

5 June 2020

ASX Announcement

## ARUMA RESOURCES CAPITAL RAISING AND PROJECT ACQUISITION

### CAPITAL RAISING

Aruma Resources Ltd (AAJ) (**Aruma** or **the Company**) is pleased to announce that it has received firm commitments to raise **\$800,000** through a two-tranche placement to sophisticated investors.

A total of 200 million fully paid ordinary shares (**New Shares**) will be issued at 0.4 cents each (**Placement**) with a free attaching option to be issued for every 3 New Shares issued in the Placement, subject to shareholder approval.

### Placement Details

The Company will issue 200,000,000 New Shares at a price of 0.4 cents each to sophisticated investors. One (1) free attaching unlisted option will be issued for every three (3) New Shares issued in the Placement (Attaching Option). The Attaching Options will have an exercise price of 1 cent each and expire 2 years from the date of issue.

The first tranche will issue 112,000,000 New Shares under the Company's current placement capacity to raise \$448,000. 98,600,000 New Shares are to be issued pursuant to ASX listing rule 7.1 and the remaining 13,400,000 under listing rule 7.1A. Settlement is expected to occur by Tuesday, 9 June 2020 with quotation of the New Shares expected on Wednesday, 10 June 2020.

Tranche 2 will be the issue of 88,000,000 New Shares to raise the remaining \$352,000 and approximately 66,666,667 Attaching Options. The completion of Tranche 2 is subject to obtaining shareholder approval at a General Meeting of shareholders expected to be held in mid July 2020.

Subject to shareholder approval, the Company will also issue up to 5 million unlisted options (Broker Options) as consideration for facilitating the capital raising. The Broker Options will have the same terms as the Attaching Options.

### Use of Funds

Funds raised from the Placement will be used for ongoing exploration of Aruma's existing Western Australian gold projects including the newly secured Pilbara tenements; evaluation of the Capital Gold Project located in NSW (subject to completion of the acquisition outlined below); costs of the raising; and general working capital.

### ASX: AAJ

#### Capital Structure

709M 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

SLATE DAM PROJECT

TROJAN RESOURCE

#### Pilbara Gold Projects

MELROSE PROJECT

SALTWATER PROJECT

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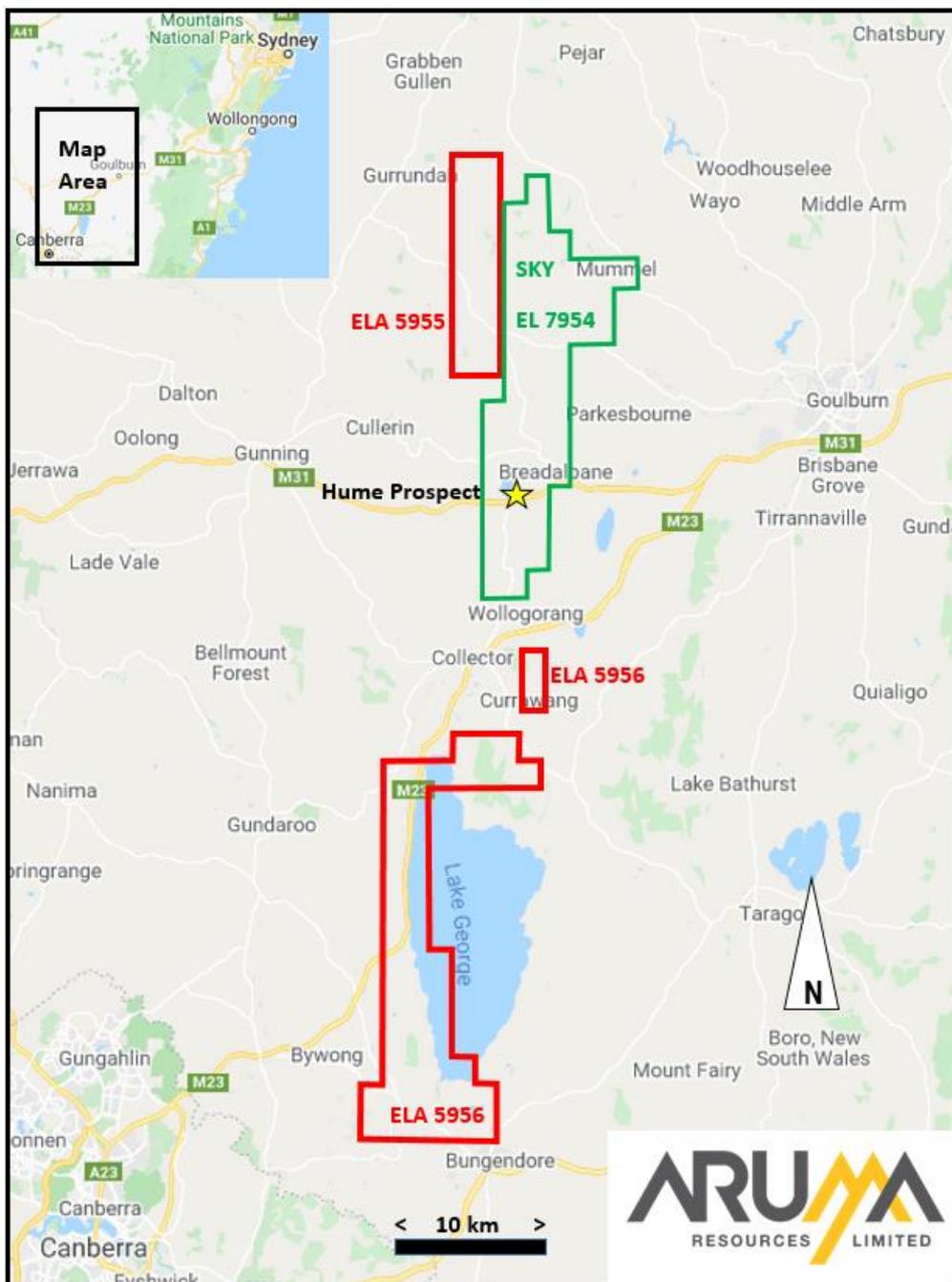
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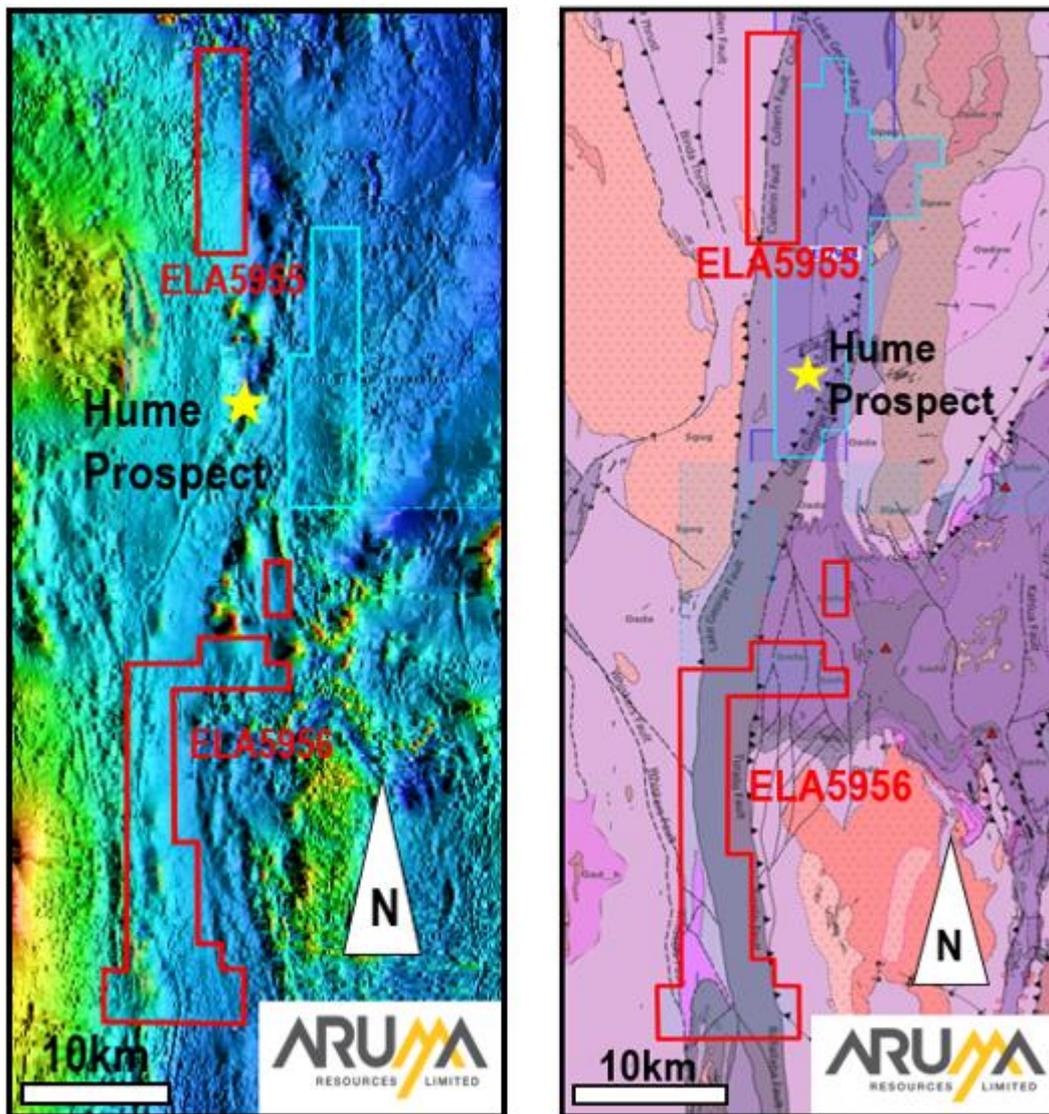
## PROJECT ACQUISITION

Aruma has entered into an agreement to purchase the **Capital Gold Project** located in the Goulburn region of NSW. The project area covers a possible extension of the stratigraphy and structure that contains the Hume Prospect discovery within the Cullarin Gold Project held by Sky Metals (ASX: SKY). The thick and high-grade intersection of the Hume Prospect discovery was detailed in SKY's ASX announcement on 10 February 2020.

The Project areas display similar host stratigraphy and structures to the McPhillamys deposit. The project areas have not been drilled or sampled for gold. The mineralisation styles in the belt have thickness, grade and recent exploration success in the sediments of the Lachlan Fold Belt. This type of mineralisation style fits the Aruma Sediment model.



**Figure 1** The Capital Project leases (red) with Sky Metals' lease (green) and Hume Prospect gold discovery (yellow star).



**Figure 2:** The MinView (NSW DPIE/RG) images showing leases (red) on  
 Left - TMI magnetics with Hume Prospect (yellow star)  
 Right - Geology and structures with Hume Prospect (yellow star)

The project is to be acquired by the issue of 5 million New Shares (\$20,000 at 0.4 cents per share), subject to 21 days due diligence, approval by Aruma shareholders for the issue of the New Shares and any other regulatory approvals required. The vendors of the project have agreed to the voluntary escrow of 2.5 million of the New Shares for a period of 3 months from the date of issue.

The project tenements ELAs 5955 and 5956 are held by Augustus Mining Pty Ltd. Aruma will purchase all the shares in Augustus Mining free from encumbrances in consideration for the issue of 5,000,000 New Shares in Aruma. The share purchase agreement provides for warranties from all parties consistent with a transaction of this nature.

Lease	Applied for	Applicant	Area Units	Area km <sup>2</sup>
ELA5955	22/4/2020	Augustus Mining Pty Ltd	16	48km <sup>2</sup>
ELA5956	22/4/2020	Augustus Mining Pty Ltd	55	165km <sup>2</sup>
		<b>Total Project</b>	<b>71</b>	<b>203km<sup>2</sup></b>

**Table 1** Lease details

## Effect on Capital Structure

Assuming no options are exercised and all proposed issues are approved by shareholders, the effect of the Placement and purchase of the Capital Gold Project on Aruma's issued share capital is shown in the following table.

	Shares (fully paid ordinary)	Options (various)
Existing	709,413,903	8,000,000
Placement	200,000,000	66,666,667
Broker options	0	5,000,000
Purchase of tenements	5,000,000	0
	<b>914,413,903</b>	<b>79,666,667</b>

**Table 2** Aruma share capital post transactions

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.*



### 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.