

20 October 2020

ARUMA ANNOUNCES PLANS FOR DRILLING AT SALTWATER GOLD PROJECT

Highlights

- All eight leases are now granted at Saltwater Gold Project
- Aruma plans to undertake a maiden reverse circulation drill program of up to 5,000m at the Saltwater Gold Project to commence in the current quarter
- Mapping and sampling programs completed at Saltwater – have successfully defined priority drill targets
- Drilling will target the Saltwater Ring Structure which is a large 60km² magnetic/conductivity anomaly
- Program of Works for drilling has been submitted, Heritage Agreement is in place and drilling contractors sought
- Airborne Conductivity Surveys completed at Melrose Gold Project - preliminary results confirm presence of alteration in-line with Aruma's exploration model
- Initial local stakeholder meetings introduce Aruma's vision for exploration in the Capital Project in NSW

Aruma Resources Limited (ASX: AAJ) is pleased to announce plans for its maiden drilling program at the 100%-owned Saltwater Gold Project in the Pilbara region of Western Australia.

Aruma has completed its initial phase of field work at Saltwater. This consisted of a mapping program and sampling program at the priority Saltwater Ring Structure target, a large 60km² magnetic/conductivity anomaly.

These programs have successfully defined targets for the first phase of drilling at the Saltwater Project. Aruma has now submitted a program of works (PoW) to the Department of Mines, Industry Regulation and Safety (DMIRS) for an initial program of up to 5,000 metres of reverse circulation (RC) drilling on seven lines in the Saltwater Anomaly area.

The PoW is expected to be granted in the near future, and drilling is planned to commence in the current quarter subject to rig availability. This drilling is designed to identify the stratigraphic and alteration controls of previously identified mineralisation, and assist in defining future drilling targets at Saltwater.

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

Norseman

SCOTIA SOUTH

Pilbara

MELROSE

SALTWATER

NSW Lachlan Fold Belt

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The Company is currently in the process of appointing drilling contractors for this phase of drilling, and Heritage and Survey agreements are in place in respect of the Saltwater Project (ASX announcement, 23 September 2020).

The Saltwater Gold Project now has all of the eight Exploration Licences granted and the Project covers a total area of 736km² (Table 1). The Project is located approximately 100 kilometres south-west of the regional mining centre of Newman.

Tenement	Project	State	Holder	Status	Applied	Granted	Area 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	171
E52/3825	Saltwater	WA	AEPL (100%)	Granted	5/05/2020	5/07/2020	121
E52/3830	Saltwater	WA	AEPL (100%)	Granted	12/05/2020	5/07/2020	56
E52/3846	Saltwater	WA	AEPL (100%)	Granted	1/07/2020	1/09/2020	96
E52/3852	Saltwater	WA	AEPL (100%)	Granted	7/08/2020	8/10/2020	121
E52/3854	Saltwater	WA	AEPL (100%)	Granted	7/08/2020	8/10/2020	56
E52/3857	Saltwater	WA	AEPL (100%)	Granted	14/08/2020	14/10/2020	96
Totals km²							736

Table 1: Exploration Licences at Saltwater Gold Project

Progress at other Projects



Figure 1: Aruma's Australian Projects

Melrose Gold Project, Pilbara region WA

Aruma is pleased to advise that Mineral Mapping and Aster Conductivity studies have now been completed at the Melrose Project, and that preliminary results confirm the presence of the interpreted alteration within the Project area, consistent with the Company's exploration model (Figure 2).

The Melrose Project consists of eight ELAs covering a total area of 216km², adjacent to Northern Star Resources' Paulsens Gold Mine.

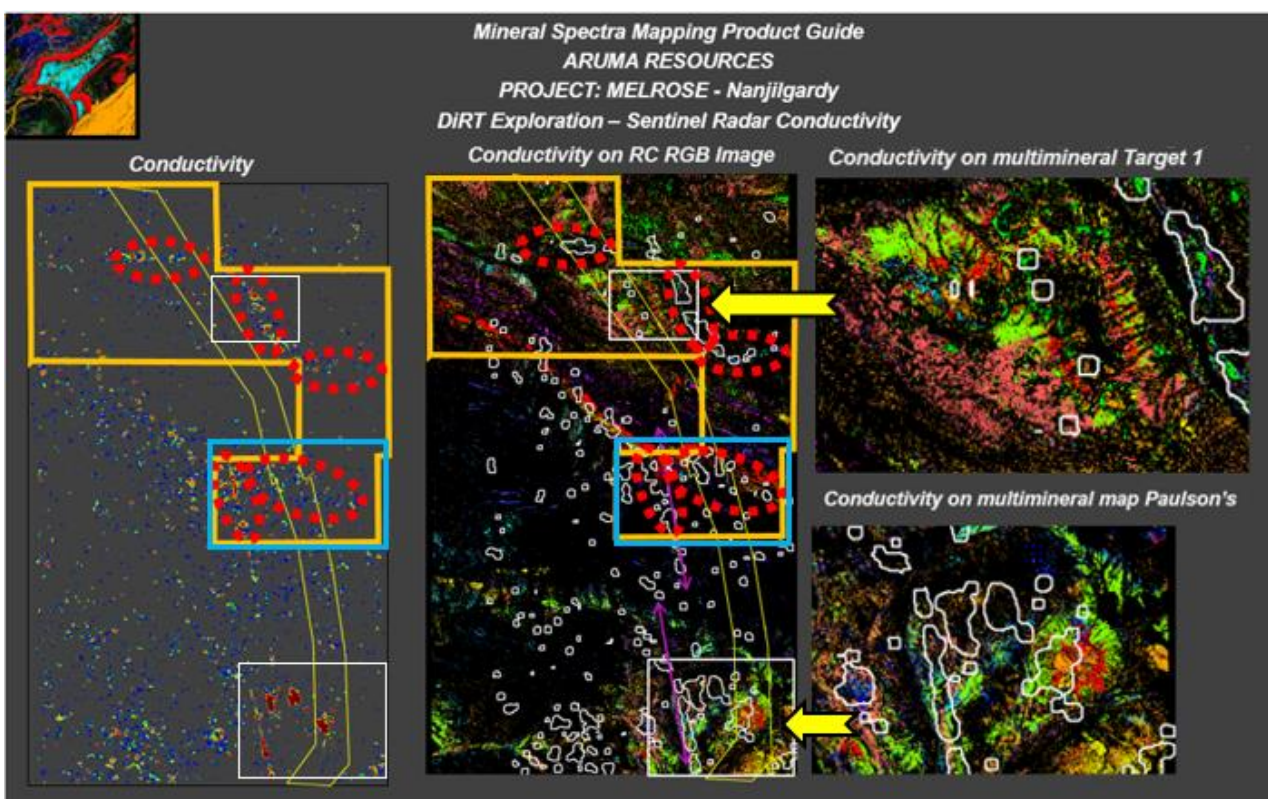


Figure 2: Hyperspectral Mineral Map images showing alteration patterns overlain with Radar Derived Conductivity anomalies at the Melrose Gold Project. These images use the original De Beers data which is pre mining at Paulsens and hence not affected by recent activity.

The conductivity from the Sentinel Radar is displayed as a pseudocoloured anomaly image (left) and as boundary shapefiles overlain onto the coloured mineral map (centre and right).

The mineral mapping images from the DeBeers AMS HSS, ASTER Thermal Infrared and Sentinel Satellite MSS and Radar Derived Conductivity anomalies are all showing the expected Gossan Hill drill target (blue rectangle) and the new large area to the north. The added shapes are interpreted conductivity anomalies (red ellipses) with mineral mapping targets (white rectangles) and the original Aruma Gossan Hill (blue rectangle).

The similarity between the Paulsens alteration mineralogy and Target 1 is due to the alteration clays and micas associated with gold mineralisation. Further areas will now be studied using this powerful exploration method.

Heritage Agreements for the Melrose Project have been signed, and Aruma is now awaiting the grant of Exploration Licences, before commencing targeted on-ground exploration at the Project. This first phase of exploration will target a number of significant magnetic anomalies within the Project area.

The Saltwater and Melrose Projects cover a strike extent of more than 85 kilometres of the highly significant Nanjilgardy fault. This regional structure hosts the main source of gold mineralisation at the Paulsens Gold Mine and also the Mt Olympus Gold Mine - where the two ore types reflect Aruma's sediment-hosted gold exploration model.

The Scotia South Gold Project, Norseman-Wiluna Greenstone Belt, South-East WA

The Scotia South Project (ELA63/2037) covers an area of 217km². It is strategically located on a 20 kilometre strike extension of the prospective stratigraphy magnetic signature that hosts Pantoro Limited's (ASX: PNR) Panda gold discovery (Figure 3).

The zones identified by Pantoro at Scotia define three separate shale-hosted lodes and these contain multiple gold intersections over 20m (See Pantoro ASX announcement, 20 August 2020).

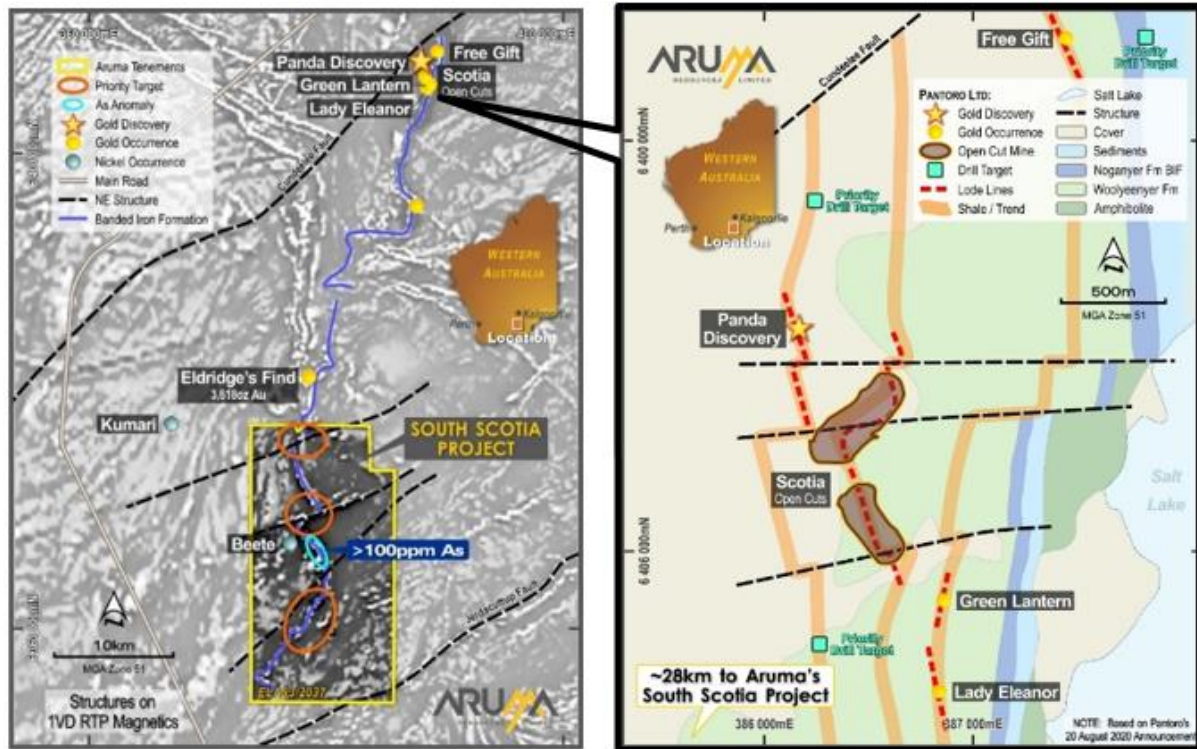


Figure 3: Results at PNR's Panda discovery at its Scotia Mining Centre (right) suggest 3 zones west of the strongly magnetic BIF that continue to Aruma's South Scotia Project (left)

Capital Gold Project, Lachlan Fold Belt New South Wales

In early October Aruma conducted initial community engagement meetings with members of the local communities near the Capital Project area (E5955, E5956 and E5987 in the Goulburn-Canberra districts and EL 5987 within the Queanbeyan-Palerang Shire). Discussions of potential exploration activities were initiated in the locations of ELA's which may impact on communities. EL 5987 hosts the principal exploration targets and is covered by numerous small farmlets. Aruma will be following up with community meetings in the New Year when the leases are granted.

Aruma managing director Peter Schwann said;

"Following the successful sale of our Kalgoorlie leases for \$500,000, announced earlier this month, we have continued to advance our Pilbara, Norseman and New South Wales projects. Aruma is well funded with some \$4 million in cash and receivables, including \$160,000 due in the next round of R&D tax credits. This together with a new Exploration Manager will allow us to aggressively explore and evaluate our strategically located gold project portfolio, resulting with drilling to define potential resource targets."

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.