

28 January 2021

## ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020

### Highlights

- Maiden 4,518m RC drilling completed at Saltwater Gold Project – results pending
- Melrose Gold Project area expanded and all Exploration Licence Applications recommended for approval
- Capital Project Leases granted in January 2021
- Company completed a Placement to raise \$2.7m
- Sale of Slate Dam-Trojan Project to Black Cat Syndicate for all-cash consideration of \$500,000 completed
- Company proposed to consolidate its issued share capital on 1-for-15 basis – consolidation approved by shareholders January 2021

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following report on its activities for the quarter ending 31 December 2020 (Quarter).

During the Quarter the Company continued to focus on its portfolio of prospective Australian gold projects. Aruma has three gold exploration projects in Western Australia, and one in New South Wales. All are strategically located in active gold domains.

Works in the quarter included the completion of a maiden drill program at the Saltwater Project in the Pilbara region of WA, the expansion of the Melrose Project, also in the Pilbara and the granting of the exploration licences at the Capital Project in the Goulburn region of NSW.

Corporately, the Company is in a sound position with a cash balance at quarter's end of approximately \$3.49 million. This included \$1,800,000 (before costs) from Tranche 2 of a Placement that raised a total of \$2.7 million, \$500,000 from the sale of the Slate Dam-Trojan Project and an R&D tax refund of \$162,000 (before costs).

Aruma also announced plans to consolidate the issued capital in Company, on the basis of 1 new security for every 15 securities currently on issue. The consolidation was approved at a Shareholder Meeting on January 13, 2021.

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### ASX: AAJ

**Post Consolidation 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**

**Gold Projects -1,581km<sup>2</sup>**  
**Norseman**  
SCOTIA SOUTH - 217km<sup>2</sup>

**Pilbara**  
MELROSE - 285km<sup>2</sup>  
SALTWATER - 706km<sup>2</sup>

**NSW Lachlan Fold Belt**  
CAPITAL - 372km<sup>2</sup>

**Lithium Project -1.44km<sup>2</sup>**  
**Norseman**  
MT DEANS - 1.44km<sup>2</sup>

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**Figure 1:** Aruma's Australian Gold Projects

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Tenement	Project	State	Status	Applied	Granted	Area km <sup>2</sup>	Totals km <sup>2</sup>
E52/3816	Saltwater	WA	Granted	15/04/2020	1/07/2020	19	
E52/3818	Saltwater	WA	Granted	17/04/2020	1/07/2020	172	
E52/3825	Saltwater	WA	Granted	5/05/2020	5/07/2020	122	
E52/3830	Saltwater	WA	Granted	12/05/2020	5/07/2020	57	
E52/3846	Saltwater	WA	Granted	1/07/2020	1/09/2020	98	
E52/3852	Saltwater	WA	Granted	7/08/2020	8/10/2020	60	
E52/3854	Saltwater	WA	Granted	7/08/2020	8/10/2020	120	
E52/3857	Saltwater	WA	Granted	14/08/2020	14/10/2020	57	<b>706</b>
ELA08/3183	Melrose	WA	Pending	20/04/2020		25	
ELA08/3184	Melrose	WA	Pending	20/04/2020		16	
ELA08/3188	Melrose	WA	Pending	21/04/2020		44	
ELA08/3210	Melrose	WA	Pending	27/05/2020		32	
ELA08/3219	Melrose	WA	Pending	4/06/2020		66	
ELA08/3244	Melrose	WA	Pending	10/08/2020		13	
ELA08/3280	Melrose	WA	Pending	20/10/2020		66	
ELA47/4362	Melrose	WA	Pending	21/04/2020		16	
ELA47/4414	Melrose	WA	Pending	22/07/2020		6	<b>285</b>
E63/2037	Scotia South	WA	Pending	21/05/2020		217	<b>217</b>
ELA5955	Capital	NSW	Pending	22/04/2020	13/01/2021	48	
ELA5956	Capital	NSW	Pending	22/04/2020	13/01/2021	156	
ELA5987	Capital	NSW	Pending	8/06/2020	12/01/2021	168	<b>372</b>
<b>Grand Total</b>							<b>1580</b>

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

## Saltwater Gold Project

During the quarter Aruma commenced and completed a 4,518m maiden reverse circulation (RC) drilling program at the Saltwater Gold Project, in the Pilbara region of Western Australia (ASX announcements, 24 November and 17 December 2020).

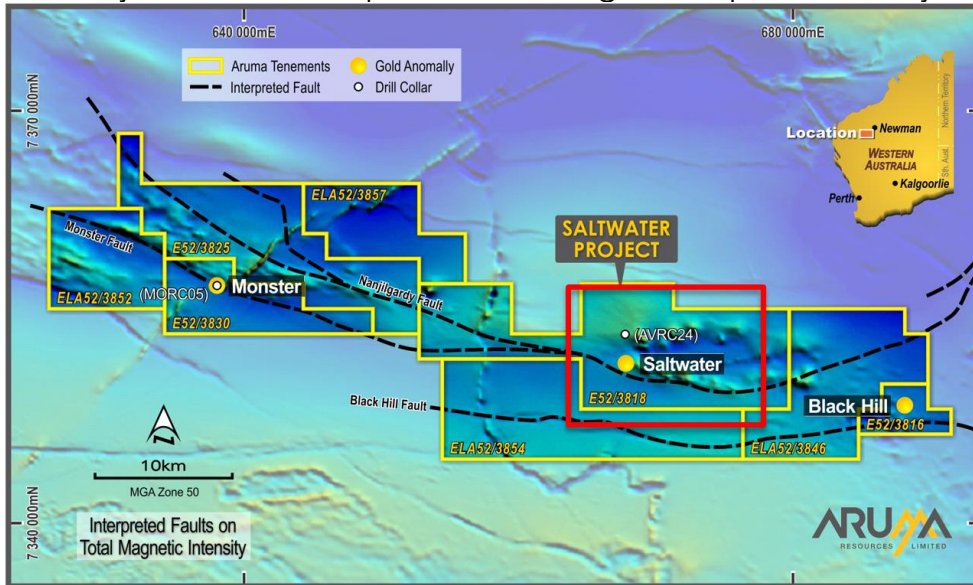
The Company's drilling contractor Ausdrill completed a total of 40 drill holes in the program. Thirty-one holes targeted the old mining area within the Saltwater Project for 3,618m of drilling, and nine holes for 900 metres of step-out drilling targeted areas of the Nanjilgardy Fault under cover.

All assays been sent for laboratory assessment and results will be reported when they become available.

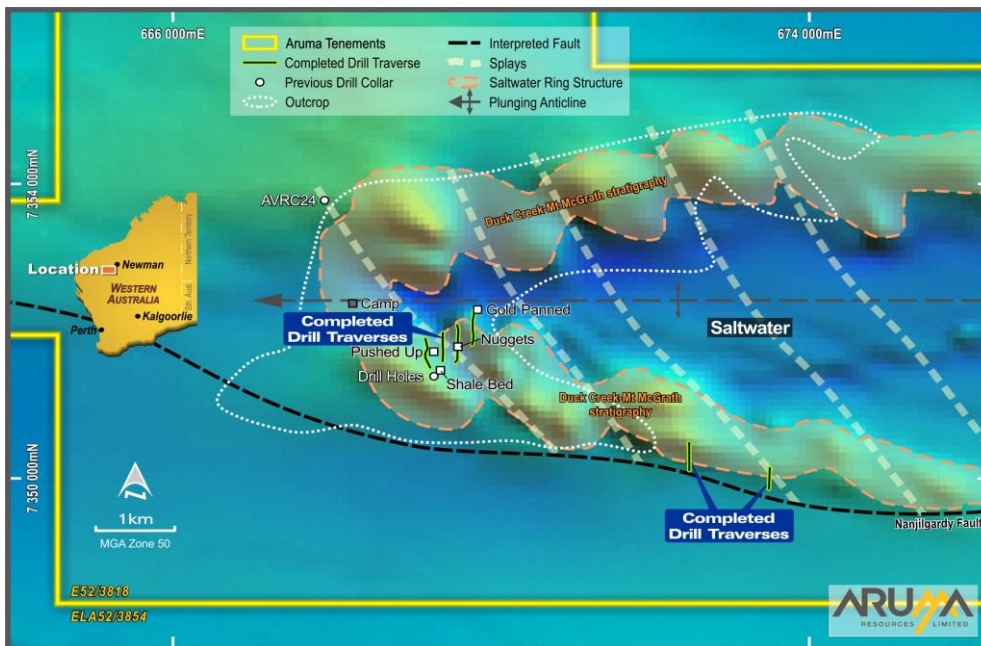
This initial drilling program focused on outcropping areas on the western end of the Saltwater Ring Structure, a large 60km<sup>2</sup> magnetic ring structure that sits within E52/3818 at Saltwater, as shown in Figure 2.

Drilling was conducted over four, short, closer-spaced lines as shown in Figure 3, which focused on the identified anomalous western area of the Saltwater Ring Structure. The wider-spaced (regional) longer lines to the east targeted the ring structure/splay under cover - 9 holes totaling 900m in two lines as shown.

Aruma has program of works (PoW) approval for up to 20,000 metres of drilling at the Saltwater Project and further phases of drilling will be planned subject to results.



**Figure 2:** Aruma's Saltwater Project area on TMI magnetics - drill target area outlined in red.



**Figure 3:** Drilling (from Figure 1) on the TMI magnetics for the current Saltwater drill program showing the target Duck Creek-Mt McGrath stratigraphy as the shaded anticline.

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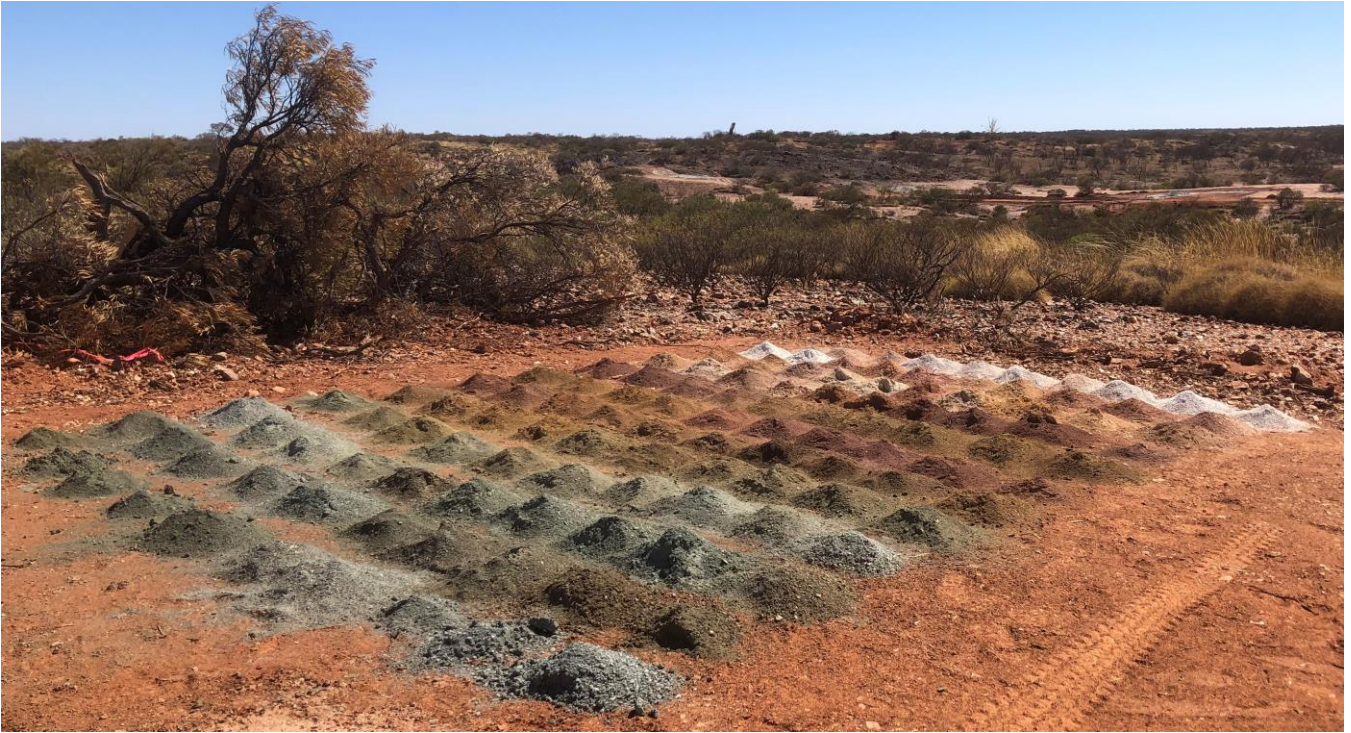
Figure 3 shows the rationale behind the Saltwater drilling program, with the western drill lines located over the historic gold area, and the eastern lines positioned over the splay and Nanjilgardy Fault under cover.

The western splay coincides with the AVRC24 anomaly, alteration and historic nuggets. The eastern splay, which was drilled after the main historic area, targeted the initial regional areas of deep weathering and paleochannels.



**Figure 4:** The RC Rig collaring at Saltwater mining area in preparation for drilling, targeting old worked areas from the 1980s.





**Figure 5:** Sample piles showing the 12m of younger chert cover (right) and pale alteration zones



**Figure 6:** Samples from drill hole SWRC15 showing alteration and sulphides at 84 to 88m down hole.

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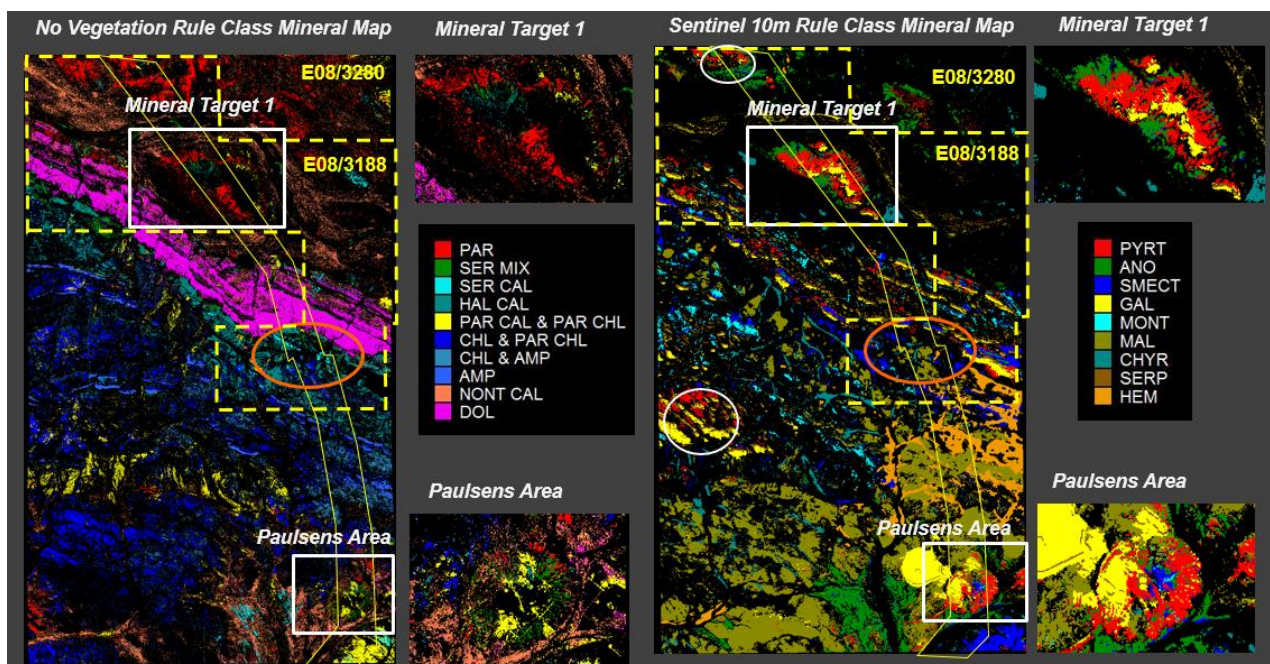
## Melrose Gold Project

Aruma completed mineral mapping and Aster Conductivity studies at the Melrose Gold Project during the quarter (ASX announcements, 20 October and 27 October 2020). The data from this work reinforced the interpreted alteration within the Project area, consistent with the Company's exploration model.

As a result of the positive outcomes of the mapping and conductivity studies, the Company applied for a new Exploration Licence (ELA08/3280), over anomalous areas in the north of Project area which is detailed in Figure 7.

With the addition of the new ELA, the Melrose Project now consists of nine exploration licences covering a total area of 285km<sup>2</sup>, situated adjacent to Northern Star Resources' (ASX: NST) Paulsens Gold Mine, as is shown in Figure 8 below.

All exploration licences have been recommended for approval at the Melrose Project. Once granted, Aruma will be able to commence on-ground exploration and drilling at the Project. Details of proposed works programs will be announced in due course.



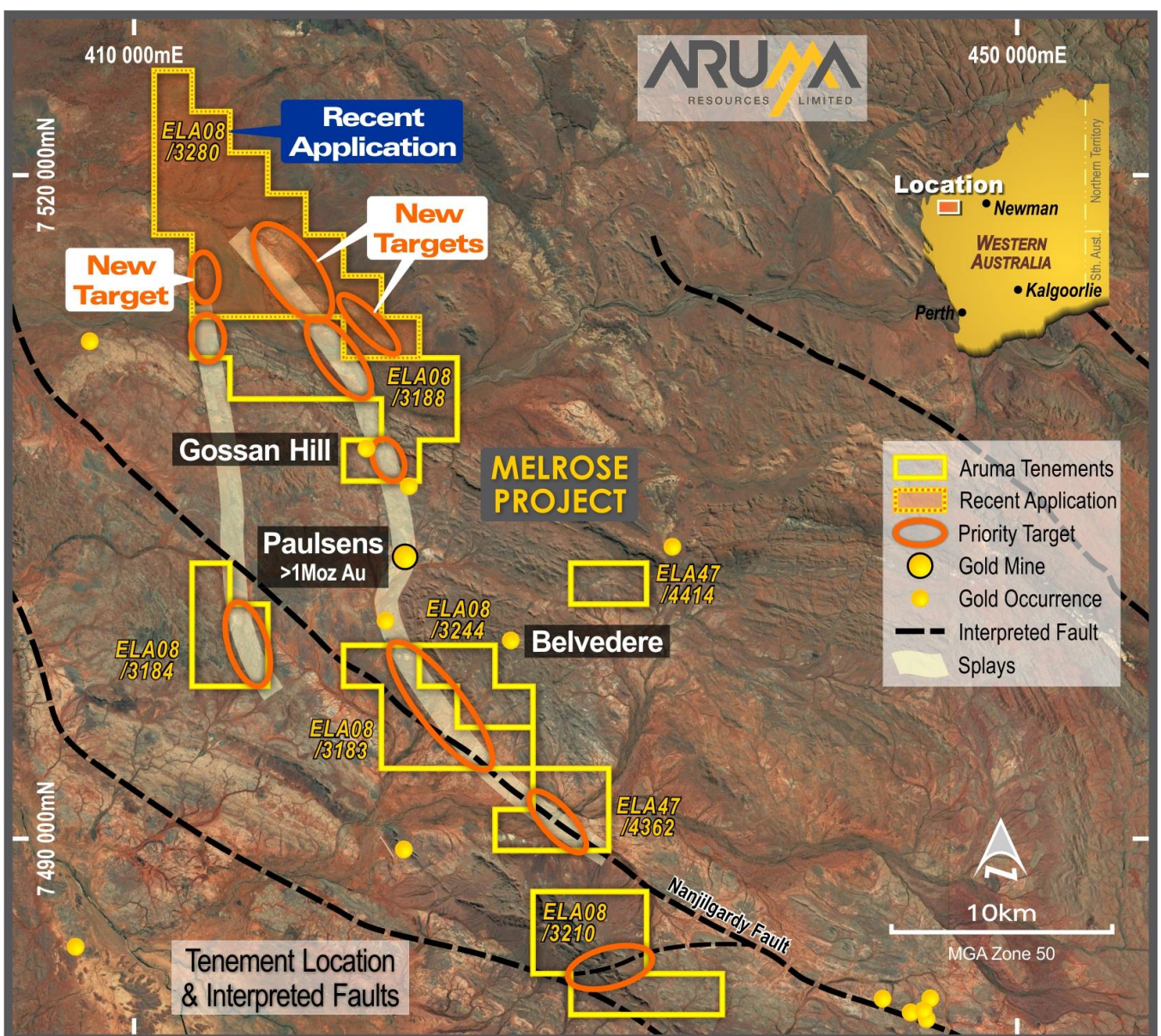
**Figure 7:** Mineral mapping Vs Sentinel mapping over the study area showing the main lease E08/3188. Vegetation removal filters in mineral mapping showed more of the chlorite in the area and also detail in the jog area of the ARUMA corridor of interest (orange ellipse).



Figure 7 (above) shows strong similarity between the mineral mapping at Northern Star Resources' Paulsens project area 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 8:** The new lease E08/3280 over anomaly extensions

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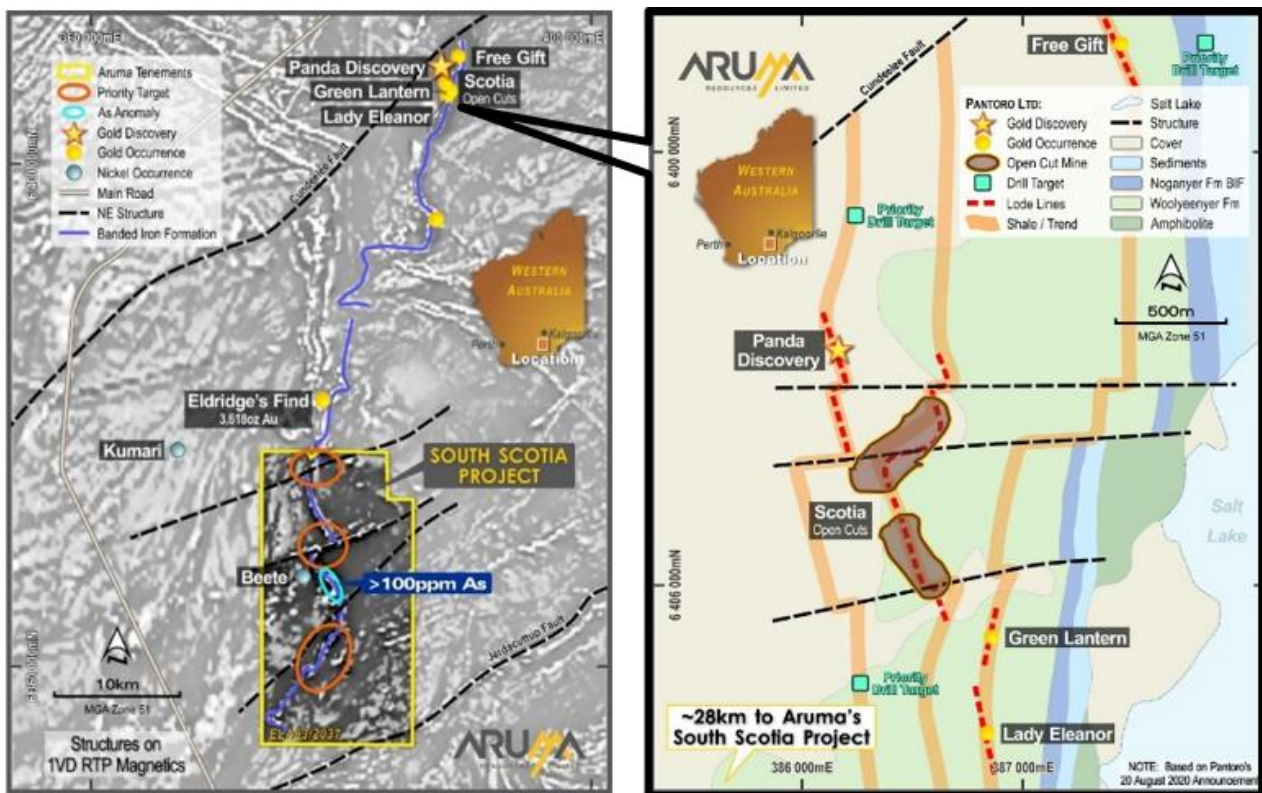




Figure 8 (above) shows the extension of the Paulsens Corridor into the new lease with the alteration similar to the Paulsens and Target 1 alteration pattern. The area was available and the new lease was a natural and extremely valuable extension to the current project area.

### Scotia South Gold Project

The Scotia South Gold Project encompasses Exploration Licence Application ELA63/2037 and covers an area of 217km<sup>2</sup>. 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 9:** 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 9).

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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 9), 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 Licences EL9022 (ELA5955), EL9023 (ELA5956) and EL9027 (ELA5987) totalling 372km<sup>2</sup> within the Lachlan Fold Belt.

A site visit and stakeholder meetings were successfully completed in October 2020.

Subsequent to the quarter, all exploration licences at the Project were granted, on 12 and 13 January 2021. These licences are current for 3 years. Aruma will now make plans for its maiden exploration program at the Capital Project, and details of proposed works will be announced in due course.

### **Mt Deans Li Project, Norseman WA**

The Mt Deans Lithium Project encompasses Prospecting Licence PL63/2063 and covers an area of 1.44km<sup>2</sup>. It is located approximately 170 kilometres south of the major regional centre of Kalgoorlie, and approximately 10 kilometres south of the mining town of Norseman.

The project was previously part of a joint venture which is no longer in force. Aruma will investigate the depth potential for direct shipping lithium ores from the lease, as it is adjacent to the Esperance road and rail hub offering potentially attractive transport and infrastructure advantages.

## **CORPORATE**

Aruma had a cash balance at 31 December 2020 of approximately \$3.49 million. This was an increase from the last quarter due to a further \$1,800,000 (before costs) 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).



An agreement for the sale of the Slate Dam/Trojan projects to a subsidiary of Black Cat Syndicate for cash consideration of \$500,000 was announced on 7 October 2020 and finalised on the 10th of November. Aruma also received an R&D tax refund on \$162,000 before costs during the quarter.

During the Quarter, Aruma announced its intention to consolidate the issued capital of the Company, on the basis of 1 new security for every 15 securities currently on issue, to give the Company a more appropriate capital structure going forward (ASX announcement, 10 December 2020).

## POST QUARTER

The consolidation of share capital was approved at a Shareholder Meeting on January 13, 2021 and completed on January 25 with normal trading at T+2 on the 28th January 2021.

## PROJECTS SUMMARY

Region	Location	Project	Status
WA EASTERN GOLDFIELDS	Norseman	<b>Mt Deans Lithium</b>	Granted 100% AAJ
	Projects	<b>South Scotia gold</b>	awaiting grant
WA PILBARA	Nanjilgardy	<b>Melrose Gold</b>	awaiting grant
	Nanjilgardy	<b>Saltwater Gold</b>	Drilling 4,518m complete
NSW LACHLAN FOLD BELT	St George Fault	<b>Capital Gold</b>	Granted 100% AAJ

**Table 2: Gold Project Status and Activity Table**

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](http://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

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 ELA08/3280	100% Aruma Exploration Pty Ltd       Nil	100% Aruma Exploration Pty Ltd



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	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

## Relinquished/Sold - 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	nil

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

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

### ASX ADDITIONAL INFORMATION

ASX listing rule 5.3.1 - Exploration and evaluation cash expenditure during the quarter was \$290,348. Details of exploration activity during the December 2020 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 \$95,437 was paid to Directors for director and consulting fees and \$3,355 for vehicle hire.