

22 October 2021

PoW for Drilling Approved at Mt Deans Lithium Project

Highlights

- Program of Work for drilling at the Mt Deans Lithium-Tantalum Project approved
- Maiden 12-hole RC drilling program planned to commence upon completion of Heritage Survey
- Project is in Western Australia's 'lithium corridor' in the Eastern Goldfields Terrane of the Yilgarn Craton
- Project hosts 1.4km of strike and is considered highly prospective for lithium minerals, tantalum and rare earth elements
- Spodumene identified in historic drilling and outcrop – drilling is designed to intersect an interpreted cauldron or pegmatite chamber
- Company will advise when drilling commences and results will be released when available

Aruma Resources Limited (Aruma) is pleased to announce plans for the commencement of drilling at the Mt Deans Lithium Tantalite Project in the Goldfields region of Western Australia.

The Company advises that the Program of Works (PoW) for drilling has now been approved, and it will now mobilise to site with drilling expected to commence upon completion of a Heritage Survey.

Aruma views the Mt Deans Project (P63/2063) as being highly prospective for lithium minerals, as well as tantalum and rare earth element (REE) minerals. Previous exploration has identified swarm pegmatites over a strike length of 1 kilometre.

The Project sits within the lithium corridor in south-east WA, which hosts multiple significant hard-rock lithium projects. It is interpreted to sit within the same host rocks and structures as the significant nearby Mt Marion, Bald Hill and Buldania Lithium Projects.

Aruma plans to conduct an initial 12 reverse circulation (RC) hole drilling program at Mt Deans. Drilling is planned to a maximum hole depth of 200 metres, with holes spaced approximately 50 metres apart.

ASX: AAJ

Capital Structure

126M Shares on Issue
22M Options on issue
CASH \$3.6m

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 -1,696km²

Norseman

SCOTIA SOUTH - 222km²

Pilbara

MELROSE - 372km²

SALTWATER -744km²

NSW Lachlan Fold Belt

CAPITAL - 358km²

Li Ta Project -Norseman

MT DEANS 1.44 km²

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The program is designed to intersect an interpreted pegmatite chamber or 'cauldron' (Figure 1).

The Company will advise of the commencement of drilling. The initial phase of drilling once commenced should take a week to complete, and results released when available.

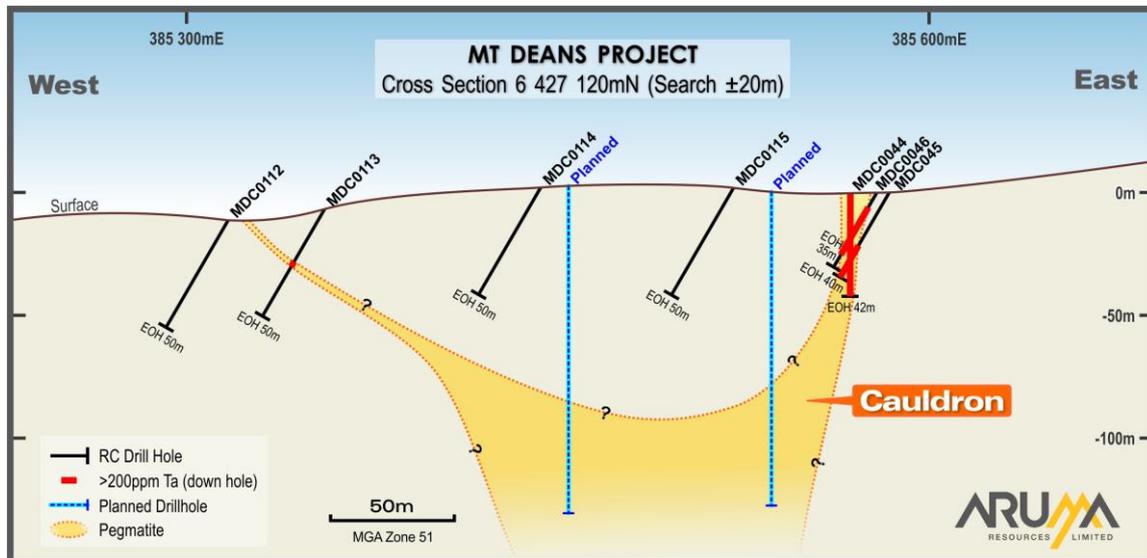


Figure 1: Mt Deans Lithium-Tantalite drill section with pegmatites and projected cauldron with the planned holes (From Tantalum Australia Operations Pty Ltd Annual Report 2002 (A65809)).

The Mt Deans Drilling Program

The Mount Deans pegmatite field covers an area of 6km north-to-south and 4km in extension east-to-west and comprises multiple individual pegmatite sheets and lenses. It is Archaean in age and hosted in the north-south trending Dundas Hill greenstone belt.

The initial phase of drilling at Mt Deans is planned to consist of a 12 RC holes to a maximum hole depth of 200 metres, with holes spaced approximately 50 to 120 metres apart.

As part of the approvals process for drilling, the Company conducted an updated flora and fauna survey of the project area. This was submitted and facilitated the approval of the PoW for drilling.

The Company plans to investigate the potential for the Project to host direct shipping lithium ores, given its location adjacent to the Coolgardie-Esperance Highway and rail infrastructure which provides direct access to the Port of Esperance rail hub. Combined, these offer the potential for significant transport and infrastructure advantages.

About the Mt Deans Lithium Project

The Mt Deans Project encompasses Prospecting Licence P63/2063 and covers an area of 144ha in the Mt Deans pegmatite field, which is part of the Eastern Goldfields Terrane of the Yilgarn Craton. The Project is located 170km south of the major regional centre of

Kalgoorlie, and 10km south of the mining town of Norseman. It is situated just 1km west of the Goldfields-Esperance highway and railway line (Figure 2).



Figure 2: Mt Deans Lithium-Tantalite Project area, with pegmatites and projected cauldron

The geology at Mt Deans presents as potentially analogous to that of Liontown Resources' (ASX: LTR) world-class Kathleen Valley Lithium-Tantalum Project in the Mid-West region of WA, where the lithium mineralisation is within spodumene-bearing pegmatites.

Previous rock chip samples reported at Mt Deans (ASX announcement, 24 March 2021) returned high-grade lithium oxide (Li₂O) results with high tantalum (Ta) and other rare earth elements (REE) (Table 1).

The Mt Deans area has a swarm of 71 recognised pegmatites covering 4.5 by 1.5 kilometres trending north, north-west (as discussed in Amit Elyahu's University of Western Australia thesis on the Mt Deans pegmatite). The pegmatites range from 500 to 2000 metres in length and 0.3-7.5 metres thick, with some being 20 metres thick.

The pegmatites have an upper portion quartz-poor, feldspar-rich marginal layer, which is hosts the cassiterite and tantalum mineralisation. The pegmatites in the project area have been interpreted to be closer to the main 'cauldron' or 'chamber' that may host spodumene-rich material, potentially suitable for direct shipping.

A prime example of this style of deposit is Liontown Resources' Buldania and Kathleen Valley lithium deposits, where finger-like thin, steep pegmatites coalesce into a thick spodumene zone at shallow depth.

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 1: Rock Chip samples from Mt Deans with comparisons of grade

Mineralogy

This below commentary is from Mineral Resources Bulletin 22: Tantalum in Western Australia 2004.

Mount Deans is in a Granitic rare-metal Columbite–Tantalite Cleavelandite pegmatite. The pegmatite has lepidolite, quartz, beryl, zinnwaldite, cassiterite, tourmaline, petalite, fluorite and spodumene

Analytical results of a petalite lepidolite quartz spodumene specimen collected by the author from P63/2063 yielded 455 ppm Ta, 76ppm Nb, 201 ppm Sn, 2.1% Li₂O, and 1.4% Rb respectively

Aruma Resources Managing Director Peter Schwann stated:

"The Mt Deans Project is an exciting lithium and tantalum exploration opportunity, which is 100% owned by Aruma and hosts 1.4km of strike, including pegmatite intersections up to 20m thick in historic drilling, and spodumene. With the PoW for drilling now approved, we eagerly anticipate the commencement of the first phase of drilling."

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. 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 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 released to ASX and are available on the Company's website www.arumaresources.com and in the Western Australian DMIRS WAMEX and MINEDEX Reports. The Company confirms it is not aware of any new information that materially affects the information included in the original reports. 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 several 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.