

30 January 2020
ASX Announcement

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2019

HIGHLIGHTS

- 21 hole - 2,090m Reverse Circulation (RC) drilling program completed at the Slate Dam, Beowulf and Clinker Hill Gold Projects
- All results returned and the program delivered multiple intersections of low-grade gold anomalism
- 2019 R&D tax rebate of \$444,818 (before costs) received
- \$266,000 capital raising (before costs) completed – cash balance at 31 December 2019 of \$965,000

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following report on its activities for the quarter ending 31 December 2019.

Aruma continued to focus on its portfolio of 100% owned gold projects in the Kalgoorlie region during the quarter, and targeted drilling was undertaken at the Slate Dam, Beowulf and Clinker Hill gold projects.



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

ASX: AAJ

Capital Structure

709M Shares on Issue
12M Options on issue

Cash : \$965,000
(31/12/19)

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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21-hole - 2,090m DRILL PROGRAM COMPLETED

During the quarter Aruma completed a 21-hole Reverse Circulation (RC) program (with drilling depths to around 100 metres) for a total of 2,090 metres at its 100%-owned Slate Dam, Beowulf and Clinker Hill Gold Projects.

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

The drilling program consisted of; 8 holes at Slate Dam, 11 holes at Beowulf and 2 holes at a new target at Clinker Hill. This program was conducted as part of the drilling for equity agreement with a Kalgoorlie contractor, Bluespec Drilling. Samples were composited over 4m intervals with analysis at ALS by AA25 method. A total of five holes were also part analysed (alternate samples) with the handheld XRF.

All assay results from the program have now been returned (ASX announcement, 27 November 2019). Drilling was successful in intersecting multiple zones of low-grade gold anomalism (>60ppb Au - which is 10 times background), in five holes at Slate Dam and two holes at Beowulf.

| Project | Hole Number | Target | MGA E | MGA N | Angle/Azim | From | To | Sample | lithology | Au-AA25 ppm | Comments |
|-----------|-------------|--------|--------|---------|------------|------|-----|--------|-----------|-------------|--------------------|
| BEOWULF | BWRC014 | BW6 | 406850 | 6654052 | -60° @ 90° | 84 | 88 | DRY | GRO | 0.08 | GRANITE |
| BEOWULF | BWRC020 | BW3 | 408301 | 6641846 | -60° @ 90° | 36 | 40 | DRY | GRO | 0.06 | SHEARED GRANITE |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 24 | 28 | DRY | SLS | 0.08 | SILTSTONE |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 28 | 32 | DRY | SLS | 0.09 | SILTSTONE |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 44 | 48 | DRY | SLS | 0.08 | SILTSTONE |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 48 | 52 | WET | SLS | 0.18 | SILTSTONE |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 88 | 92 | WET | SLS | 0.07 | SILTSTONE |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 92 | 96 | WET | SLS | 0.14 | SILTSTONE QTZ VEIN |
| SLATE DAM | SDRC099 | SD1 | 394003 | 6604448 | -60° @ 90° | 96 | 100 | WET | SLS | 0.1 | SILTSTONE QTZ VEIN |
| SLATE DAM | SDRC100 | SD2 | 396455 | 6605497 | -60° @ 90° | 0 | 4 | DRY | SLS | 0.07 | SILTSTONE |
| SLATE DAM | SDRC101 | SD6 | 395554 | 6603554 | -60° @ 90° | 4 | 8 | DRY | SLS | 0.08 | SILTSTONE |
| SLATE DAM | SDRC103 | SD8 | 403200 | 6588301 | -60° @ 90° | 84 | 88 | DRY | GRO | 0.13 | GRANITE |
| SLATE DAM | SDRC104 | SD4 | 402650 | 6595152 | -60° @ 90° | 24 | 28 | DRY | GRW | 0.09 | GREYWACKE |

Table 1: Anomalous gold intersections from latest drilling program at Slate Dam, Beowulf and Clinker Hill Gold Projects - with all assays down hole.

A summary of results for each project area is provided below.

Beowulf Project

RC drilling comprised 11 holes for 1,100m (BWRC10- BWRC20) targeted at various EM anomalies generated in an airborne survey flown in 2018 and interpreted in 2019. All holes intersected granite bedrock with between 1-10m of soil and or laterite/silcrete cover. Overall results were low with most samples below the 0.01ppm Au detection limit. BWRC20 showed some shearing within the granite which coincided with a result of 0.06 ppm Au from 36-40m. Despite being above background the intersection does not warrant follow up.

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| Hole_ID | Grid | MGA_E | MGA_N | Target | Elevation | Total Depth | Azimuth | Incl | Tenement |
|---------|----------|--------|---------|--------|-----------|-------------|---------|------|----------|
| BWRC010 | MGA94_51 | 409548 | 6645897 | T2 | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC011 | MGA94_51 | 409348 | 6648006 | T5 | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC012 | MGA94_51 | 408902 | 6651051 | T9 | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC013 | MGA94_51 | 408548 | 6653051 | T3 | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC014 | MGA94_51 | 406850 | 6654052 | T6 | 400 | 100 | 90 | -60 | E28/2706 |
| BWRC015 | MGA94_51 | 408701 | 6660801 | T10 | 400 | 100 | 90 | -60 | E28/2706 |
| BWRC016 | MGA94_51 | 410005 | 6659999 | T7 | 400 | 100 | 90 | -60 | E28/2706 |
| BWRC017 | MGA94_51 | 410600 | 6644000 | T1 | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC018 | MGA94_51 | 411652 | 6642549 | T8 | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC019 | MGA94_51 | 413598 | 6639003 | ? | 400 | 100 | 90 | -60 | E28/2707 |
| BWRC020 | MGA94_51 | 408301 | 6641846 | T4 | 400 | 100 | 90 | -60 | E28/1900 |

Table 2: Hole details of Beowulf Drilling.

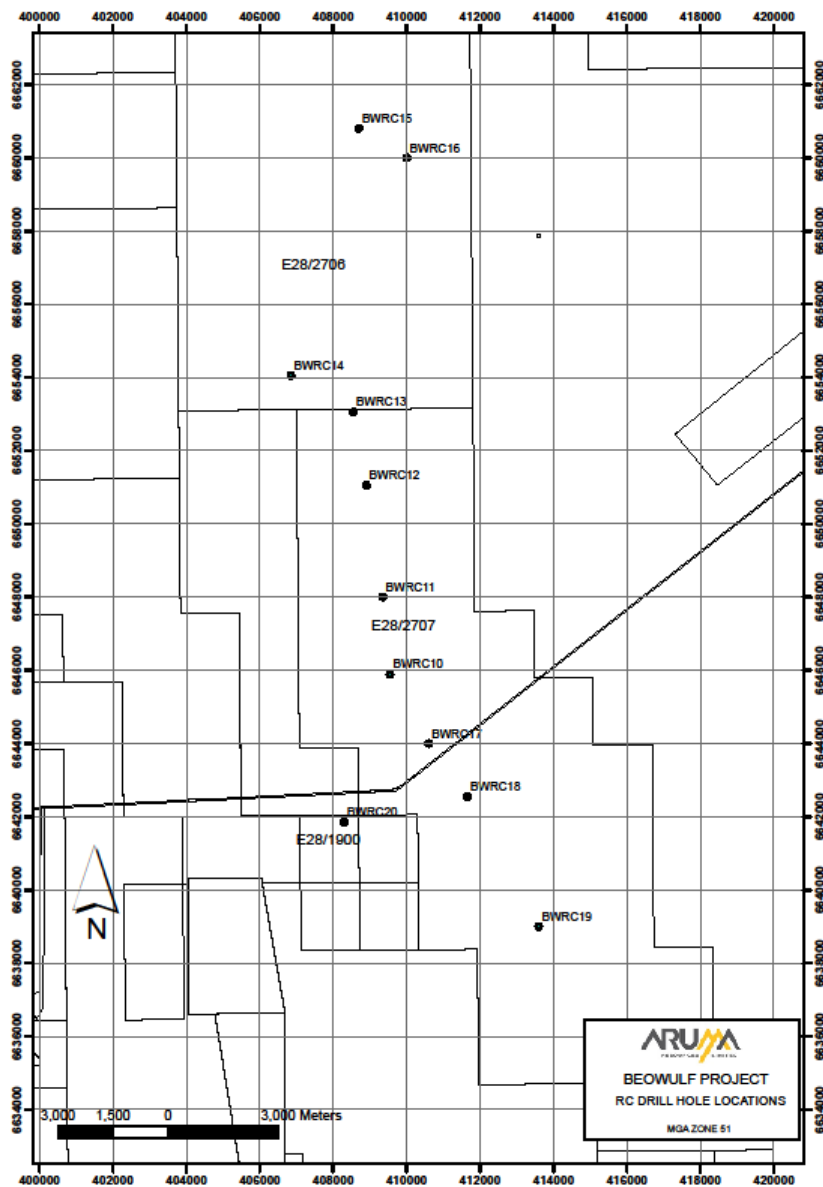


Figure 2: Hole locations of Beowulf Drilling.

Slate Dam Project

RC drilling comprised 8 holes for 790m (SDRC099-SDRC106) targeted at various EM anomalies generated in a 2018 airborne survey. SDRC104 intersected granite which is likely part of the Juglah Dome with the remaining holes within siltstone, shale and conglomerate.

SDRC099 produced the best results for the programme with multiple zones of weakly anomalous mineralisation including 12m at 0.1ppm Au from 88m. The hole was wet on intersecting the first of the mineralisation which may indicate the presence of favourable structure. As weak anomalism is common in this area it was deemed a low priority for 1m sampling follow up. Significant carbonate alteration was present in SDRC101 but did not contain significant mineralisation.

| Hole_ID | Grid | MGA_E | MGA_N | Target | Elevation | Total Depth | Azimuth | Incl | Tenement |
|---------|----------|--------|---------|--------|-----------|-------------|---------|------|----------|
| SDRC099 | MGA94_51 | 394003 | 6604448 | T10 | 325 | 100 | 90 | -60 | E25/553 |
| SDRC100 | MGA94_51 | 396455 | 6605497 | T2 | 325 | 100 | 90 | -60 | E25/553 |
| SDRC101 | MGA94_51 | 395554 | 6603554 | T1 | 325 | 100 | 90 | -60 | E25/553 |
| SDRC102 | MGA94_51 | 405451 | 6588449 | T9 | 325 | 100 | 90 | -60 | E25/526 |
| SDRC103 | MGA94_51 | 403200 | 6588301 | T8 | 325 | 100 | 90 | -60 | E25/526 |
| SDRC104 | MGA94_51 | 402650 | 6595152 | T3 | 325 | 100 | 90 | -60 | E25/556 |
| SDRC105 | MGA94_51 | 404152 | 6597797 | T7 | 325 | 90 | 90 | -60 | E25/556 |
| SDRC106 | MGA94_51 | 403506 | 6599508 | T4 | 325 | 100 | 90 | -60 | E25/556 |

Table 3: Hole details of Slate Dam Drilling

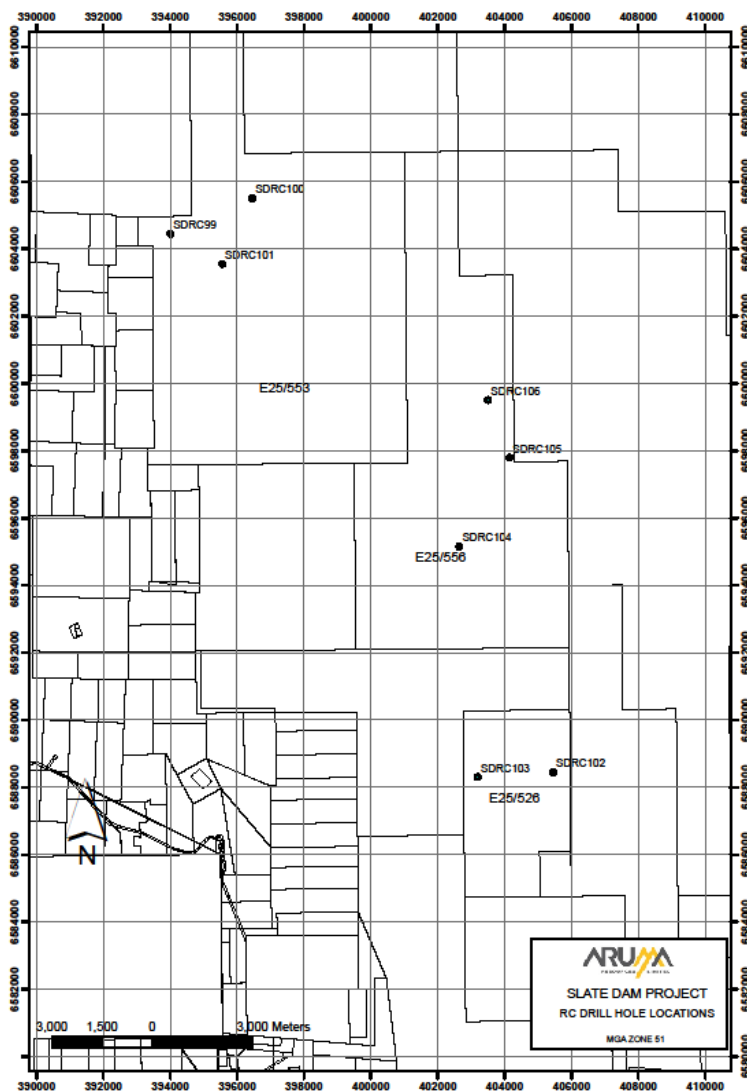


Figure 3: Hole details of Slate Dam Drilling

Clinker Hill Project

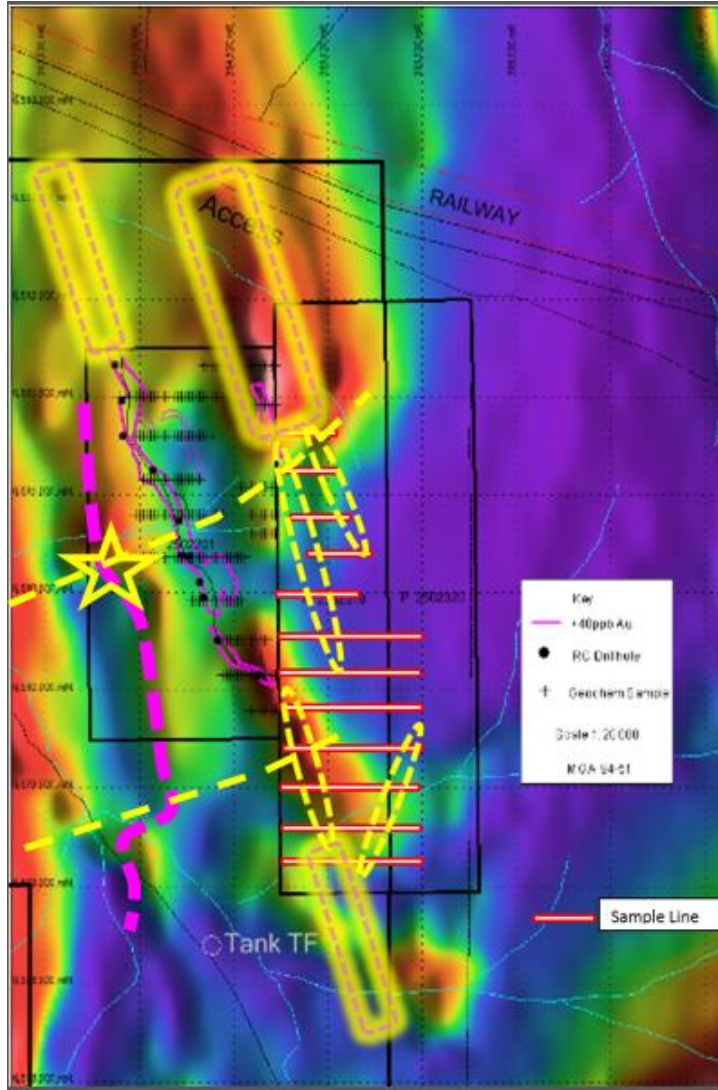


Figure 4: Gold Target (star) at Clinker Hill on Magnetics

Two RC holes (CHRC011-CHRC012) were drilled at Clinker Hill following up recent alluvial gold occurrences located by a local prospector. Both holes intersected ultramafic with no anomalous results.

With the previous historical drilling by Aruma, the target was well covered by previous drilling, suggesting the nuggets were from a small vein system in the sulphidic sediments, and not from a lode system potentially amenable to large scale mining methods.

| Hole_ID | Grid | MGA_E | MGA_N | Target | Elevation | Hole Depth | Azimuth | Incl | Tenement |
|---------|----------|--------|---------|----------|-----------|------------|---------|------|----------|
| CHRC011 | MGA94_51 | 384333 | 6580415 | ALLUVIAL | 365 | 100 | 90 | -60 | P25/2201 |
| CHRC012 | MGA94_51 | 384368 | 6580399 | ALLUVIAL | 365 | 100 | 360 | -60 | P25/2201 |

Table 4: Hole details of Clinker Hill Drilling

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Mt Deans Lithium Tenement

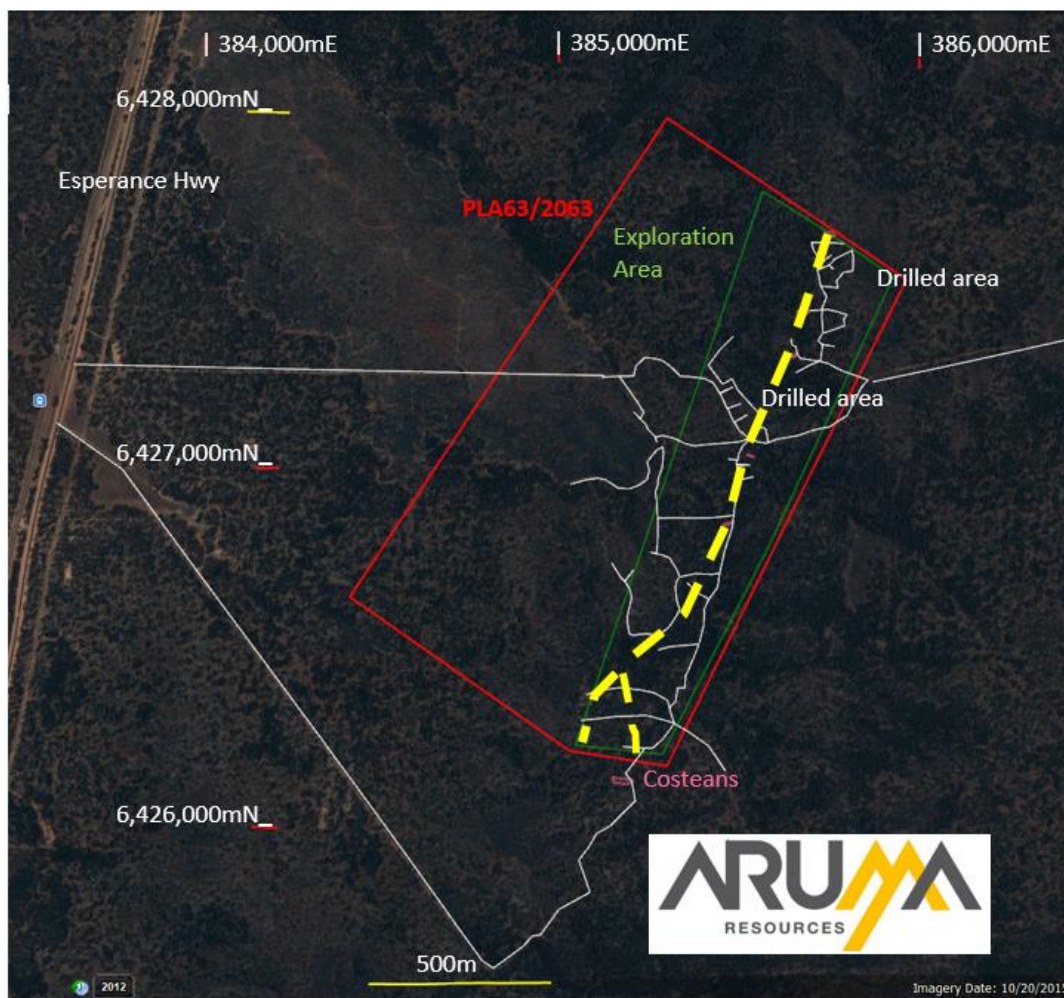


Figure 5: Mt Deans Lithium lease with pegmatite outcrops in yellow

The Mount Deans tenement was granted late in the September 2019 quarter 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:

- Reimbursement of costs of \$30,745;
- Issue \$75,000 worth of LIT shares and keep the tenement in good standing over 9 months to earn a 50% interest in the tenement; and

Issue a further \$50,000 worth of LIT shares after a further 9 months to take their interest in the tenement to 80%.

CORPORATE

The Company had a cash balance at 31 December 2019 of approximately \$965,000.

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 was made to sophisticated investor clients of Rawson Lewis, the Lead Manager to the issue.

Aruma also received an R&D tax incentive rebate in the amount of \$444,818 (before costs). This brings the Company's total R&D tax rebate received in the last 9 years to in excess of \$4 million.

Projects Summary

| | | |
|---------------------------|----------------------------|--|
| EASTERN GOLDFIELDS | Kalgoorlie Projects | <ul style="list-style-type: none"> ▪ Glandore Gold Project –Aruma holds a 1.25% net smelter royalty with the new owners after leases sold to a private mining company |
| | | <ul style="list-style-type: none"> ▪ Slate Dam - drilling planned on Trojan extensions ▪ Beowulf - area to be sold or relinquished ▪ Clinker Hill – area to be sold or relinquished ▪ Goddards Dam - project relinquished. ▪ Kopai – area to be sold or relinquished |

Table 3: Gold Project Status and Activity Table

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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 | 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 | Nil |

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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 |