

11 November 2020

UPDATE ON SALTWATER GOLD PROJECT DRILLING PLANS

DRILLING TO COMMENCE THIS MONTH

Highlights

- **PoW for drilling approved and site access complete at Saltwater**
- **First phase of drilling contracted to commence late November**
- **Mark Styles appointed Exploration Manager**
- **Sale of Slate Dam-Trojan Project completed - \$500,000 received**
- **\$162,000 R&D Tax Refund received**

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following update on its plans for the first phase of drilling at the 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 covers a strike extent of more than 65km of the highly significant Nanjilgardy fault (Figure 1), 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.

Aruma advises that its drilling contractor Ausdrill expects to commence the maiden, 5,000 metre reverse circulation (RC), drilling program at the Saltwater Project in the last week of November.

Drilling is anticipated to take approximately 25 days to complete, and results are expected in late January 2021.

As previously announced (ASX announcements, 27 October, 20 October and 23 September 2020), a reconnaissance mapping program, rock chip and soil sampling program has been completed targeting outcropping areas on the western end of a large 60km² magnetic ring structure - the Saltwater Ring Structure (Figure 2).

ASX: AAJ

Capital Structure

1,589M Shares on Issue
330M Options on issue
CASH \$3.7M

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

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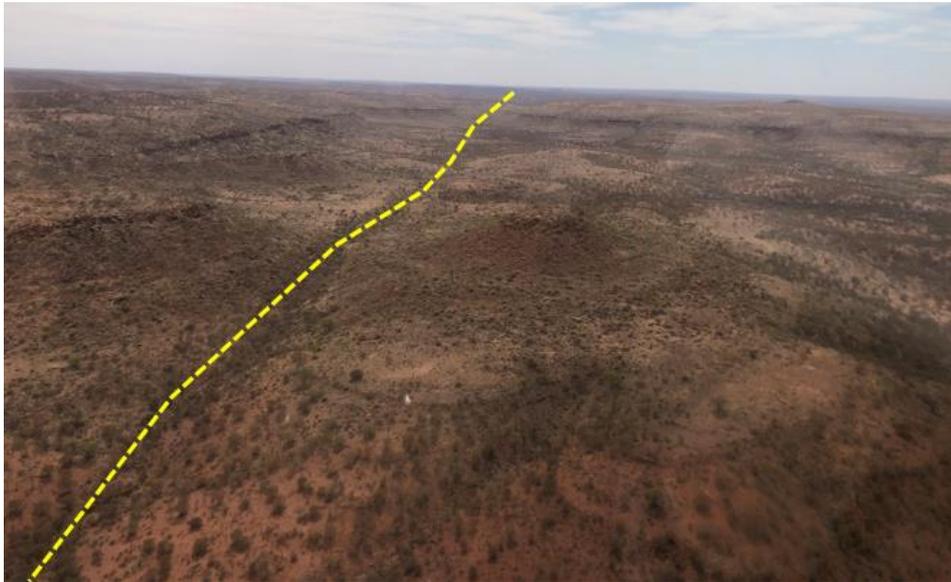


Figure 1: Nanjilgardy Fault (yellow) at Black Hill within the Saltwater Project

This initial exploration program defined the area for initial drilling by identifying quartz veins, anomalous rock and soils with alteration and mineralisation identified in work by previous explorers to quickly identify drilling areas and targets (Figure 3).

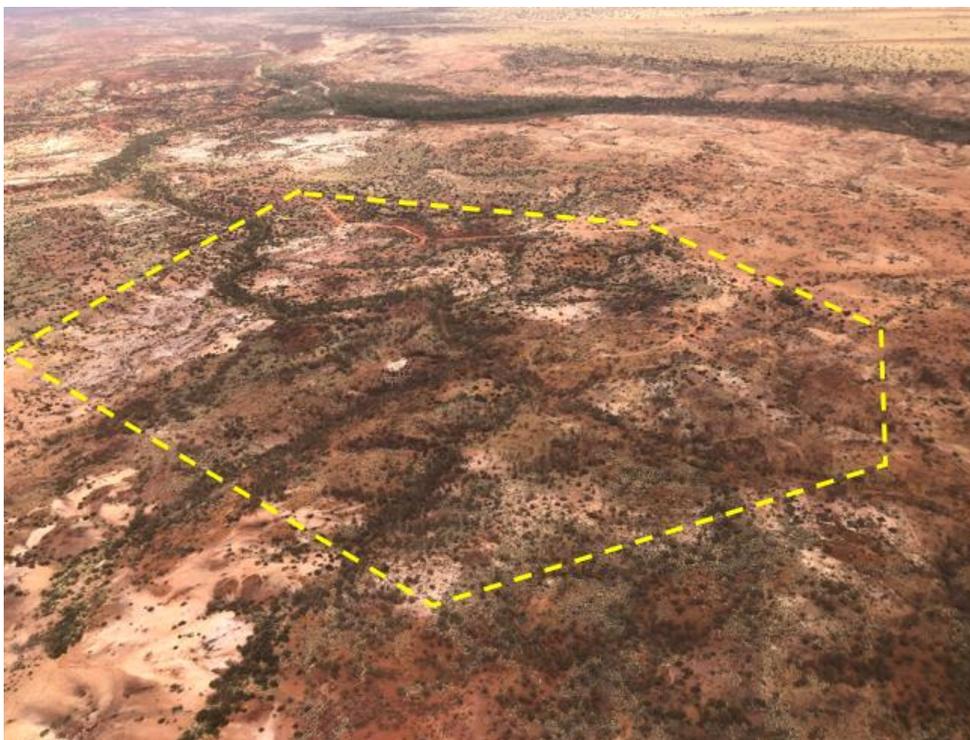


Figure 2: Saltwater exposed area for exploration south of access road



Figure 3: Saltwater gossan - alteration by pyrite and carbonate associated with gold



Figure 4: Saltwater quartz veins and carbonate alteration associated with gold

Working Heritage Agreements with the JJAC for the Saltwater Project have been agreed, which has allowed the Heritage Survey to clear the area for the first drilling program.

Aruma subsequently received program of works (PoW) approval for up to 20,000 metres of drilling at Saltwater, and drill site and access preparation has been completed for the first phase of drilling at the Project.

The area targeted in the initial RC drilling program is outlined in red in Figure 5 below and is detailed in Figure 6. The closer spaced lines in Figure 5 are concentrating on the anomalous areas whilst the regional lines to the east are targeting the ring structure under cover.

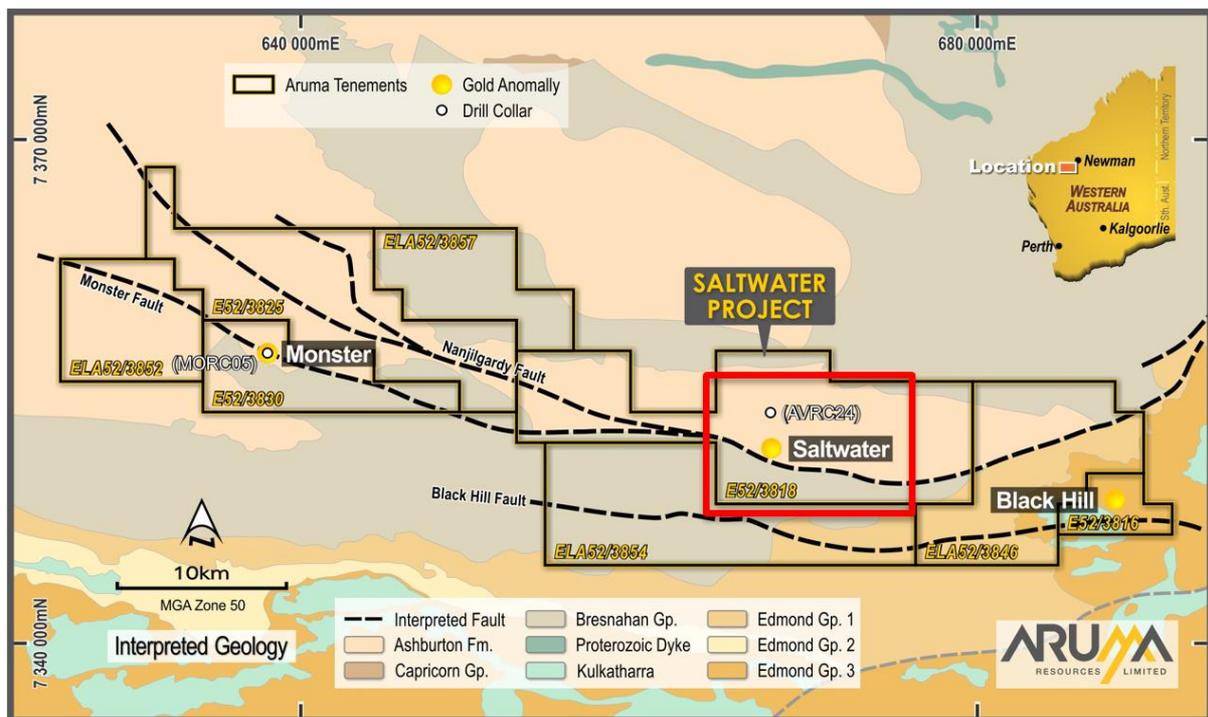


Figure 5: Aruma's Saltwater Project area on 500K geology showing Faults and anomalies.

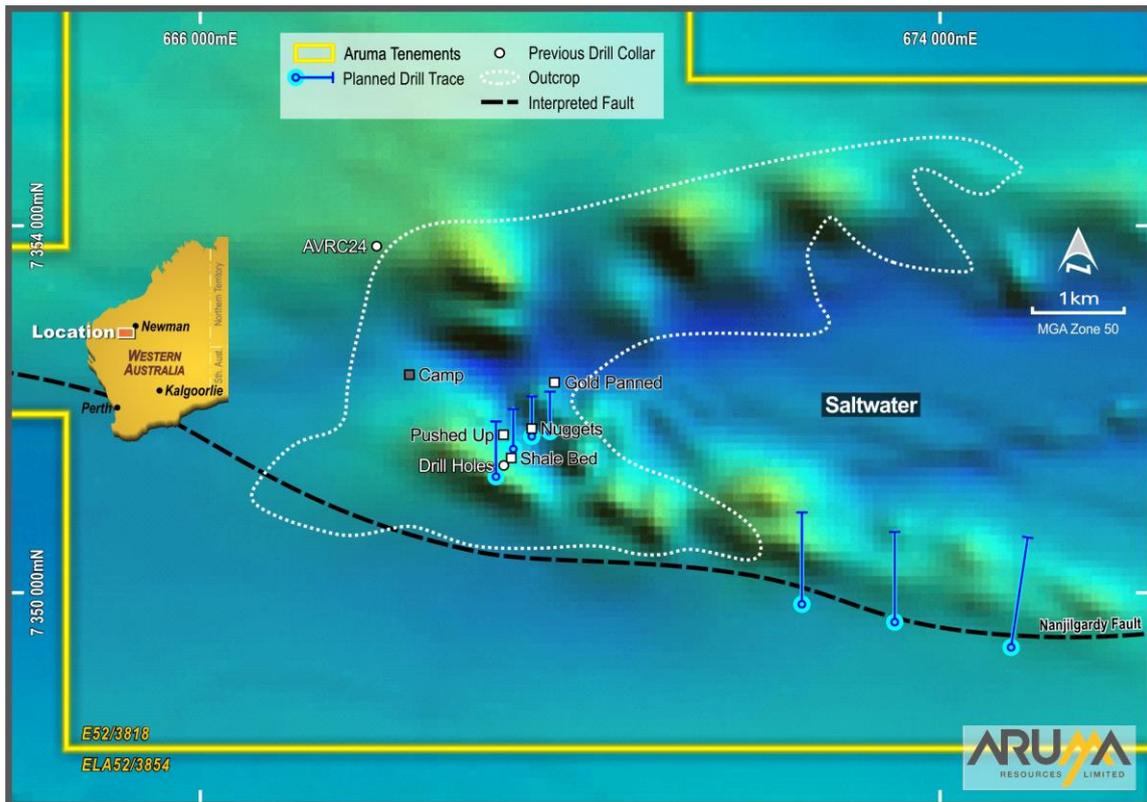


Figure 6: Location of drilling lines (T1 to T7) on magnetic image for maiden drill program at Saltwater Project.

EXPLORATION MANAGER APPOINTED

Aruma is pleased to advise of the appointment of Mr Mark Styles as Exploration Manager, effective 16th November 2020.

Mr Styles graduated from the University of Western Australia with First Class Honours in Geology and has nearly 30 years' experience in the mining and exploration industry. His is a key appointment for Aruma and he will be a valuable member of the acquisition and evaluation team.

Mr Styles is well qualified to advance the Company's portfolio of prospective gold exploration projects.

He has worked in the Yilgarn and Pilbara regions in Western Australia, Canada, Saudi Arabia and Tanzania. In addition, he has been involved in exploration and development of epithermal, porphyry, VMS, nickel sulphide and iron ore deposits.

Aruma's board and management welcome Mr Styles to the Company and look forward to his positive contribution moving forward.

CORPORATE

Aruma is also pleased to provide an update on its cash position. As of 10 November 2020, the Company had a cash balance of approximately \$3.7 million, which includes an R&D tax refund on \$162,000 before costs and \$450,000, being the second tranche of payment from Black Cat Syndicate (ASX: BC8) for the sale of the Slate Dam Project to BC8.

Details of the Sale and Purchase Agreement with BC8 are provided in ASX announcement of 7 October 2020.

PROJECTS SUMMARY

Region	Location	Project	Status
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	Granted and drilling in November
NSW LACHLAN FOLD BELT	St George Fault	Capital Gold	awaiting access recommended for grant

Table 1: Gold Project Status and Activity Table

Authorised for release by Peter Schwann, Managing Director.

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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.