

30 October 2020

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

Highlights

- **Heritage agreement signed for the Saltwater Gold Project**
- **Heritage survey completed and PoW for drilling submitted and granted**
- **First phase of drilling planned to commence in the current quarter**
- **Saltwater Project expanded with four new Exploration Licences**
- Project now comprises eight granted Exploration Licences
- **Melrose Gold Project expanded with two new Exploration Licences**
- **Placement completed to raise \$2.7m – sound financial position at Quarter end with ~\$2.759 in cash**
- **Binding Sale and Purchase Agreement entered into for sale of Slate Dam-Trojan Gold Project for all cash consideration of \$500,000**

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 2020 (Quarter).

During the Quarter the Company continued assess and advance its portfolio of gold exploration projects with the application for six new strategically located, prospective leases at the Saltwater and Melrose gold projects.

The Company's project generation strategy has seen Aruma secure and evaluate four new exciting gold projects located in major, active Australian gold domains. Three of the new projects are located in Western Australia and one is located in New South Wales (Figure 1). The new projects have refocused the Company's exploration activities, which are supported by a successful capital raising commenced during the quarter which raised \$2.7m.

Consistent with the Company's strategy to focus on its new projects, Aruma entered into a binding Sale and Purchase Agreement for the sale of its Slate Dam Gold Project (including the Trojan Gold Project) with Black Cat Syndicate (ASX: BC8) for an all-cash consideration of \$500,000 (ASX announcement 7 October 2020).

Aruma Resources Limited is a proud supporter and member of the Association of Mining and Exploration Companies, 2020.

ASX: AAJ

Capital Structure

1,589M Shares on Issue
330M Options on issue

Board of Directors

Non-Executive Chairman
Paul Boyatzis

Managing Director
Peter Schwann

Non-Executive Director
Mark Elliott

Company Secretary
Phillip MacLeod

Gold Projects - 1,572km²

Norseman

SCOTIA SOUTH - 217km²

Pilbara

MELROSE - 282km²

SALTWATER - 701km²

NSW Lachlan Fold Belt

CAPITAL - 372km²

Head Office

Level 1, 6 Thelma Street
West Perth, WA 6005

T +61 8 9321 0177

F +61 8 9226 3764

E info@arumaresources.com

W www.arumaresources.com

Postal Address

PO Box 152

West Perth, WA 6872

ABN 77 141 335 364



Figure 1: Aruma's Australian Gold Projects

Tenement	Project	State	Holder	Status	Applied	Granted	Area km ²	Totals km ²
E52/3816	Saltwater	WA	AEPL (100%)	Granted	15/04/2020	1/07/2020	19	
E52/3818	Saltwater	WA	AEPL (100%)	Granted	17/04/2020	1/07/2020	172	
E52/3825	Saltwater	WA	AEPL (100%)	Granted	5/05/2020	5/07/2020	122	
E52/3830	Saltwater	WA	AEPL (100%)	Granted	12/05/2020	5/07/2020	56	
E52/3837	Saltwater	WA	AEPL (100%)	Granted	1/07/2020	1/09/2020	97	
E52/3852	Saltwater	WA	AEPL (100%)	Granted	7/08/2020	8/10/2020	59	
E52/3854	Saltwater	WA	AEPL (100%)	Granted	7/08/2020	8/10/2020	119	
E52/3857	Saltwater	WA	AEPL (100%)	Granted	14/08/2020	14/10/2020	56	701
ELA08/3183	Melrose	WA	AEPL (100%)	Pending	20/04/2020		25	
ELA08/3184	Melrose	WA	AEPL (100%)	Pending	20/04/2020		16	
ELA08/3188	Melrose	WA	AEPL (100%)	Pending	21/04/2020		44	
ELA08/3210	Melrose	WA	AEPL (100%)	Pending	27/05/2020		31	
ELA08/3219	Melrose	WA	AEPL (100%)	Pending	4/06/2020		66	
ELA08/3244	Melrose	WA	AEPL (100%)	Pending	10/08/2020		13	
ELA08/3280	Melrose	WA	AEPL (100%)	Pending	20/10/2020		66	
ELA47/4362	Melrose	WA	AEPL (100%)	Pending	21/04/2020		16	
ELA47/4414	Melrose	WA	AEPL (100%)	Pending	22/07/2020		6	282
E63/2037	Scotia South	WA	AEPL (100%)	Pending	21/05/2020		217	217
ELA5955	Gurrindah	NSW	Augustus PL	Pending	22/04/2020	Approved	48	
ELA5956	Currawang	NSW	Augustus PL	Pending	22/04/2020	Approved	156	
ELA5987	Bywong	NSW	AEPL (100%)	Pending	8/06/2020	Approved	168	372
Grand Total								1572

Table 1: Aruma's new project details (shaded areas are in the current quarter).

Saltwater Gold Project

The Saltwater Gold Project consists of the eight granted Exploration Licences for a total area of 701km². The Project is located approximately 100 kilometres south-west of the regional mining centre of Newman.

The Project area is interpreted to cover a strike extent of more than 65km of the highly significant Nanjilgardy fault, the same regional structure reported as the primary source of gold mineralisation at Northern Star Resources' (ASX: NST) Paulsens Gold Mine and the Mt Olympus Gold Mine in the region.

Completion of Heritage Agreements for the Saltwater project area have allowed the Heritage Survey to clear the area for the first drilling program. A programme of work (PoW) was submitted during the Quarter and approved in late October. Site access preparation has commenced and Aruma plans to commence its first phase of drilling at Saltwater late in the current quarter.

This phase of drilling will be a reverse circulation (RC) program of up to 5,000 metres, across seven planned drill lines, with 50 holes to be drilled to a nominal drill depth of 100 metres.

A reconnaissance mapping program, rock chip and soil sampling program targeted the outcropping areas on the western end of a large 60km² magnetic ring structure, known as the Saltwater Ring Structure. This initial exploration program defined the target area for the initial drilling program by identifying quartz veins, anomalous rock and soils with alteration and mineralisation identified.

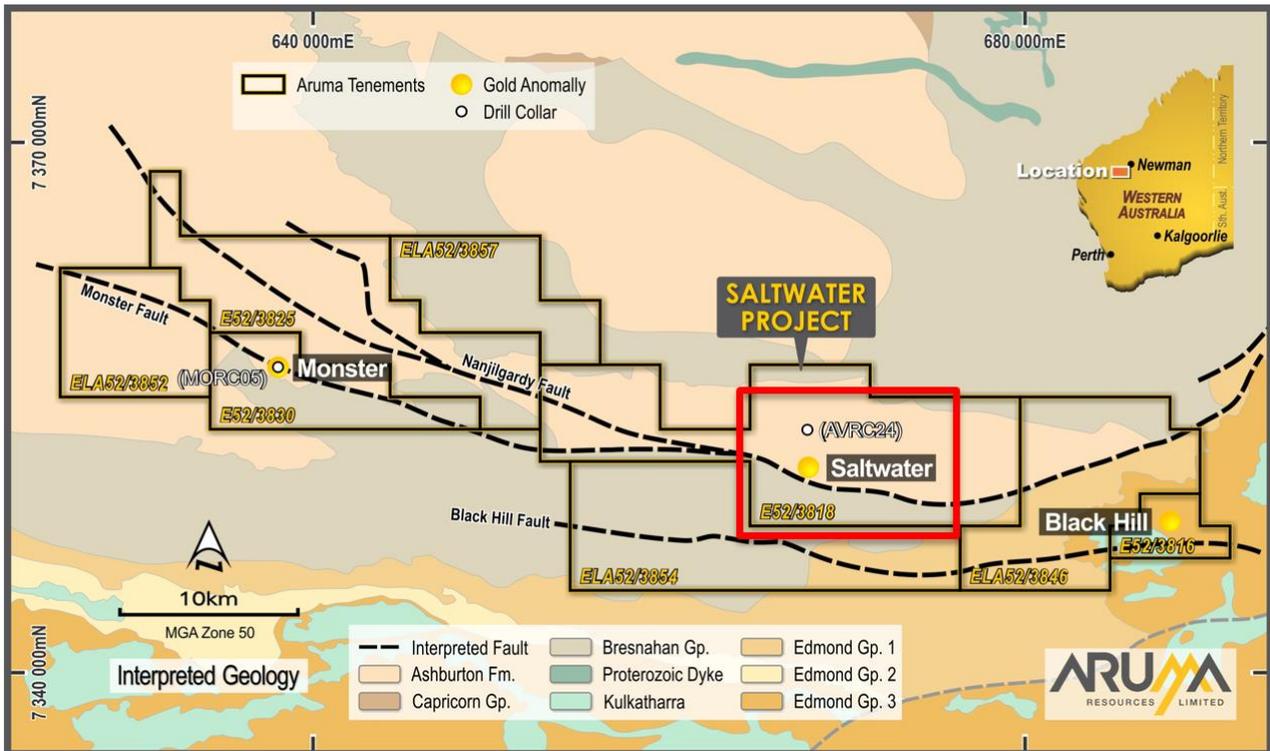


Figure 2: Aruma's Saltwater Project area on 500K geology showing Faults and anomalies.

The area targeted in the initial RC drilling program is outlined in red in Figure 2 above and is detailed on below in Figure 3. The closer spaced lines in Figure 3 are concentrating on the anomalous areas whilst the regional lines to the east are targeting the ring structure under cover.

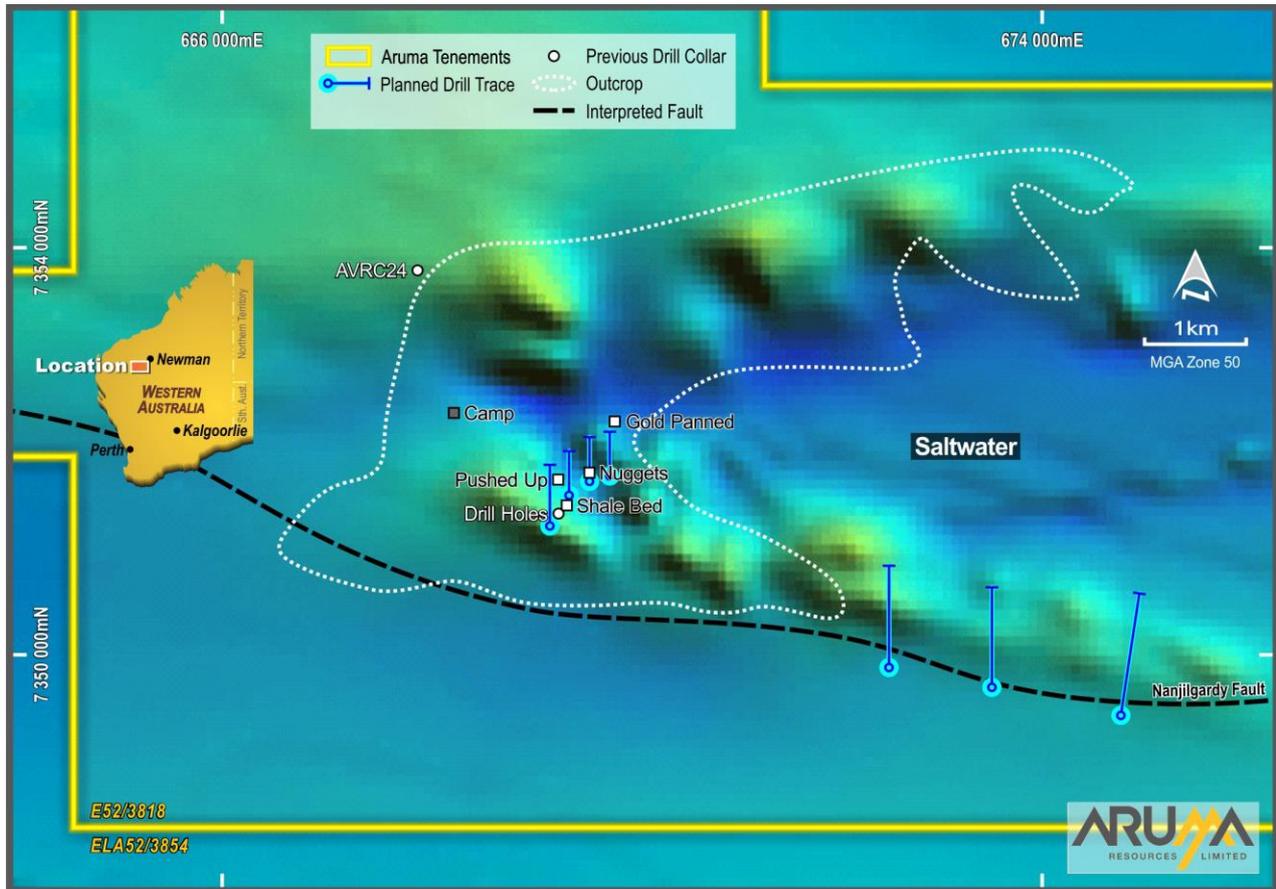


Figure 3: Location of drilling lines (T1 to T7) on magnetic image for maiden drill program at Saltwater Project.

Melrose Gold Project

The Melrose Gold Project consists of nine Exploration Licence Applications and covers a total area of 282km². It is located approximately 105km south of the mining town of Pannawonica on the border of the Ashburton and West Pilbara Mineral Fields.

As with the Saltwater Project, the Melrose Projects is situated on the same regional structure reported as the main source of gold mineralisation at the Paulsens Gold Mine and Mt Olympus Gold Mine.

The structural corridors that control the mineralisation at Paulsens appear to continue into Aruma’s Melrose Project area, where initial exploration targets have been identified (shown in Figure 4).

Aruma has expanded the Melrose Project area with the strategic addition of new Exploration Licence Applications (ELAs).

The new areas pegged and won in a ballot during the Quarter have been studied in a new remote sensing collaboration between two internationally known specialists with the outcomes released in the current quarter. Additional lease areas have also been applied for as a result of these studies. Figure 4 shows the current anomalies and leases in the central and northern areas at Melrose.

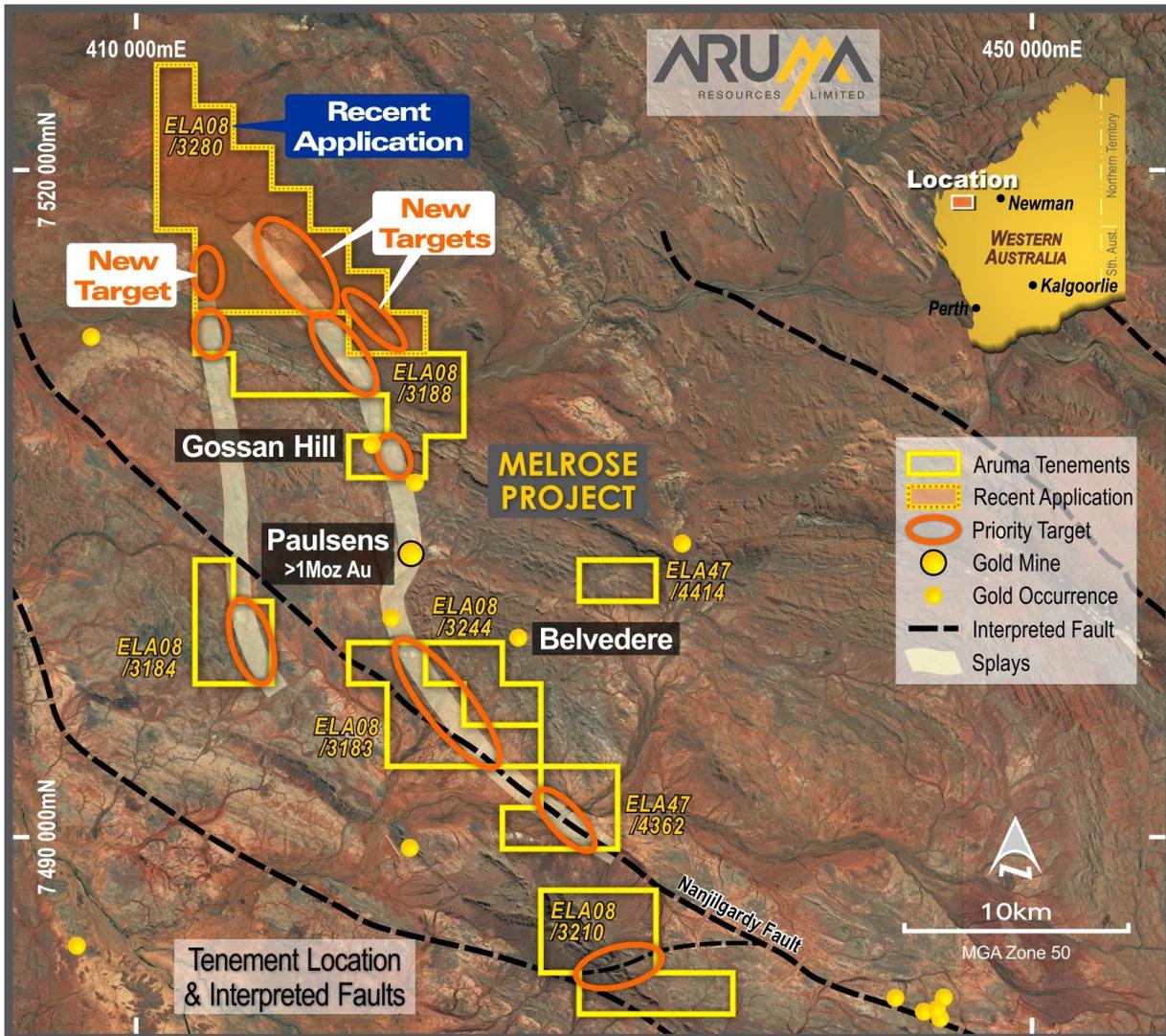


Figure 4: The new lease E08/3280 over anomaly extensions

Figure 4 shows the extension of the Paulsens Corridor into the new lease at Melrose with the alteration similar to the Paulsens and Target 1 alteration pattern. The area was available and the new lease was a natural and extremely valuable extension to the existing project area.

Aruma is awaiting the granting of the ELAs following the exposure period under the Native Title Act.

Aruma is encouraged by the new multispectral and Aster data with radar which has been applied to define anomalous areas, and this information along with historical data and structural analysis will be used to define targets for drilling.

Scotia South Gold Project

The Scotia South Gold Project encompasses Exploration Licence Application ELA63/2037 and covers an area of 217km². 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.

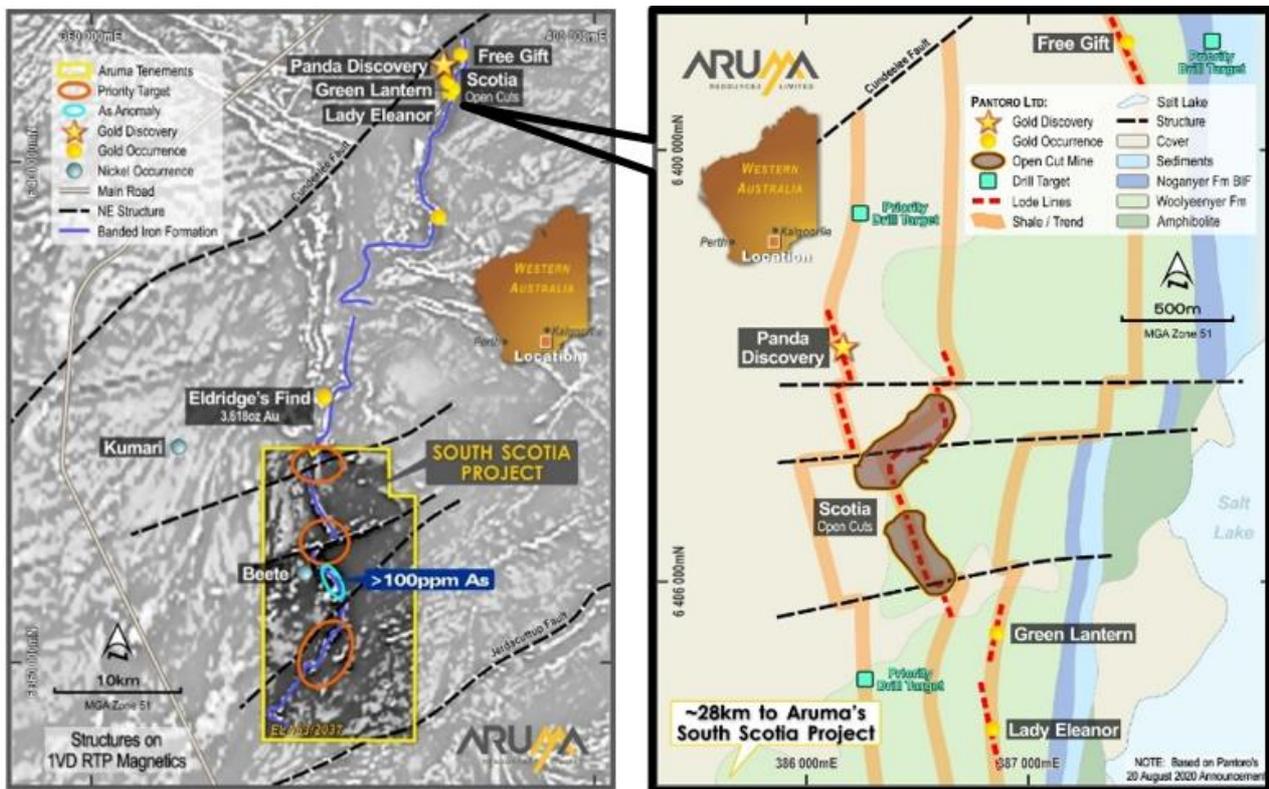


Figure 5: Aruma's Scotia South Project on 1VD RTP magnetics showing gold occurrences with stratigraphy continuity (left) with the stratigraphic layers that contain the mineralisation at Pantoro's (ASX:PNR) Scotia Project.

The 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 5).

The Scotia South area has not been drilled for gold but exhibits alteration and quartz veining in the lease area.

Aruma's initial assessment of the Project has identified three priority drill targets (circled in Figure 5), which will be the focus of the Company's first phase of exploration at Scotia South. It plans 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 next quarter, after granting and harvest time, as the tenement is within a wheat and sheep farming area.

Capital Gold Project, NSW

The Capital Gold Project is located in the Goulburn region of NSW and comprises three Exploration Licence Applications (ELA5955, ELA5956 and ELA5987) totalling 372km² within the Lachlan Fold Belt.

The ELAs have been approved for granting and this will occur at the end of the current Quarter.

A site visit and stakeholder meetings were carried out in early October and are planned be followed up in early 2021 (when Covid-19 restrictions are eased). The general reception to Aruma's exploration plans were open and the majority of landholders supportive of the ideas when their rights and control were explained.

CORPORATE

Aruma had a cash balance at 30 September 2020 of approximately \$2,759,000. With the approval of shareholders at a meeting held 29 September 2020, a further \$1,800,000 (before costs) was received on 7 October as tranche 2 of a placement that raised a total of \$2.7 million (refer announcements 30 July and 7 October 2020).

As set out in the Company's Annual Financial Report, the Slate Dam/Trojan and Clinker Hill projects were being assessed by potential purchasers during the Quarter. An agreement for the sale of these projects to a subsidiary of Black Cat Syndicate for cash consideration of \$500,000 was announced on 7 October 2020.

PROJECTS SUMMARY

Region	Location	Project	Status
WA EASTERN GOLDFIELDS	Kalgoorlie Projects	Slate Dam Gold	Sold
		Trojan Gold	Sold
		Clinker Hill Gold	Sold
		Kopai Gold	Relinquished
WA EASTERN GOLDFIELDS	Norseman Projects	Mt Deans Lithium	JV withdrawn
		South Scotia gold	awaiting grant
WA PILBARA	Nanjilgardy	Melrose Gold	awaiting grant
	Nanjilgardy	Saltwater Gold	100% granted work commencing
NSW LACLAN FOLD BELT	St George Fault	Capital Gold	awaiting access, recommended for grant

Table 2: Gold Project Status and Activity Table

Authorised for release by Peter Schwann, Managing Director.

FOR FURTHER INFORMATION PLEASE CONTACT:

Peter Schwann
Managing Director

Aruma Resources Limited
Telephone: +61 8 9321 0177
Mobile: +61 417 946 370
Email: info@arumaresources.com

James Moses
Media and Investor Relations

Mandate Corporate
Mobile: +61 420 991 574
Email: james@mandatecorporate.com.au

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

Western Australia

Slate Dam (gold)	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 (gold)	Interest at beginning of Quarter	Interest at end of Quarter
P25/2320 E25/568	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

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

Saltwater (gold)	Interest at beginning of Quarter	Interest at end of Quarter
E52/3816 E52/3818 E52/3825 E52/3830 E52/3837 E52/3852 E52/3854 E52/3857	100% Aruma Exploration Pty Ltd Nil	100% Aruma Exploration Pty Ltd

Melrose (gold)	Interest at beginning of Quarter	Interest at end of Quarter
ELA08/3183 ELA08/3184 ELA08/3188 ELA08/3210 ELA08/3219 ELA08/3244 ELA47/4362 ELA47/4414	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
ELA08/3280	Nil	

Scotia South (gold)	Interest at beginning of Quarter	Interest at end of Quarter
ELA63/2037	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Mt. Deans (Li)	Interest at beginning of Quarter	Interest at end of Quarter
P63/2063	50% Aruma Exploration Pty Ltd	50% Aruma Exploration Pty Ltd

NSW

Capital (gold)	Interest at beginning of Quarter	Interest at end of Quarter
ELA5955 ELA5956 ELA5987	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

ADDITIONAL ASX INFORMATION

ASX listing rule 5.3.1 and 5.3.2 - Exploration and evaluation expenditure during the quarter was \$145,491. Details of exploration activity during the September 2020 quarter are set out in this report. There were no substantive mining production or development activities during the quarter.

ASX listing rule 5.3.5 - Appendix 5B, Section 6.1 – description of payments: During the quarter \$89,375 was paid to Directors for director and consulting fees and \$2,368 for vehicle hire.