

30 July 2020

ASX Announcement

## \$2.7M PLACEMENT TO ACCELERATE GOLD EXPLORATION PROGRAMS

### Highlights

- Placement of up to 675.0 million shares at \$0.004 per Share to raise up to \$2.7 million.
- Prominent Mining Investor Stephen Copulos has committed to \$700,000 in the Placement, a strong endorsement of the Company's strategy.
- Funds raised will be applied primarily towards systematic exploration and targeted drilling across the Company's five strategically located gold projects across a total area of 1,502km<sup>2</sup>
- Focus will be on its flagship new Pilbara projects (Saltwater and Melrose Gold Projects) which are located in close proximity to producing gold mines along a 5Moz corridor.
- Preliminary works at the Melrose and Saltwater display strong indicators of potential gold mineralisation which the Company aims to delineate significant gold deposits.
- Post Placement cash balance of approximately \$4.0 million places the Company in a strong financial standing.

Aruma Resources Ltd (AAJ) (**Aruma** or **the Company**) is pleased to announce that it has received firm commitments to raise **\$2.7 million** through a two-tranche placement to sophisticated and professional investors pursuant to section 708 of the Corporations Act 2001 (Cth).

Up to a total of 675.0 million fully paid ordinary shares (**New Shares**) will be issued at \$0.004 per New Share (**Placement**), with one free attaching option to be issued for every three New Shares issued in the Placement on the same terms as the existing options series (exercise price of \$0.01 each and expiry date of 31 July 2022) (**Attaching Options**).

The proceeds from the Placement will fund the accelerated exploration at the Company's strategically located portfolio of Australian gold projects, including its flagship new Pilbara projects - the granted Saltwater Gold Project, the Melrose Project, the costs of the issue and ongoing working capital.

### Managing Director Peter Schwann commented:

"The Company is pleased to announce the Placement which will bolster the balance sheet to fund future exploration campaigns at its strategically located Australian gold projects.

### ASX: AAJ

#### Capital Structure

909M Shares on Issue

75M Options on issue

#### Board of Directors

Non-Executive Chairman

**Paul Boyatzis**

Managing Director

**Peter Schwann**

Non-Executive Director

**Mark Elliott**

Company Secretary

**Phillip MacLeod**

#### Yilgarn Gold Projects

SLATE DAM

TROJAN RESOURCE

SCOTIA SOUTH

#### Pilbara Gold Projects

MELROSE

SALTWATER

#### NSW Gold Project

CAPITAL

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The Company is encouraged by the preliminary works at the Melrose and Saltwater tenements which display indicators of potential gold mineralization. The Company looks forward to updating shareholders on exploration programs whereby the Company aims to delineate significant gold deposits."

## Placement Details

**Tranche 1:** 225.0 million New Shares will be issued under the Company's current ASX Listing Rule 7.1 (135,000,000 New Shares) and 7.1A (90,000,000) placement capacity to raise gross proceeds of \$900,000. Settlement is expected to occur on Thursday, 6 August 2020 with quotation of the New Shares expected on Friday, 7 August 2020.

**Tranche 2:** 450.0 million New Shares will be issued to raise a further \$1.8 million along with the 225.0 million Attaching Options. The completion of Tranche 2 is subject to obtaining shareholder approval at a General Meeting of shareholders, at a date to be confirmed.

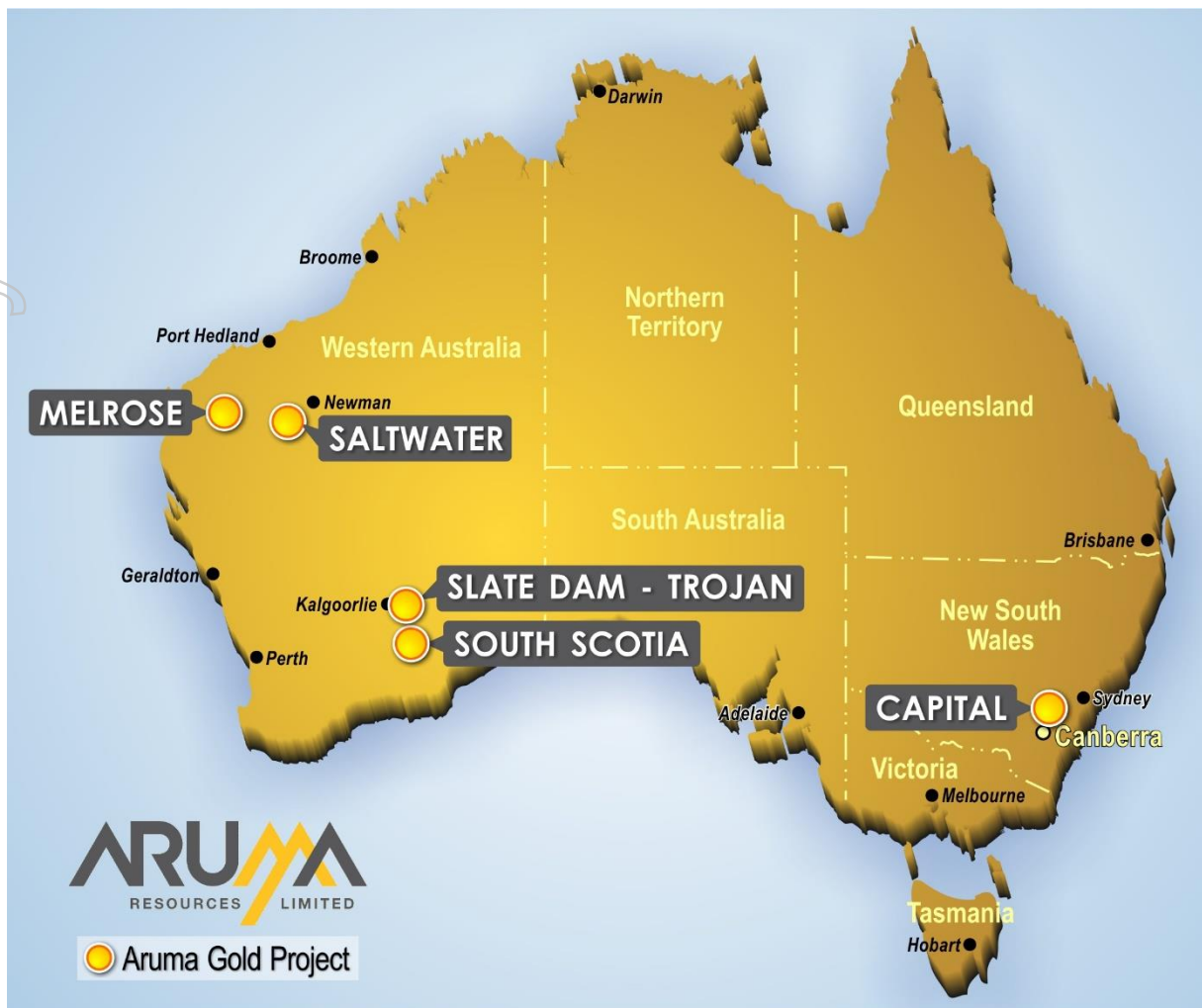
Lazarus Corporate Finance Pty Ltd (Lazarus) and Rawson Lewis Pty Ltd (Rawson Lewis) acted as Joint Lead Managers to the Placement. The Placement will see prominent mining investor Mr Stephen Copulos become a substantial shareholder in the Company through a cornerstone \$700,000 commitment in the Placement. As part of the Placement, associates of Aruma directors have committed to participate in the second tranche of the Placement, subject to shareholder approval.

## Use of Funds

Funds raised from the Placement will be used to accelerate Aruma's targeted exploration plans at its portfolio of Australian gold projects (Figure 1, Projects' location map) as well as costs of the issue and working capital.

The Company's initial focus will be on field-work at its recently granted Saltwater Project, which will be designed to define targets for a maiden drill program at the Project (ASX announcement, 15 July 2020). It will also focus on the Melrose Project, also in the Pilbara region, where drill ready targets have been identified only five kilometres north of Northern Star Resources (ASX: NST) Paulsens gold mine which has historically produced >1Moz of gold (ASX announcement, 1 June 2020).

Aruma will also commence first-phase exploration upon granting of licences at the Scotia South Project, which is located on a 20km strike extension of Pantoro Limited's (ASX: PNR) Panda gold discovery in the Eastern Goldfields of Western Australia (ASX announcement, 29 June 2020), and the Capital Project in New South Wales, which is located adjacent to Sky Metals (ASX: SKY) Cullarin Gold Project - which hosts the Hume gold discovery (ASX announcement, 5 June 2020).



**Figure 1:** The Aruma Gold Projects in Australia showing the strategic locations in active belts

Aruma's gold project portfolio now covers a total area of 1,502km<sup>2</sup> including the four new strategically located projects, and the funds raised will allow the Company to commit to a high level of in-ground exploration expenditure, with the aim of defining significant new gold deposits and resources. The Project areas all exhibit strong indicators of potential gold mineralisation (see Table 1).

Project	Status	Gold Indicators	Previous Work	Current Activity	Area km <sup>2</sup>
Saltwater	80% granted	Nuggets and Mag-AEM anomaly	minor	Field mapping	463
Melrose	Pending	1-2g/t drill hits 5km from Paulsens	not followed up	Field Inspection	200
Scotia South	Pending	on strike from gold mines	no gold drilling	Field Inspection	217
Capital - NSW	Approved	1,500oz historic gold	no gold drilling	Remote sensing	372
Slate Dam - Trojan	Granted	145koz Resource, drill hits to 16g/t	AEM-Drilling	PoW for drilling	250

**Table 1:** Project matrix for Aruma Tenements showing progressive stages of exploration

Aruma plans to bring all the projects to pre-resource status concurrently as soon as possible (post grant of licenses) and then rank in order of potential.

## Effect on Capital Structure

Assuming no options are exercised and Tranche 2 of the Placement is approved by shareholders, the effect of the Placement on Aruma's issued share capital is shown in the following table.

	Shares (fully paid ordinary)	Options (various)
Existing	909,413,900	74,666,666
Capital Project acquisition	5,000,000	0
Placement	675,000,000	225,000,000
	<b>1,589,413,900</b>	<b>299,666,666</b>

**Table 2:** Aruma share capital post placement

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.