

27 July 2021

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2021

Highlights

- Saltwater Gold Project area expanded to cover new prospective electro-magnetic dome structure – the Spinifex Dome
- Next phase of drilling at Saltwater planned to commence in current quarter
- Eight Exploration Licences granted at Melrose Gold Project and project area expanded
- PoW for drilling priority Gossan Hill target at Melrose approved and Heritage Survey to be undertaken – drilling planned current quarter
- Salmon Gums (formerly Scotia South) Gold Project Exploration Licence granted
- Results from historic drilling on geochemical anomalies at Salmon Gums reported;
 - 7m at 2.7g/t Au in T26R002
 - 3m at 1.55g/t Au in T26R058
 - 1m at 5.6g/t Au in T26R054
- Historic data reaffirms Aruma's exploration model for Salmon Gums
- PoW for first phase of drilling at Salmon Gums submitted and farmer access agreements pending – drilling planned for current quarter

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following report on its activities for the quarter ending 30 June 2021 (Quarter).

Aruma has a portfolio of three prospective Australian gold projects in Western Australia, and one in New South Wales. All are strategically located in active gold domains. The Company also has a prospective Lithium-Tantalum project in the lithium corridor of south-east WA.

During quarter the Company commenced its 2021 field season, which will see it undertake targeted drilling at all of its Western Australian projects. Drilling is planned to commence in the current quarter.

Programs of works (PoW) were approved for drilling at the Melrose and Saltwater gold projects in the Pilbara region of WA, and PoW's for drilling at the Salmon Gums (formerly Scotia South) gold project and Mt Deans lithium project are currently pending.

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ASX: AAJ

Capital Structure

106M Shares on Issue
21M Options on issue

Board of Directors

Non-Executive Chairman
Paul Boyatzis
Managing Director
Peter Schwann
Non-Executive Director
Mark Elliott
Company Secretary
Phillip MacLeod
Exploration Manager
Stephen Denn

Gold Projects - 1,695km²

Norseman

SALMON GUMS - 222km²

Pilbara

MELROSE - 371km²

SALTWATER - 744km²

NSW Lachlan Fold Belt

CAPITAL - 358km²

Li Ta Project -Norseman

MT DEANS 1.44 km²

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Corporately, the Company is in a sound position with a cash balance at quarter's end of approximately \$2.7 million.



Figure 1: Aruma's Australian Projects

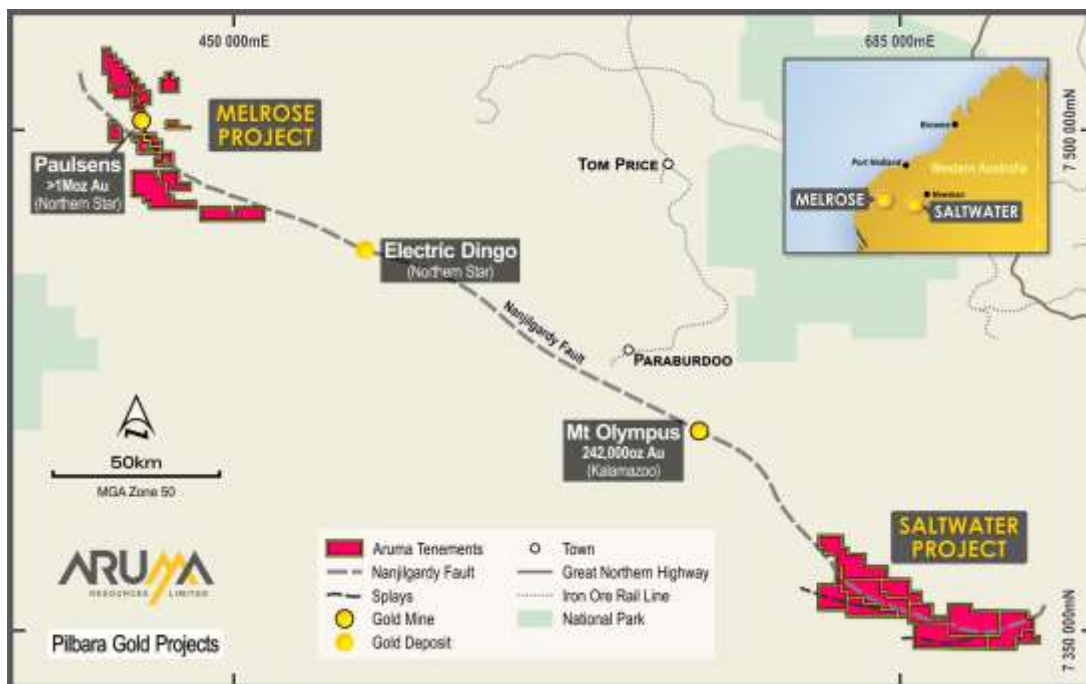


Figure 2: Aruma's Pilbara Projects

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Saltwater Gold Project

During the quarter, Aruma further expanded the Saltwater Gold Project area via a strategically situated new Exploration Licence Application (ELA52/3966), over an area of 98km² (Figure 3 and Figure 4), which covers the highly prospective Spinifex Dome structure.

The Company conducted a detailed review of available geophysical datasets over the Saltwater Project area. This resulted in the discovery of Spinifex Dome, a high-potential new electro-magnetic (EM) domal structure, north of and contiguous with the Saltwater Project tenure.

Based on the identification of this highly-prospective new EM dome, the Company also commenced an EM survey to fill in gaps in the existing geophysical data at Saltwater.

To date, Aruma's exploration at Saltwater has focused on the Saltwater Ring Structure, a large 60km² magnetic ring structure that sits within E52/3818. This area was the target of the Company's maiden drilling program at Saltwater, which resulted in the discovery of a potential new gold camp (ASX announcement, 17 February 2021).

The new – Spinifex Dome - EM domal structure is of similar size to the Saltwater Ring Structure, and will be a target for future drilling by Aruma, once the ELA has been granted and further geophysical and geochemical work has been conducted to refine drill targets within the area.

The next phase of drilling at the Saltwater Project is planned to commence in the current quarter, and is designed to follow-up the maiden program and to test new priority targets.

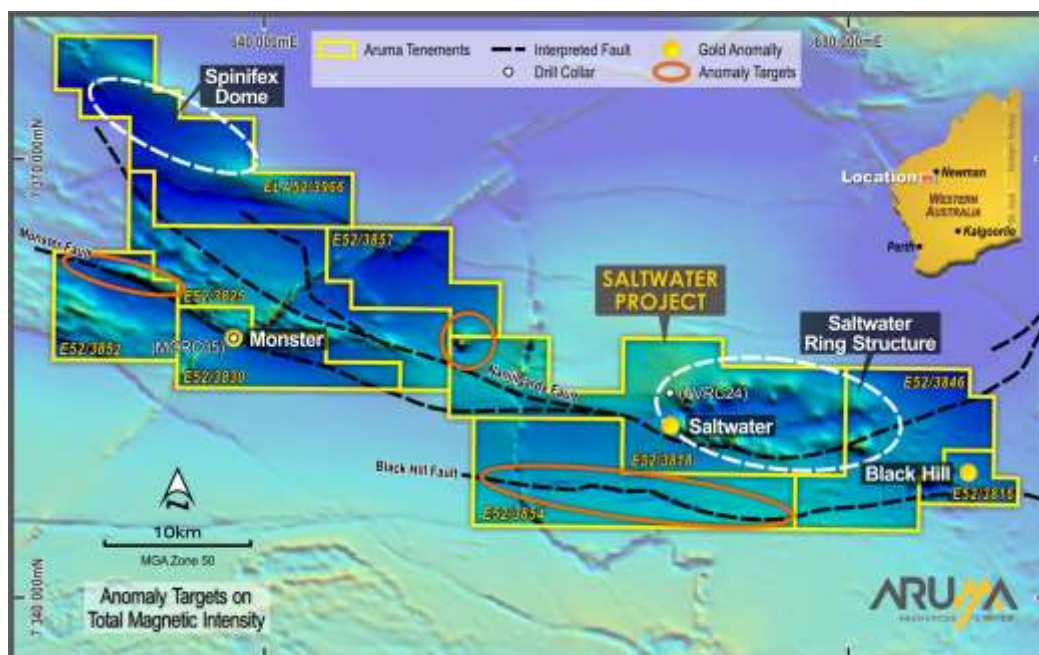


Figure 3: Aruma's Saltwater Project area on TMI magnetics showing faults and anomalies - drill target area outlined in red.

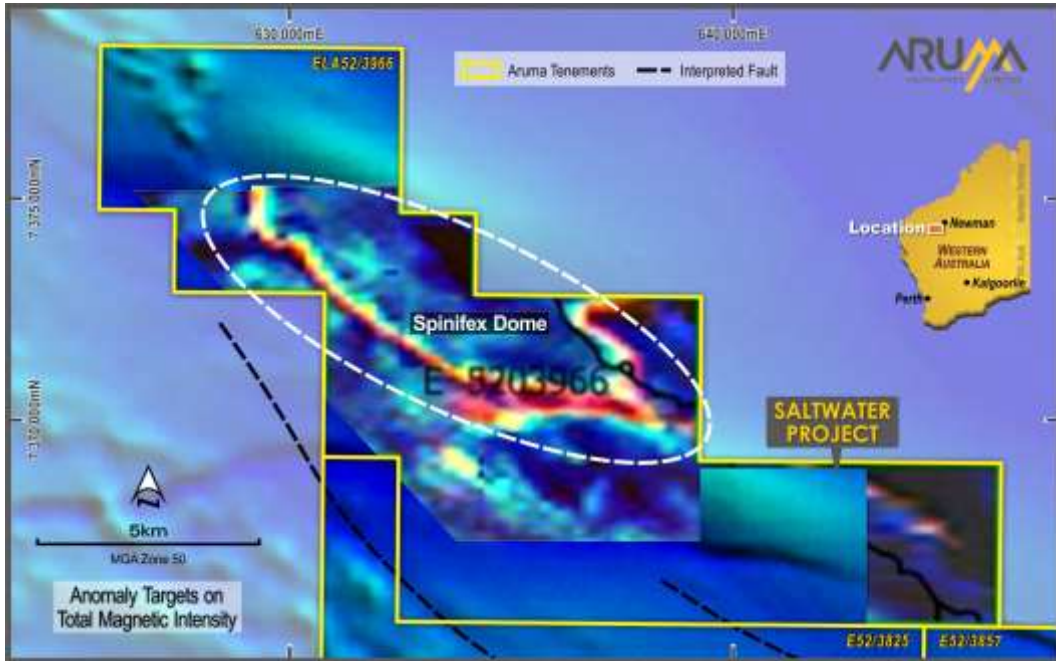


Figure 4: The EM "Spinifex Dome" defining the target Duck Creek-Mt McGrath stratigraphy in the new ELA52/3966e.

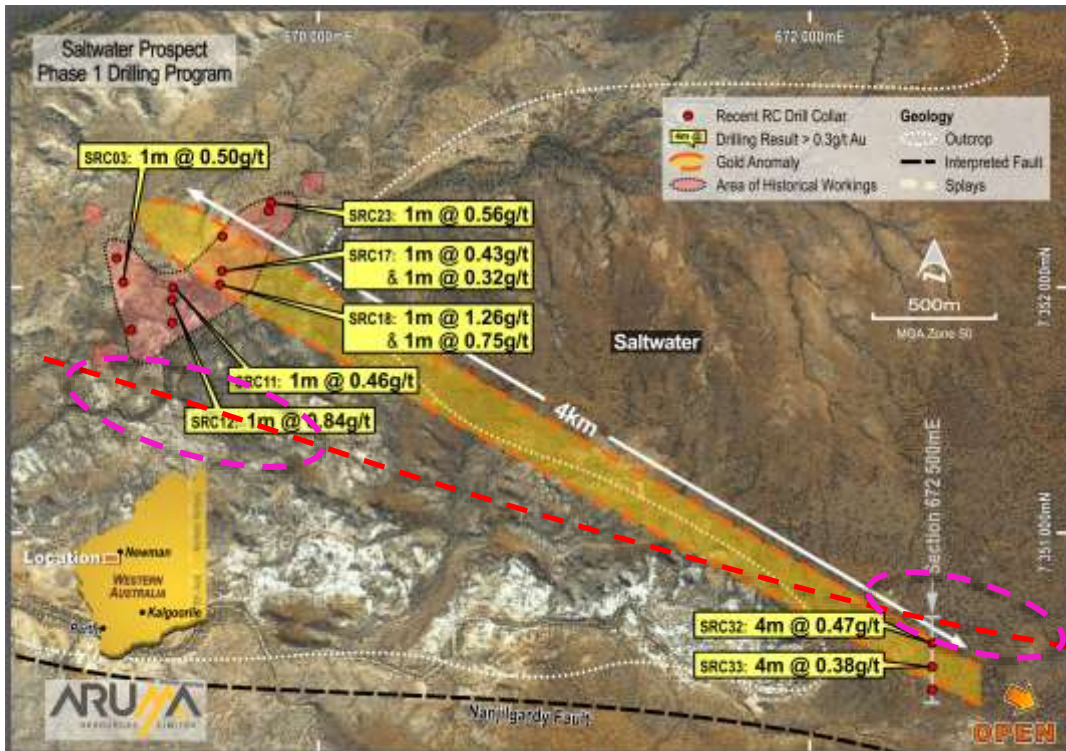


Figure 5: Showing highly anomalous drill results >0.3g/t - showing clusters on the historic area on the original drilling with the two target areas in cyan on the projected contact in red.

The close-spaced maiden drilling targeted old workings at the historic Saltwater mining area within the recently identified and prospective Mt McGrath Formation, which hosts Kalamazoo Resources' (ASX: KZR) Mt Olympus Gold Mine in the region.

The supergene blanket seen in the eastern Lines (shown in Figure 5) increases in grade to the north and the drill results suggest the mineralisation increases to the south of the nugget area in the west as shown above.

Melrose Gold Project

Aruma made significant progress at the Melrose Gold Project during the quarter. The key Exploration Licences (EL) at the Project were granted (E08/3183, E08/3184, E08/3188, E08/3210 E08/3219, E08/3244, E47/4362 and E47/4414) following presentations by managing director Peter Schwann to the traditional owners.

A PoW for a maiden drilling program at the priority Gossan Hill target was also approved, and drilling is planned for the current quarter. Heritage Agreements were also entered into ahead of the planned drilling. The Project now comprises eight granted Exploration Licences (with six additional licences still to be granted), over an area of 338km², adjacent to and surrounding Northern Star Resources' (ASX: NST) Paulsens Gold Mine (Figure 6).

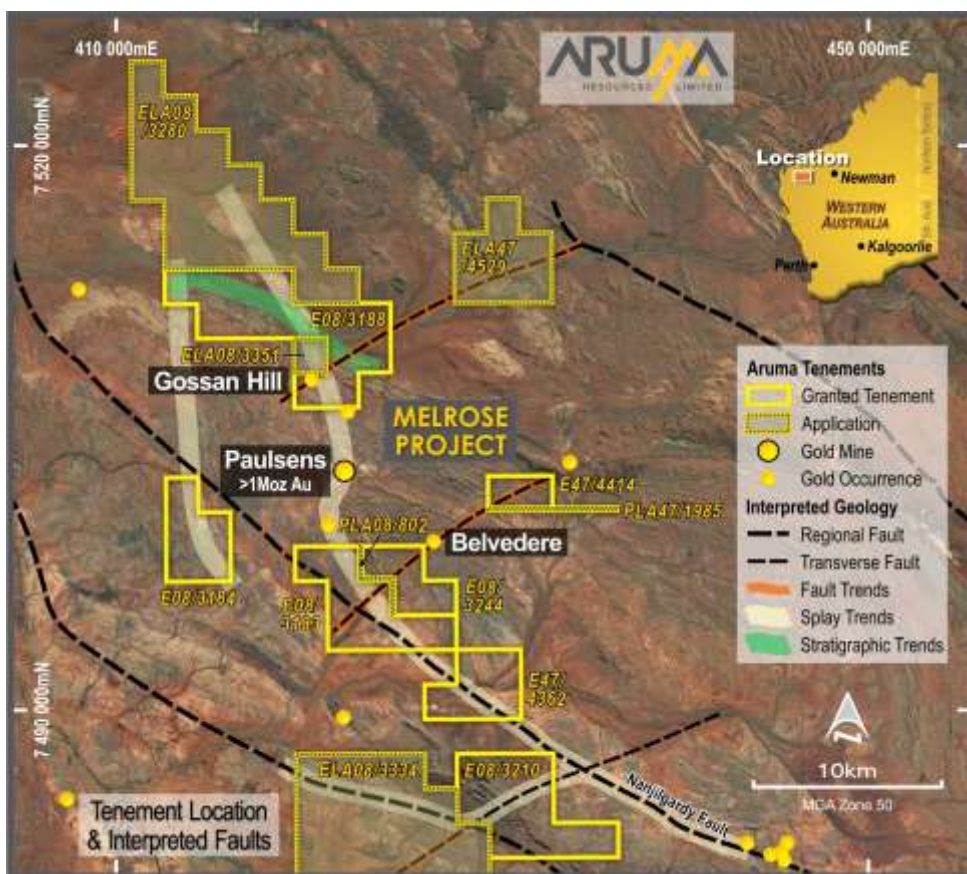


Figure 6: The Melrose Project area with granted licences in yellow and licence applications shaded. E08/3210 was granted after winning a ballot for the lease.

The trend north of Paulsens, combined with the eastern extension of the Merlin stratigraphic trend, now extends for over 13km within the Melrose Project area, and hosts multiple priority targets (Figure 5).

Figure 6 above also shows that the central ELA (EL08/3351) secures the northern extent of the Paulsens Trend, in E08/3188, and links it to extensions of both the Paulsens and Merlin anomalies to the North within the Project area.

The project area will be explored with the help of the traditional owners, the Puutu Kunti Kurrama People (PKKP), who will be involved in the sampling of new areas. The opportunity to work with all the stakeholders will be influential in the progress of the Project.

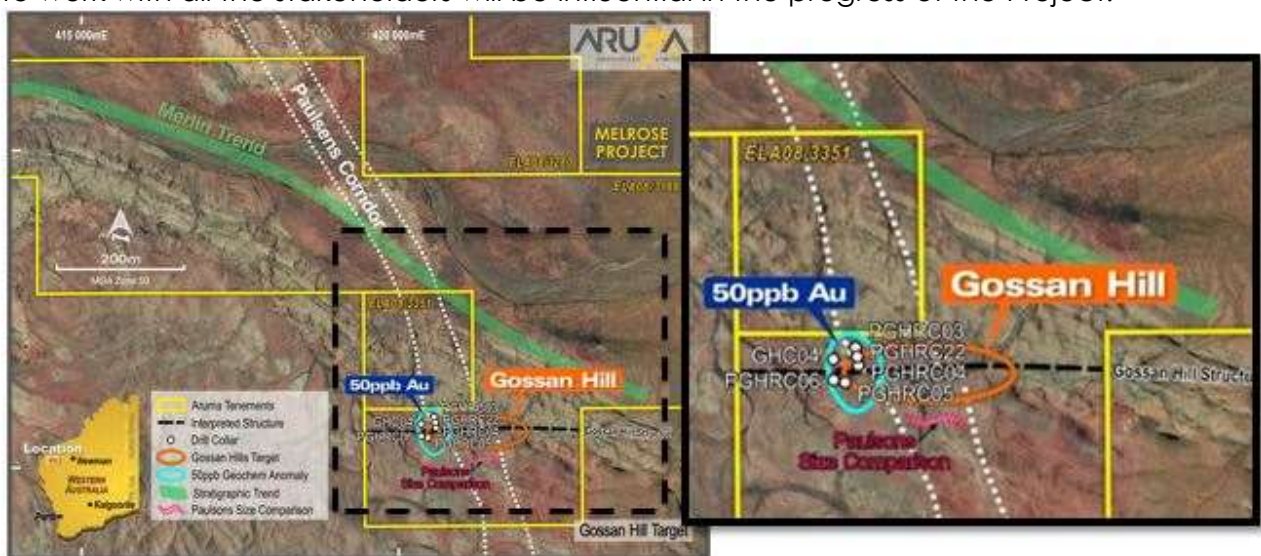


Figure 7: Left - The new ELA (E08/3351) at the Melrose Project showing the strategic location with respect to the Gossan Hill anomaly, and the Paulsens and the Merlin trends.

Right - Gossan hill blown up with the initial drill target in orange ellipse.

The first phase of drilling at Melrose is proposed to be a 3,000 metre Reverse Circulation (RC) program at the priority Gossan Hill target (Figure 6 and Figure 7). Drilling is planned to consist of five lines of six holes.

Historic drill holes demonstrate the untested potential of the Gossan Hill target, and are shown in Figure 7 and listed below in Table 1. All the drill holes listed are from open file data and were previously reported in ASX: AAJ announcement of the 28/7/2020.

Drillhole Number	Easting	Northing	Depth from (m)	length of zone (m)	Avg. >0.1 Au g/t	>1g/t Au g/t	Depth from (m)	length of zone (m)
	GDA 94	GDA 94						
GHC0004*	420350	7507700	8	11	0.42	2.74	14	1
GHC0005*	420460	7507490	0	29	0.14			
GHC0006*	420354	7507513	63	18	0.26	1.44	63	1
PGHRC03#	420556.9	7507808	7	4	0.10			
PGHRC04#	420582	7507649	49	14	0.25			
PGHRC22#	420571.5	7507727	0	27	0.30			

* from Wamex report A71564

from Wamex report A96294

Table 1 - The thick and highly anomalous holes from Figure 7

Salmon Gums Gold Project

During the quarter, Aruma reported historic high-grade gold intersections from drilling at its Salmon Gums Gold Project (previously known as the Scotia South Gold Project), and submitted a PoW for a maiden RC drilling program at the Project. Drilling is currently scheduled for the current quarter.

The Project (EL63/2037 and ELA63/2122) is located approximately 200 kilometres south of the major regional centre of Kalgoorlie, and approximately 60 kilometres south of the mining town of Norseman. More significantly it is 30km directly along strike of Pantoro Limited's (ASX: PNR) rapidly increasing high grade Scotia Gold Project, which now has four lines of high-grade deposits and prospects.

Aruma's initial assessment of the Salmon Gums Project identified three priority drill targets (circled in Figure 8), which was the initial focus of the first phase of drilling. The Company planned to test these initial targets with regional drilling (along roads initially) with follow-up drilling to target drill defined anomalies.

A further data review uncovered Salmon Gums gold anomaly in the 1997 work done at Salmon Gums in the Yilgarn Extended project by Pan Australian Exploration Pty Ltd. This work used geochemical sampling in the pedogenic carbonate zone under sandplain wheat fields. This strong continuous anomaly has only been partially drill tested for gold, by Pan Australian, which identified soil anomalies. Importantly, these are coincident with the target area for Aruma's planned first phase of drilling (as shown in Figure 8).

The highly encouraging historic results come from a review of historic data sets from previous drilling conducted by Pan Australian in the 1990s, and have helped Aruma define drill targets for its first phase of drilling at Salmon Gums. See Figures 10 -12 for sections from Pan Australian's drilling from 1997.

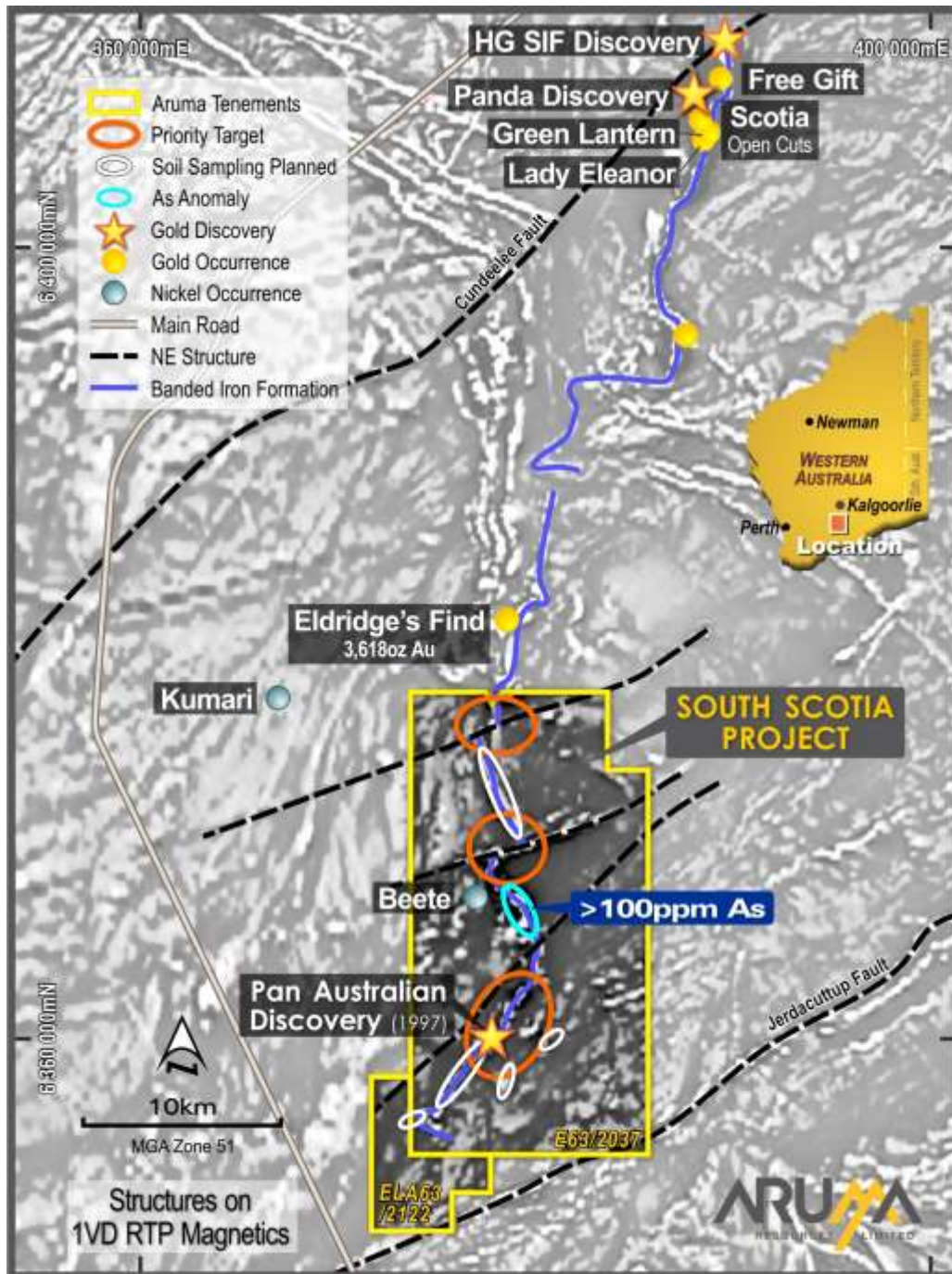


Figure 8: Salmon Gums Project on 1VD RTP magnetics showing gold occurrences with stratigraphy continuity and the suggested target areas as the ellipses.

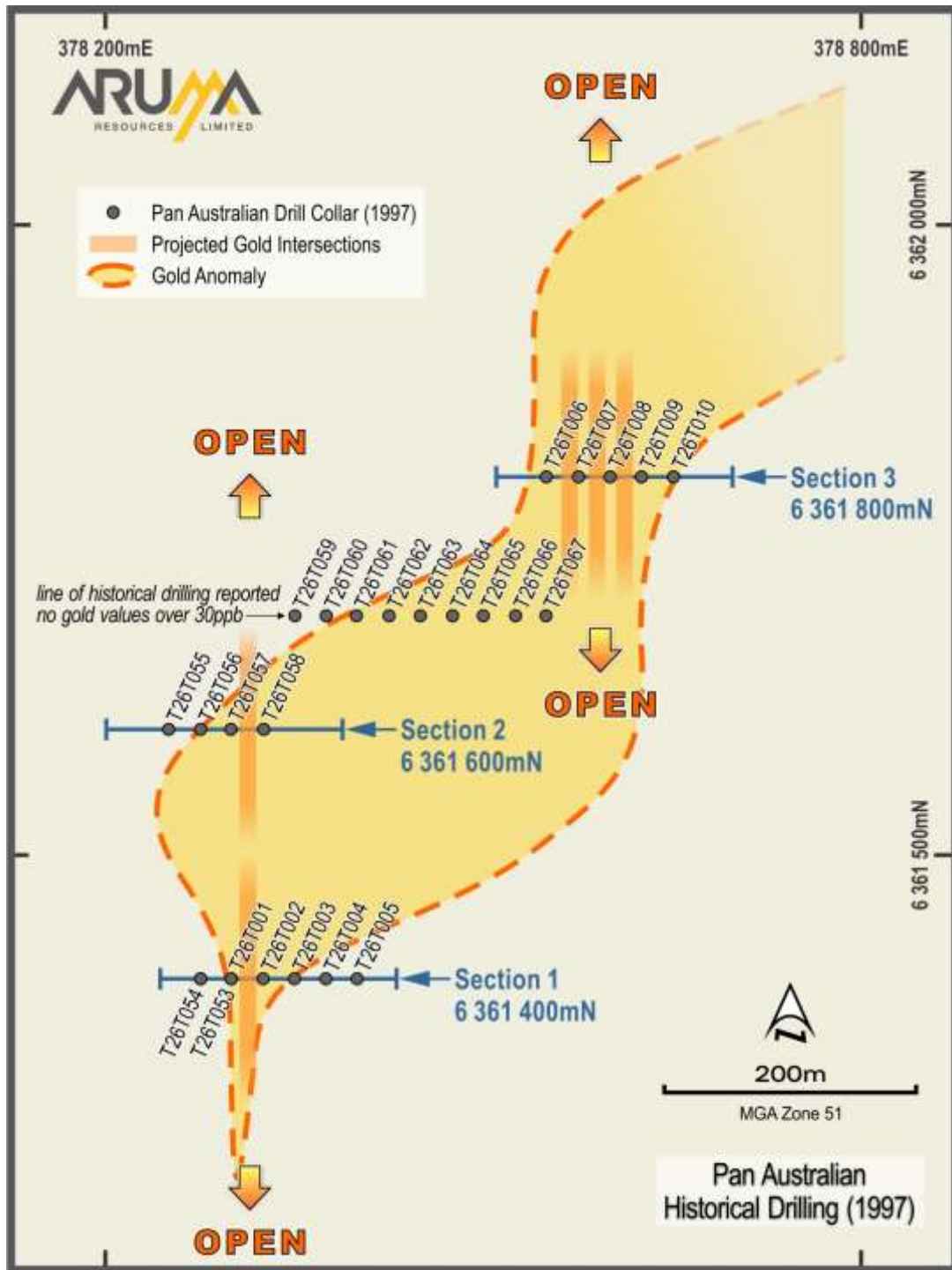


Figure 9: Salmon Gums Project gold anomaly on drill hole plan with section locations and Pan Australian (1997) intersection projections shaded.

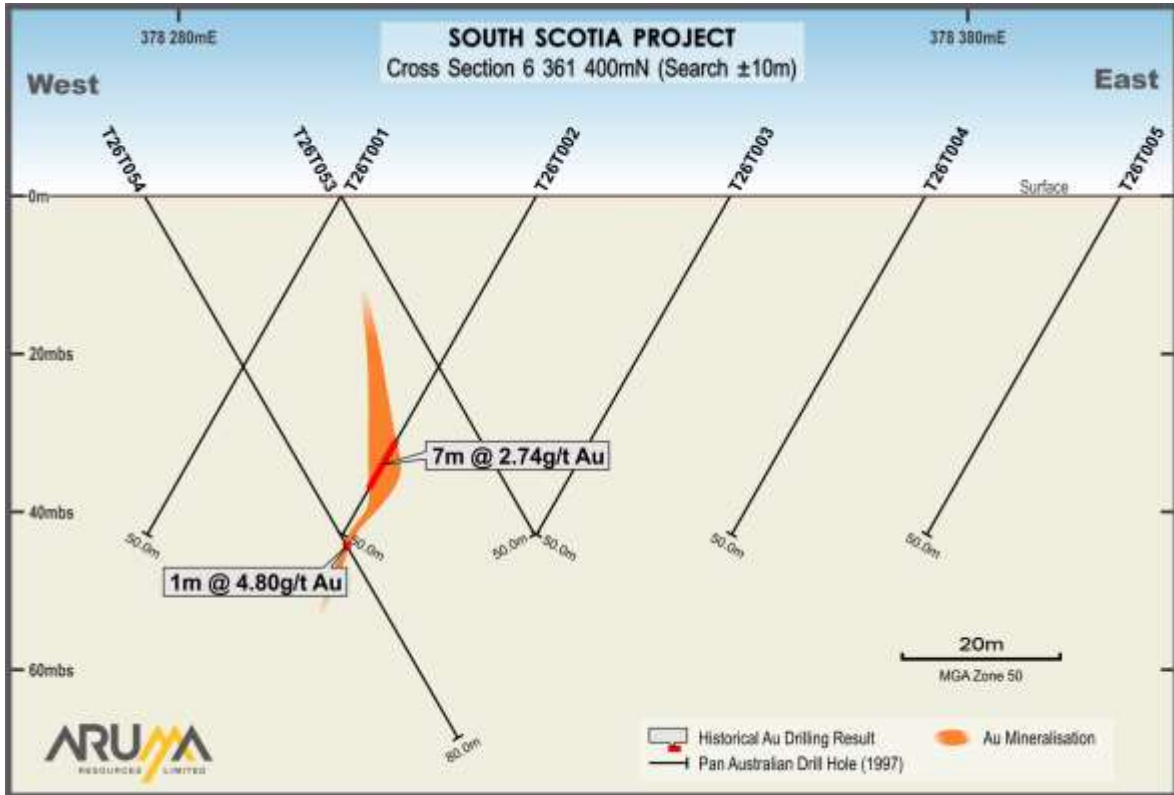


Figure 10: Pan Australian (1997) Salmon Gums Project drill Section 1 showing high grade intersections in holes TR26002 and TR26054

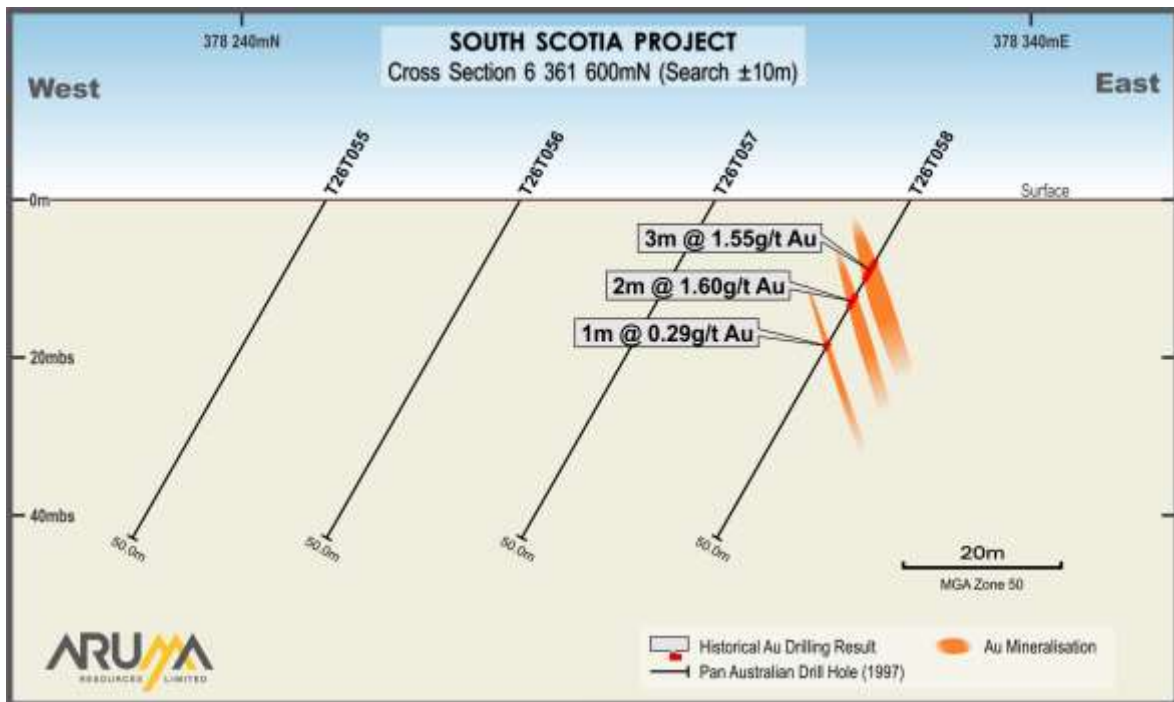


Figure 11: Pan Australian (1997) Salmon Gums Project drill Section 2 showing high grade intersections in hole TR26058

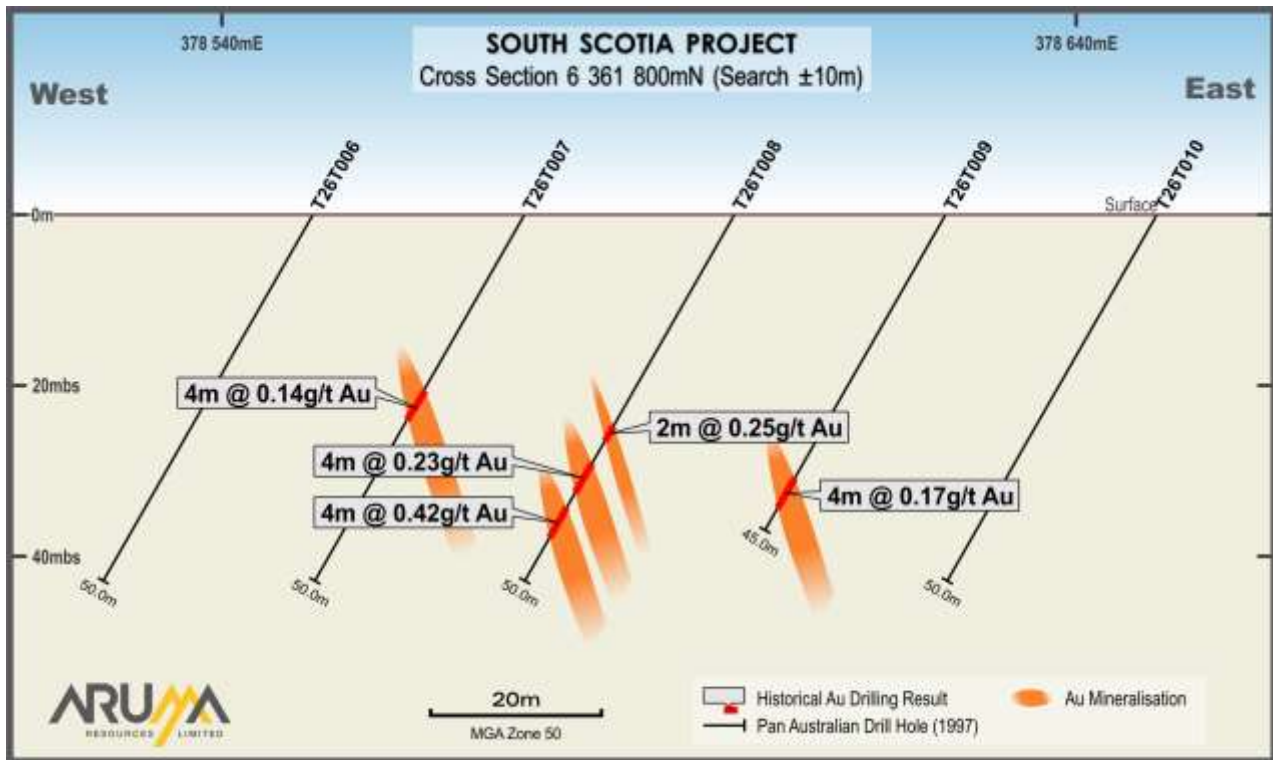


Figure 12: Pan Australian (1997) Salmon Gums Project drill Section 3 showing low grade intersections in holes TR26007, TR26008 and TR26009

Mt Deans Lithium Project, Norseman WA

The Mt Deans Project encompasses Prospecting Licence P63/2063 and covers an area of 1.44km² in the Mt Deans pegmatite field, which is part of the Eastern Goldfields Terrane of the Yilgarn Craton. The Project is located approximately 170 kilometres south of the major regional centre of Kalgoorlie, and approximately 10 kilometres south of the mining town of Norseman (Figure 13).

Rock chip samples were reported from Mt Deans (ASX announcement, 24 March 2021) which returned high-grade lithium oxide (Li₂O) results with high tantalum (Ta) and other rare earth elements (REE) (Table 2).

Following the close of the quarter, the Company completed a fauna survey of the project area, and a PoW for drilling has been submitted. This drilling is planned for the current quarter.

Aruma plans to conduct an initial 12 RC hole drilling program at the Mt Deans Project. Drilling is planned to a maximum hole depth of 200 metres, with holes spaced approximately 120 metres apart, and is designed to intersect an interpreted cauldron or pegmatite chamber (Figure 14).



Figure 13: Mt Deans Lithium-Tantalite Project area, with pegmatites and projected cauldron

Sample	Li ₂ O	Ta ₂ O ₅	Zone 51H		Samples	
	%	ppm	Easting	Northing	Type	Li Mineral
AR001	0.8	222.7	385,687	6,427,446	Rock	Zinnwaldite
AR002	1.3	185.1	385,663	6,427,307	Rock	Lepidolite
AR003	2.1	555.9	385,541	6,427,026	Rock	Lepidolite
AR004	1.3	136.5	385,480	6,426,823	Rock	Lepidolite
Average	1.4	275.0				
Comparison	1.4	130.0	Kathleen Valley(LTR)			
	1.3	120.0	Pilgangoora(PLS)			
	1.0	44.0	Buldania(LTR)			

Table 2: Rock Chip samples from Mt Deans

Aruma plans to investigate the potential for the Project to host direct shipping lithium ore, given its strategic location adjacent to the Coolgardie-Esperance Highway and rail infrastructure which provides direct access to the Port of Esperance rail hub. These are all significant potential transport and infrastructure advantages.

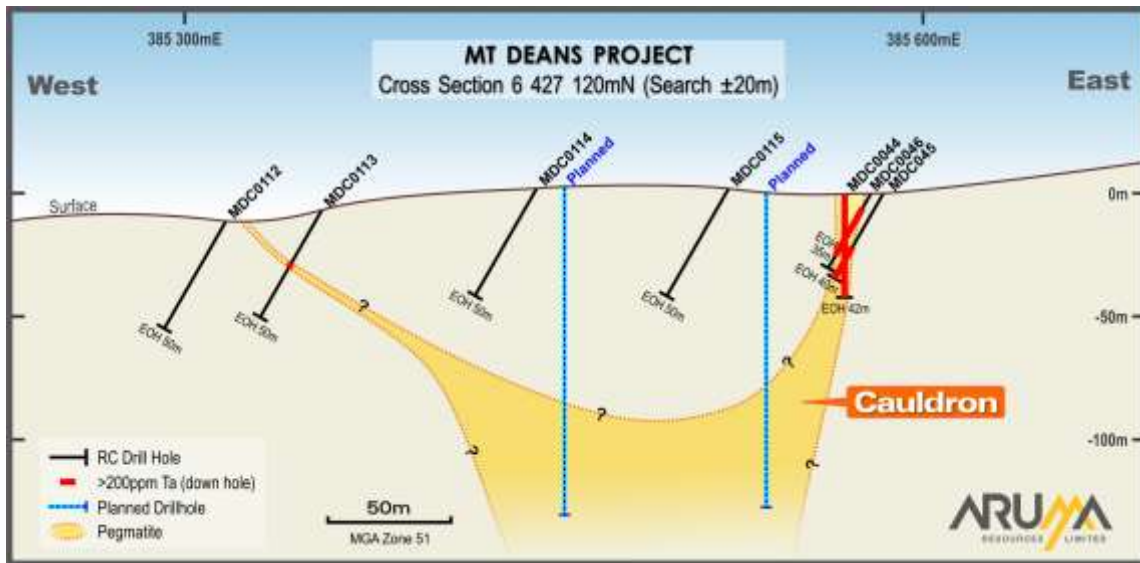


Figure 14: Mt Deans Lithium-Tantalite drill section with pegmatites and projected cauldron with the planned holes (From Tantalum Australia Operations Pty Ltd Annual Report 2002 (A65809)).

Capital Gold Project, NSW

The Capital Project comprises three Exploration Licences (EL9022, EL9023 and EL9027) totalling 372km² within the Lachlan Fold Belt in New South Wales, in close proximity to Sky Metals (ASX: SKY) Hume Discovery and the historic Bywong gold mines.

All Exploration Licences at the Project have been granted, and are current for three years. Aruma carried out exploration reconnaissance in May which involved visiting the sites of historic gold production and talking to the community and landowners.

CORPORATE

Aruma had a cash balance at 30 June 2021 of approximately \$2.7 million.

PROJECTS SUMMARY

Region	Location	Project	Status
WA EASTERN GOLDFIELDS	Norseman Projects	Mt Deans Lithium	Granted 100% AAJ
		South Scotia gold	91% Granted
WA	Nanjilgardy	Melrose Gold	91% Granted
PILBARA	Nanjilgardy	Saltwater Gold	Drilling confirms potential new gold camp
NSW LACHLAN FOLD BELT	St George Fault	Capital Gold	Granted 100% AAJ

Table 3: Gold Project Status and Activity Table

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ASX ADDITIONAL INFORMATION

ASX listing rule 5.3.1 - Exploration and evaluation expenditure during the quarter was \$89,460. Details of exploration activity during the June 2021 quarter are set out in this report.

ASX listing rule 5.3.2 - There was 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 \$95,438 was paid to Directors for director and superannuation fees and \$2,476 for vehicle hire.

Authorised for release by Peter Schwann, Managing Director.

FOR FURTHER INFORMATION PLEASE CONTACT:



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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. 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.

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SUMMARY OF TENEMENTS

Western Australia

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 ELA52/3966	100% Aruma Exploration Pty Ltd Nil	100% Aruma Exploration Pty Ltd

Melrose (gold)	Interest at beginning of Quarter	Interest at end of Quarter
EL08/3183 EL08/3184 EL08/3188 EL08/3210 EL08/3219 EL08/3244 EL08/3334 ELA47/4362 ELA47/4414 ELA47/4529 ELA08/3280 ELA08/3351 PLA08/802 PLA47/1985	100% Aruma Exploration Pty Ltd Nil Nil	100% Aruma Exploration Pty Ltd

Salmon Gums (gold)	Interest at beginning of Quarter	Interest at end of Quarter
EL63/2037 ELA63/2122	100% Aruma Exploration Pty Ltd Nil	100% Aruma Exploration Pty Ltd

Mt. Deans (Li)	Interest at beginning of Quarter	Interest at end of Quarter
P63/2063	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

New South Wales

Capital (gold)	Interest at beginning of Quarter	Interest at end of Quarter
EL9022 (ELA5955) EL9023 (ELA5956) EL9027 (ELA5987)	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

Table 4: Summary of tenements for the June 21 Quarter

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