29 June 2020

ASX Announcement

ARUMA IDENTIFIES PRIORITY GOLD TARGETS AT SCOTIA SOUTH PROJECT

Highlights

- **Aruma has identified three priority drill targets at its Scotia South Gold Project in the Eastern Goldfields of Western Australia**
- **The targets will be the focus of the Company's first phase of exploration at Scotia South**
- **Company plans to undertake targeted RAB drilling followed by RC drilling at the target areas upon granting of the exploration licence**
- **The Scotia South Project is strategically located on a 20km strike extension from Pantoro Limited's (ASX: PNR) Panda gold discovery**
- **Scotia South has been substantially under explored for gold and Aruma will seek to discover similar hosted gold mineralisation to the Panda discovery within its project area.**

Aruma Resources Ltd (AAJ) is pleased to announce that is identified priority gold exploration targets at its Scotia South Gold Project in the Eastern Goldfields of Western Australia.

The Scotia South Gold Project encompasses Exploration Licence Application ELA63/2037 and covers an area of 217km^2, at the southern end of the prolific Norseman-Wiluna greenstone belt. It is located approximately 200 kilometres south of the major regional centre of Kalgoorlie, and approximately 60 kilometres south of the mining town of Norseman.

Aruma has identified three priority drill targets, which will be the focus of the Company's first phase of exploration at Scotia South.

The Scotia South Project is strategically located on a 20km strike extension of the prospective stratigraphy magnetic signature that hosts Pantoro Limited's (ASX: PNR) Panda gold discovery at the Scotia Mining Centre, within the Norseman Gold Project (PNR, ASX announcement, 21 May 2020) – and also the very high-grade Eldridge's Find gold mine, immediately north of Aruma's Scotia South project area (Figure 1).

The Scotia South Project area has been drilled for nickel by previous explorers, who defined a strong, >100ppm, arsenic anomaly, but to date the area has been substantially under explored for gold (Minedex open file report A70631).

The Project is part of Aruma's strategy to define and explore new large and prospective gold project areas, which demonstrate the potential to deliver large new high-grade gold discoveries.

ASX: AAJ

Capital Structure
821M Shares on Issue
8M 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

Kalgoorlie - Norseman

SLATE DAM - TROJAN

SCOTIA SOUTH

Pilbara

MELROSE

SALTWATER

Lachlan Fold Belt NSW

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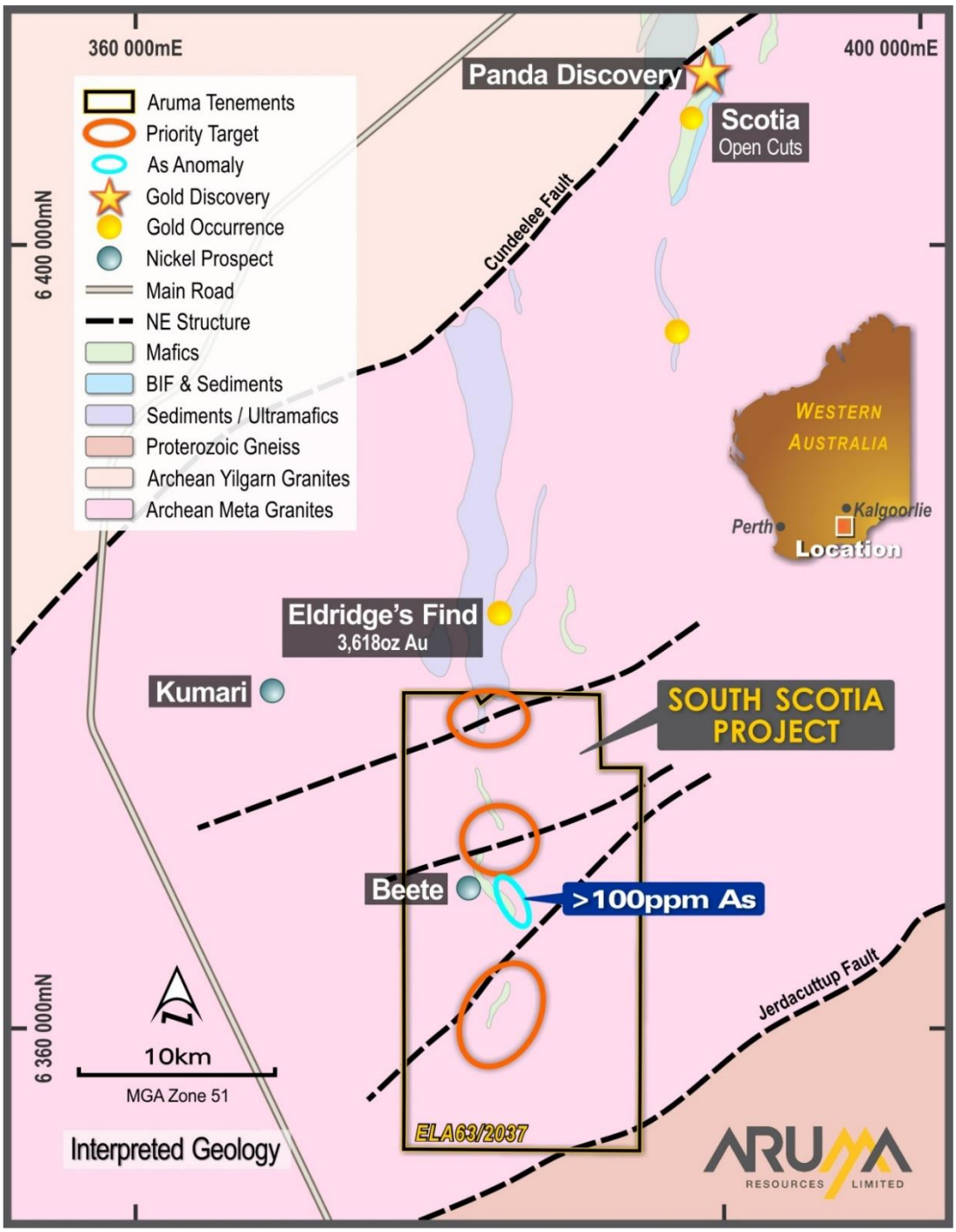

Figure 1: Aruma's Scotia South Project (ELA63/2037) on the interpreted bedrock geology showing gold occurrences with stratigraphy continuity hidden by cover (from GeoVIEW mapping).

Details of Targets

Figure 1 indicates that the greenstones, which extend for over 20 kilometres from the Panda gold discovery, south to the Eldridge's Find gold mine and into Aruma's Scotia South Project, are not shown as continuous as they are hidden undercover.

The continuity (and the offsets) of the greenstones from Panda in the north to Scotia South are highlighted in the magnetics (as shown in Figure 2) and clearly define three high quality drill targets - which are supported up by the Arsenic anomaly (MINEDEX report A70631).

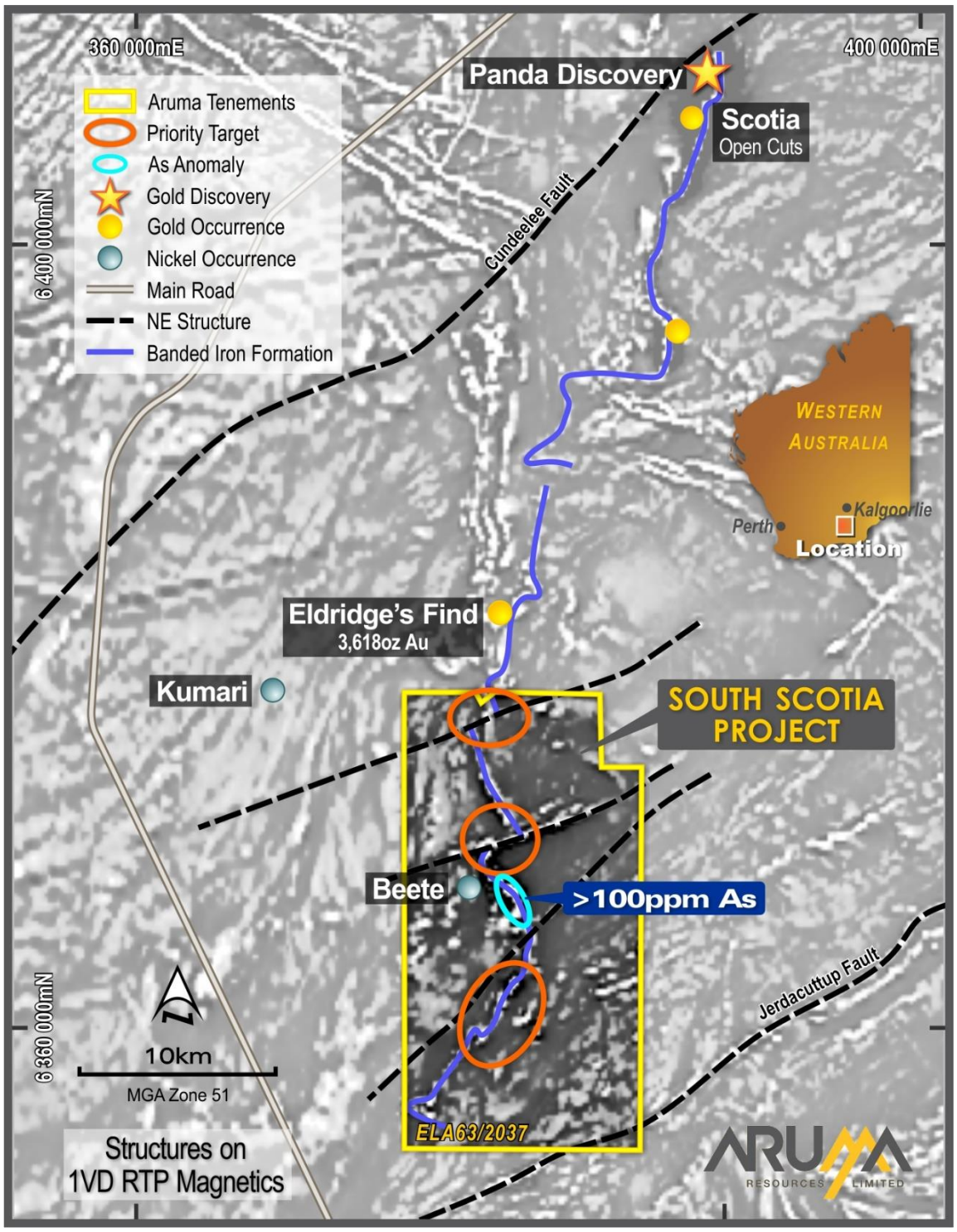

Figure 2: The Scotia South Project (ELA63/2037) on 1DV magnetics (from GeoVIEW).

Figure 2 clearly shows that the prospective stratigraphy (in purple) is continuous, except where offset by major north-east structures (black dashed lines). The three targets are located on the offsets and magnetic lows (circled in light brown). The strong arsenic anomaly is situated between two north-east structures, following the stratigraphy, that was defined from shallow nickel-focused exploration drilling in 2003.

Aruma's exploration plan is to test these initial targets with RAB drilling and follow-up RC drilling after the granting of the exploration licence, which is anticipated in the current calendar year.

Scotia South Project Background

The Scotia South Gold Project consists of Exploration Licence Application (ELA63/2037) and covers an area of 217km^2 in the Norseman-Wiluna greenstone belt, in the Yilgarn Craton.

It is interpreted to sit in the same stratigraphy as Pantoro's Panda gold discovery at the Scotia Mining Centre. The Panda discovery is located approximately 400 metres northwest of the existing Scotia mineral resource on a previously untested structure, along strike from existing lodes at Scotia.

The structural and stratigraphic setting at Scotia indicates that the mineralisation is controlled by a major north east structure that intersects the Woolyeenyer formation. The banded iron formation (BIF) of this formation can be traced on magnetics, shown in Figure 2. These highlight the magnetic signature at the Panda discovery, plus three similar signatures in Aruma's Scotia South Project area. Figure 1 shows the interpreted regional bedrock geology with the continuity hidden by recent cover.

The geology and similar features are also repeated in the area at the Eldridge Mine which historically produced a total of 3,618 ounces of gold at a very high grade of 24g/t Au (from the 1950s to the 1970s), and at the Scotia South Project area, a further 4 kilometres to the south (Figures 1 and 2).

MINEDEX ID	Group Site Name	Active	Mined	Grade	Contained	Mine Type	Site Stage
25909	Eldridge's Find (63)	1959 to 1965	1,833t	1 g/t Ag	66oz.	Shaft	Shut
25910	Eldridge's Find (63)	1960 to 1965	1,833t	22.37g/t Au	1,318oz.	Shaft	Shut
MINDAT	Eldridge's Find	1974 to 1976	2,816t	24.8g/t Au	2,300oz.	Shaft	Shut
		Total	4,649t	24.2g/t Au	3,618oz.		

Table 1: Mine production records for Eldridges Find from open file sources

Geologically, Eldridge's Find sits within easterly dipping metamorphosed Archaean tuffs, sediments and greenstone (including gabbro, basalt and ultramafics) trending north, north-east. Younger granites and pegmatites intrude into the greenstone to the east. This is interpreted to be analogous to the description of the Panda gold discovery to the north. Aruma's exploration model at Scotia South will seek to discover similar hosted gold mineralisation within its project area.

Authorised for release by Peter Schwann, Managing Director.

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, 2020.*

AMEC
ASSOCIATION OF MINING AND EXPLORATION COMPANIES
2020 MEMBER

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..

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.

Section 1 Sampling Techniques and Data

The following data is in relation to Historic Drill Hole data in the announcement and the individual holes are listed in the relative Minedex A Report number.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• drill samples are taken from various depth holes and sampled in 4 to 1m intervals • Samples from depth down hole. • Samples were riffle split for composites and the 1m samples left on sites • All the sites were rehabilitated as they were on or near farm land
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling was done with Rab and RC rigs using industry standard sampling methods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The best endeavors were used to ensure sample recovery and splitting gave the best quality possible.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All samples were logged geologically and qualitatively.

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples rotary split and noted wet or dry. Where sample quality precluded riffle splitting, the material was tube sampled. • The sample size satisfied the Gy size requirements.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory standards and methods are industry standards. • Duplicate samples were not taken as any anomalous holes would be assayed in the 1m splits
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All significant intersections were inspected by at least two competent and relevant geologists. • No holes were twinned as this is not required in grass roots exploration.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Initial hole layout was by GPS. Australian Standard licenced surveyors were used to position the drill holes where required. • All locations are GDA94
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing was done to look a previous geochemical anomaly and identify bedrock • Compositing was done on early holes in 4m intervals and re-assayed if greater that 0.2g/t Au
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All holes drilled as close to tangential as possible with vertical Rab and -60° RC holes.
Sample security	• *The measures taken to ensure sample security.*	• All samples logged and numbered on site and checked as drilled, as logged, as loaded to Laboratory and as submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits were listed in the reports

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All tenements and issues required are detailed in the reports. • All work done under programs of work. • All work quoted was done by previous lease holders and is referenced by the Minedex A Report numbers

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The reports are acknowledged in the announcement and are numbered as an A report in Minedex
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Detailed in the "Gold in Sediments" exploration model published by Aruma in previous announcements and presentations.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All drill holes tabled, and information from holes quoted with relevant Minedex A Report Number.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drill holes are oriented to get intersections as close to true widths as possible. • No data aggregation was done for the report • Metal equivalents never used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Sections are not used in the AAJ announcement

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• As done
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The individual hole assays are not listed as they are available in the quotes A reports from Minedex.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All A reports and associated previous data are listed to source the original reported data.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As detailed in the report.