E28/2087 E28/2706 E28/2707 E28/2713 E28/2714 E31/1165	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Kopai	Interest at beginning of Quarter	Interest at end of Quarter
P15/6145 P15/6146	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Mt. Deans	Interest at beginning of Quarter	Interest at end of Quarter
P63/2063	Under application by Aruma Exploration	100% Aruma Exploration Pty Ltd