

27 October 2020

DRILLING APPROVED AT THE SALTWATER GOLD PROJECT

Highlights

- Program of Works (PoW) for up to 20,000m of drilling at Saltwater Gold Project approved
- Aruma's maiden drilling will be a reverse circulation (RC) program of up to 5,000m at Saltwater
- Site works commenced this month and drilling currently expected to commence early December
- Drilling will target the Saltwater Ring Structure which is a large 60km² magnetic/conductivity anomaly
- Program will comprise 50 holes to a drill depth of ~100 metres across seven lines of drilling
- Positive Mineral Mapping and Conductivity results at Melrose Gold Project in Pilbara region drive the pegging of a new lease to the North

Aruma Resources Limited (ASX: AAJ) is pleased to announce that all approvals for drilling have been granted and drilling contractors secured for its maiden drilling program at the 100%-owned Saltwater Gold Project in the Pilbara region of Western Australia.

The program of works (PoW) from the Department of Mines, Industry Regulation and Safety (DMIRS) has now been approved for up to 20,000 metres of drilling at the Saltwater Project.

Aruma's first phase of drilling will be a reverse circulation (RC) program of up to 5,000 metres. Drilling contractors, Ausdrill, have been secured to conduct this phase of drilling, and drilling is currently expected to commence early December. The site works by the Pastoralist have commenced and will involve the clearing of some 6km in seven drill lines. Seven drill lines are planned, for 50 holes to a nominal drill depth of 100 metres.

This maiden program will focus on defined targets at the Saltwater Ring Structure target, a large 60km² magnetic/conductivity anomaly at Saltwater.

Drilling is designed to identify the stratigraphic and alteration controls of previously identified mineralisation, and assist in defining future drilling targets. The drilling will be targeted at structures with anomalous soil and rock assays, together with quartz veining and strong alteration defined by visible gold and large crystals after pyrite.

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

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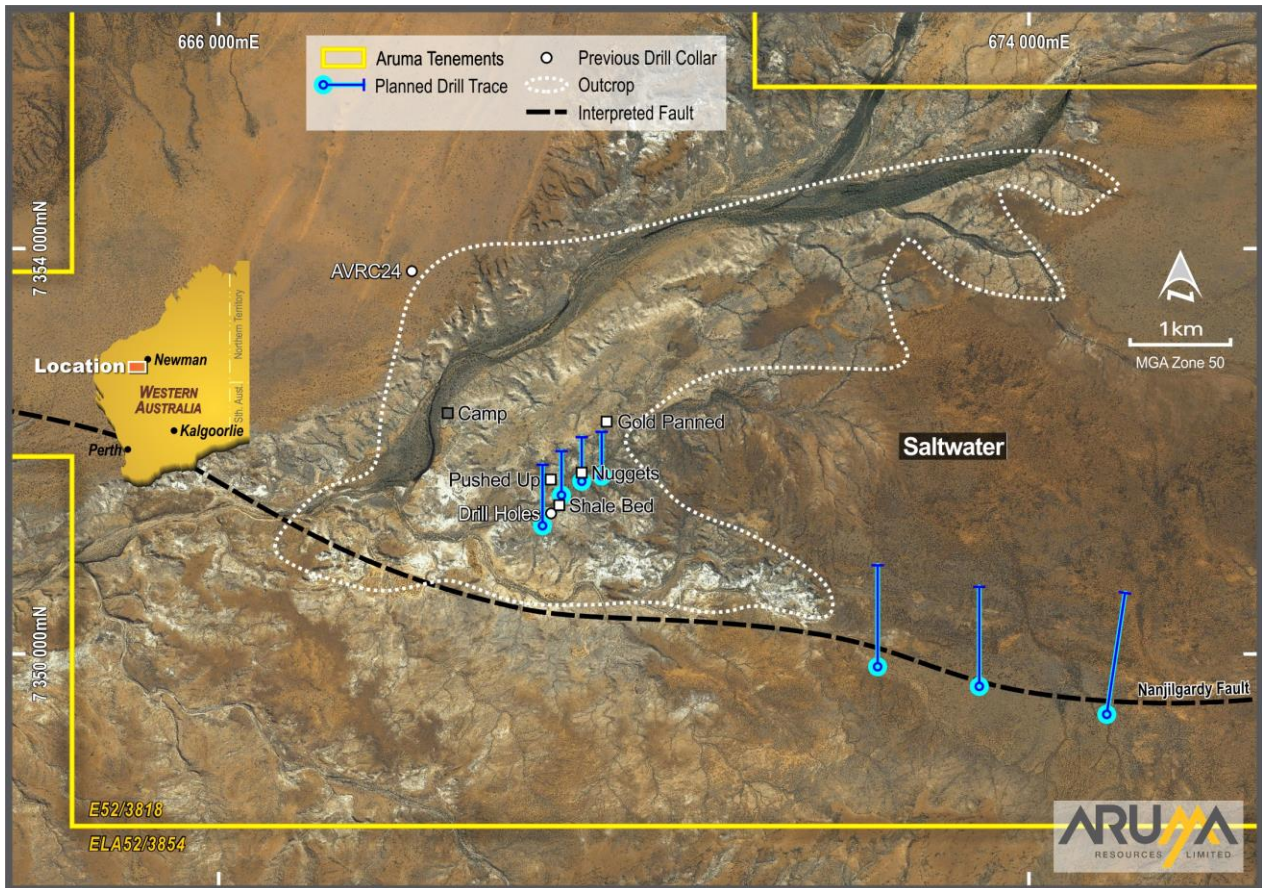


Figure 1: Location of drilling lines (T1 to T7) for maiden drill program at Saltwater Project.

The Saltwater Gold Project comprises eight granted Exploration Licences and 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	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
Total km²							701

Table 1: Exploration Licences at Saltwater Gold Project

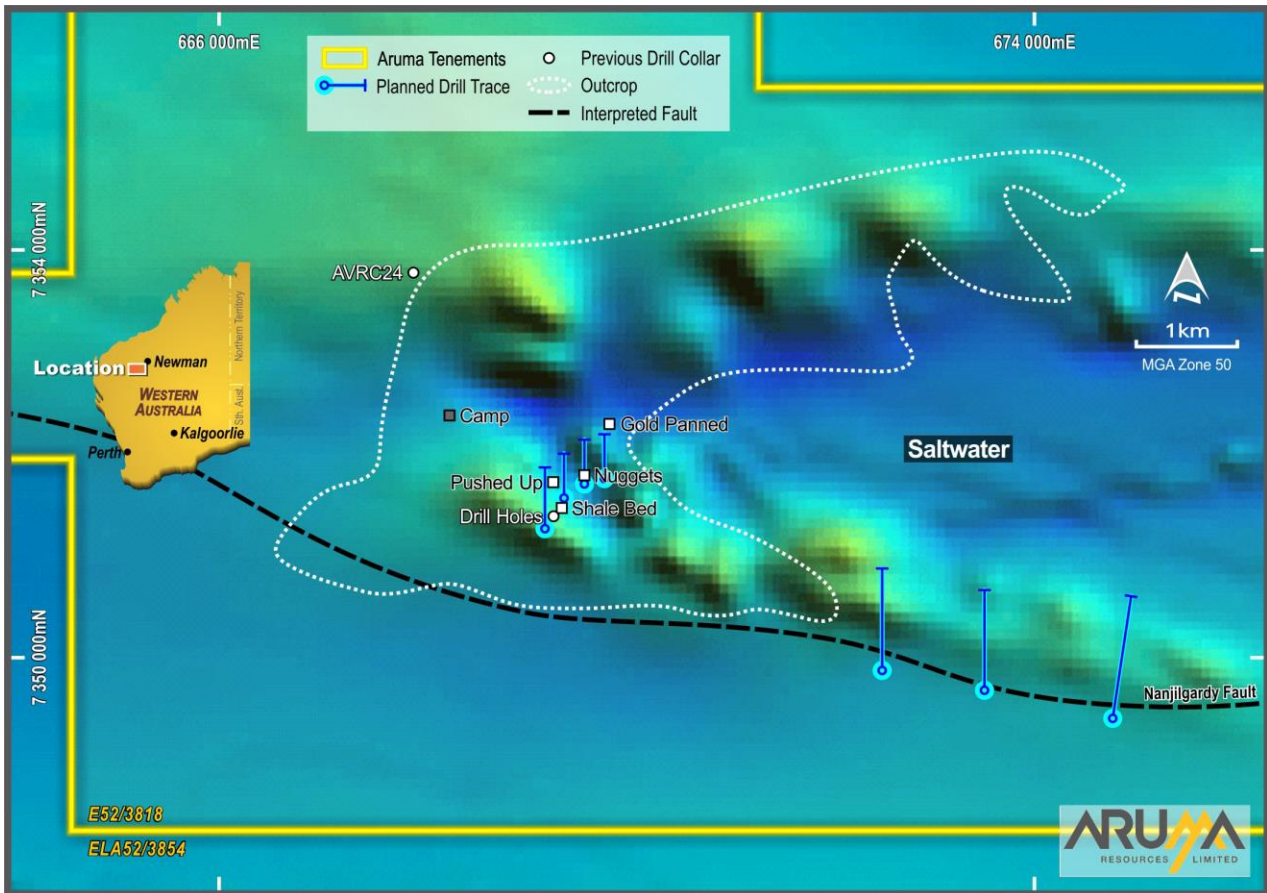


Figure 2: Location of drilling lines (T1 to T7) on magnetic image for maiden drill program at Saltwater Project.

Melrose Gold Project, Pilbara region WA

Aruma is also pleased to advise that it has received the reprocessed data from recently completed Mineral Mapping and Aster Conductivity studies at the Melrose Gold Project. This data has reinforced the interpreted alteration within the Project area, consistent with the Company's exploration model (Figure 3).

As a result of the positive outcomes of the Mapping and Conductivity studies, the Company has applied for a new Exploration Licence (ELA08/3280), which will cover anomalous areas in the north of Project area which is detailed in Figure 4.

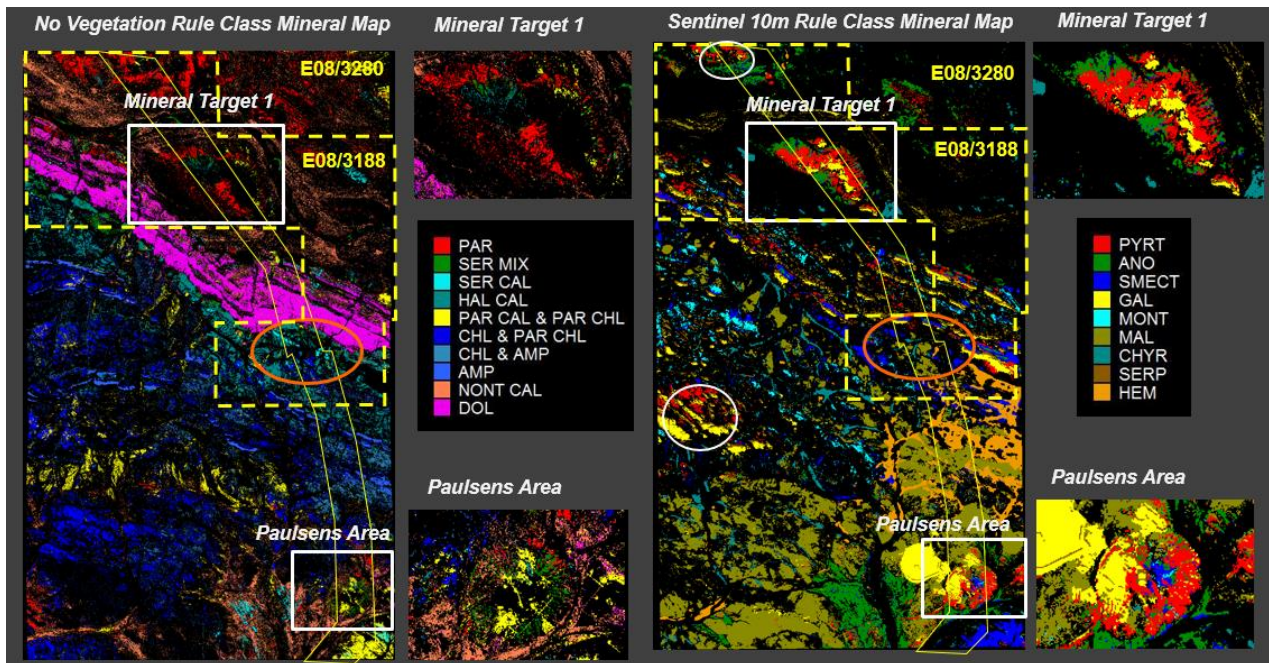


Figure 3: Mineral Mapping Vs Sentinel mapping over the study area showing the main lease E08/3188. Vegetation removal filters in mineral mapping showed more of the chlorite in the area and also detail in the jog area of the ARUMA corridor of interest (orange ellipse).

Figure 3 (above) shows strong similarity between the mineral mapping at the Paulsens project area, owned by Northern Star Resources (ASX: NST), and Aruma's Target 1 at the Melrose Project.

The mineral mapping from the Sentinel imagery shows a similar mapping of mineral distribution as seen in the AMS mineral maps. Mineral names may vary between the types of mapping, but this helps define alteration. The Paulsens area and Target 1 area show similar mineral units, also highlighting other similar areas (in white circles).

The new lease (E08/3280) was applied for to cover these anomalous areas to the north which exhibit similar features of outcrop and alteration.

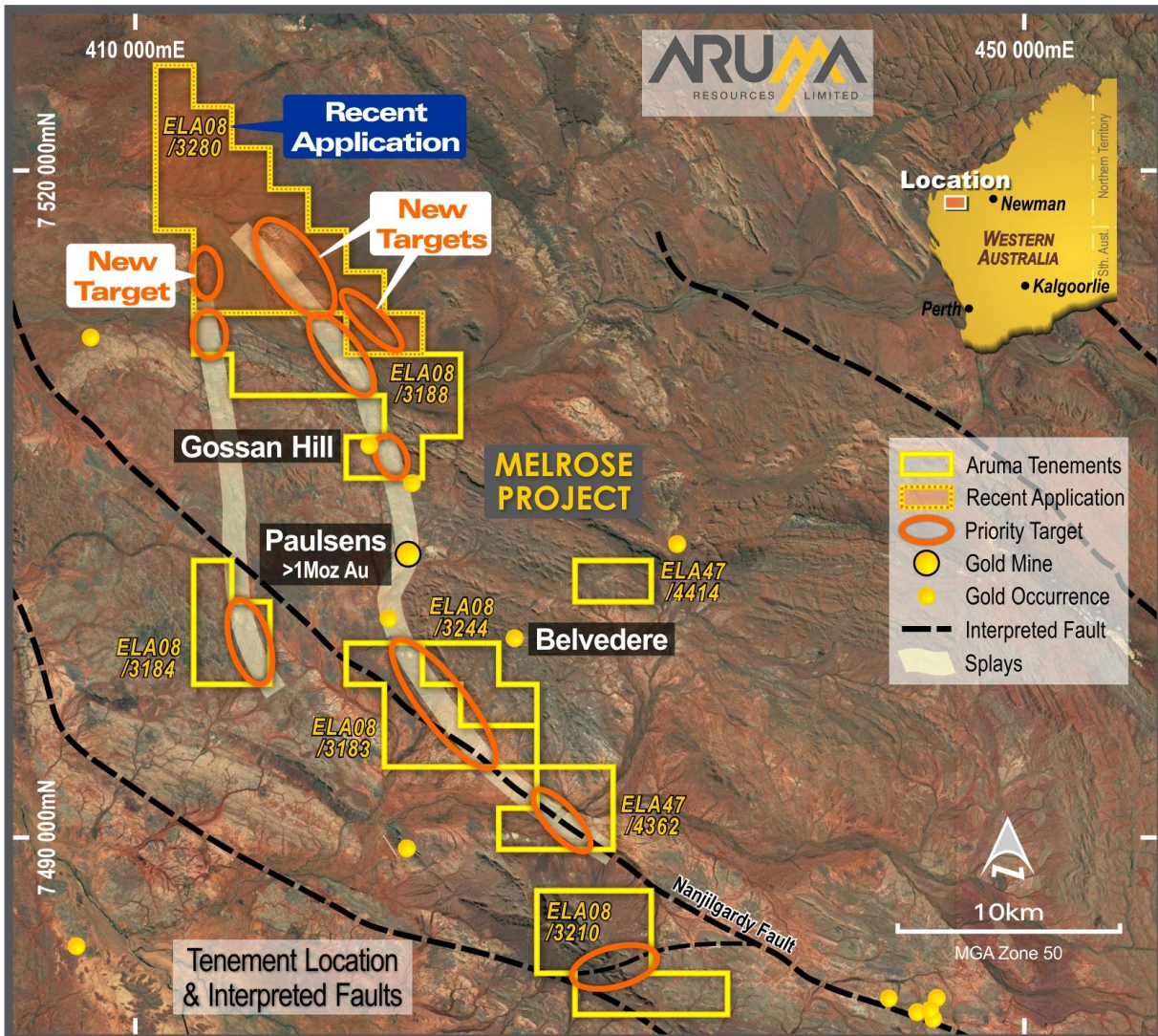


Figure 4: The new lease E08/3280 over anomaly extensions

Image 4 (above) shows the extension of the Pausens Corridor into the new lease with the alteration similar to the Pausens and Target 1 alteration pattern. The area was available and the new lease was a natural and extremely valuable extension to the current project area.

The Melrose Project now consists of nine ELAs covering a total area of 283km², adjacent to Northern Star Resources' Pausens Gold Mine.

Tenement	Project	State	Holder	Status	Applied	Granted	Area km ²
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
Total km²							282

Table 2: Exploration Licences at Melrose Gold Project

Aruma managing director Peter Schwann said;

"The last six months since we applied for these areas has seen a tremendous change in Company focus that with funding brings the ability to efficiently explore these areas. This organic growth has been appreciated by our investors and over the next year we will seek to progressively drill our new project areas, and further grow the Company. Our new exploration team will help us achieve this, and the new methods highlighted in this announcement have potential to save exploration time and money."

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.