

28 October 2021

## ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

### Highlights

- **PoW approved for drilling at Mt Deans Lithium-Tantalum Project**
- **Drilling planned for current quarter after completion of Heritage Survey**
- **PoW approved for drilling at Salmon Gums Gold Project – drilling planned for current quarter**
- **Salmon Gums Project expanded via grant of new Exploration Licence, E63/2122**
- **New Exploration Licence granted at Saltwater Gold Project covering the priority Spinifex Dome target**
- **\$1.56m Capital Raise completed to fund targeted ongoing exploration**
- **\$550,000 received in JMEI Exploration Credits for investors**

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

Aruma has a portfolio of three prospective 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 (Figure 1).

During quarter the Company has completed statutory requirements to allow for the commencement of drilling at its projects in Western Australia.

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

Drilling is planned at the Mt Deans Lithium-Tantalum project (subject to heritage survey) as well as the Salmon Gums and Saltwater gold projects in the current quarter. Aruma plans to drill the Melrose project after the completion of a heritage survey.

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### ASX: AAJ

#### Capital Structure

126M 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 - 1,695km<sup>2</sup>

##### Norseman

SALMON GUMS - 222km<sup>2</sup>

##### Pilbara

MELROSE - 371km<sup>2</sup>

SALTWATER - 744km<sup>2</sup>

##### NSW Lachlan Fold Belt

CAPITAL - 358km<sup>2</sup>

##### Li Ta Project -Norseman

MT DEANS 1.44 km<sup>2</sup>

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ABN 77 141 335 364

Corporately, the Company is in a sound position with a cash balance at quarter's end of \$3.67 million with \$458,000 before costs expected to be received in R&D Tax credits.

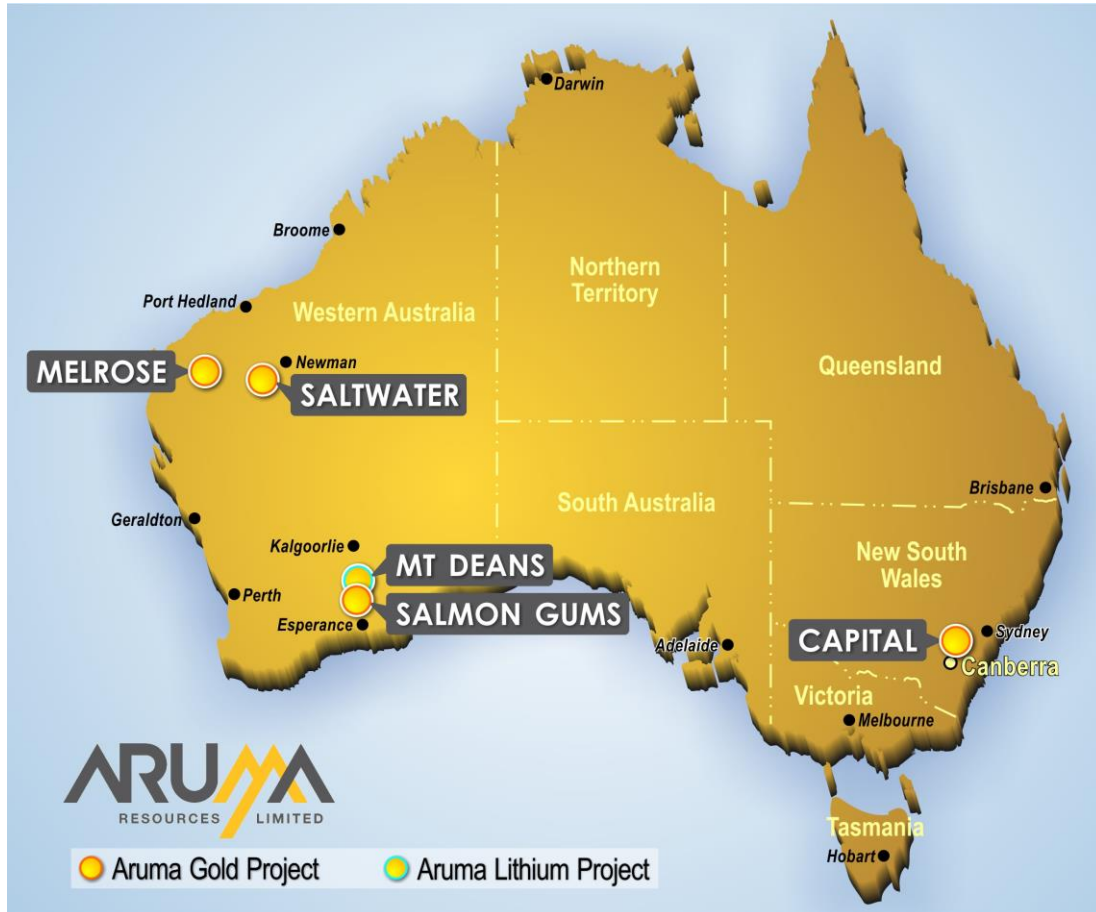


Figure 1: Aruma's Australian Projects

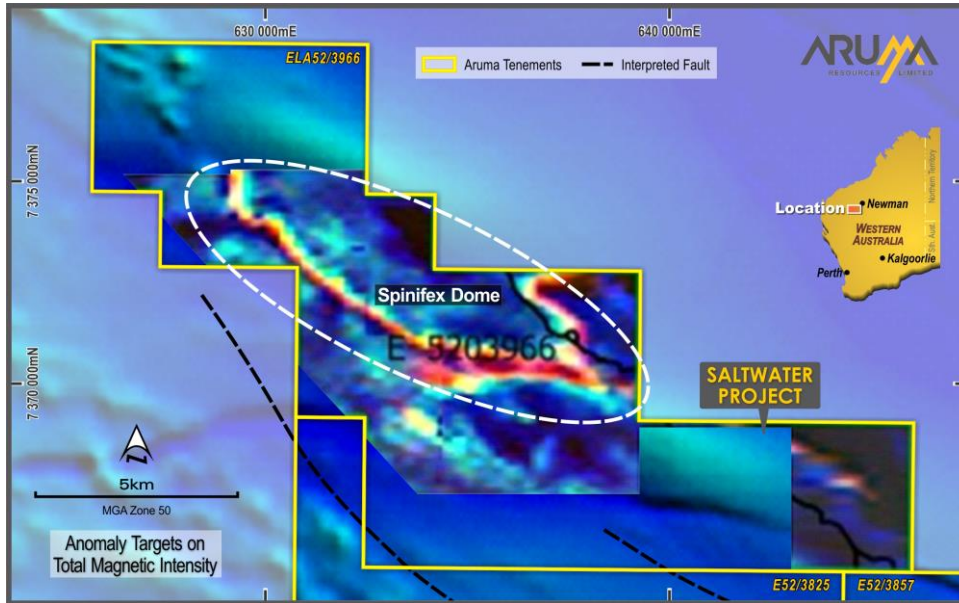
## Saltwater Gold Project

Aruma expanded Saltwater Gold Project during the quarter, via the strategic addition of exploration licence, E52/3966, which was granted in September (ASX announcement 15 September 2021).

E52/3966 covers an area of 94km<sup>2</sup> over a ring structure, referred to as the Spinifex Dome (Figure 2), which is interpreted to be analogous to the Saltwater Dome, on the eastern portion of the project. The new licence area is planned to be followed up with field inspection and sampling in the current quarter.

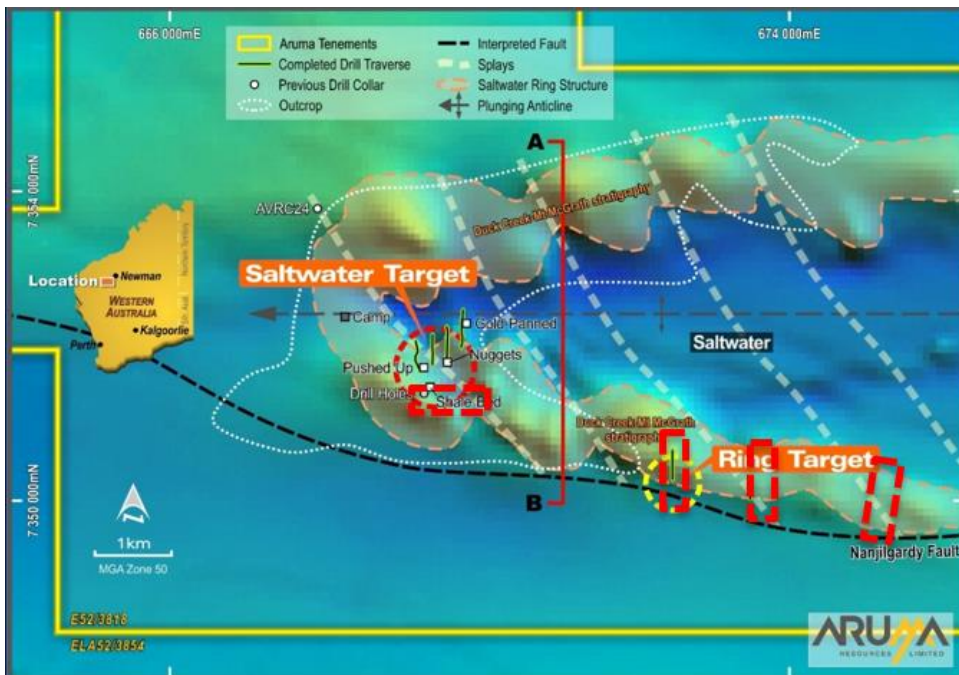
The Company conducted a detailed review of available geophysical datasets over the Saltwater Project area. This resulted in the discovery of Spinifex Dome, a high-potential new electro-magnetic (EM) domal structure, north of, and contiguous with, the Saltwater Project tenure.

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**Figure 2:** The EM "Spinifex Dome" defining the target Duck Creek-Mt McGrath stratigraphy in ELA52/3966e.

Follow up drilling targets have been prepared at the Saltwater project. These are situated within the prospective Mt McGrath Formation in the southern area of the Saltwater dome, on thrusts off the Nanjilgardy Fault, interpreted to be in a similar setting as Kalamazoo Resources' (ASX: KZR) Mt Olympus deposit in the region. These are shown on Figure 3 below. The program is scheduled to drill some 16 holes to 100m with the rig scheduled for December.

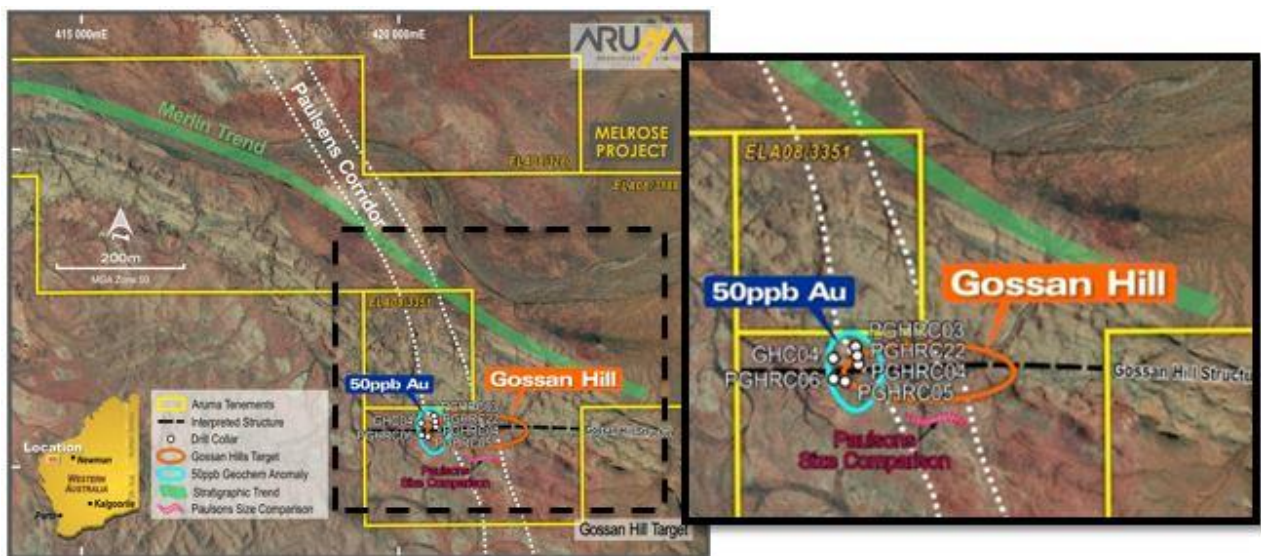


**Figure 3:** Follow-up drilling planned at Saltwater (red dashed boxes) to intersect splay structures

## Melrose Gold Project

A PoW for a first phase of drilling is in place at the Melrose gold project. The first phase of drilling is proposed to be a 3,000 metre Reverse Circulation (RC) program at the priority Gossan Hill target (Figure 4). Drilling is planned to consist of five lines of six holes.

This drilling is planned to be carried out after the completion of the requisite Heritage Survey in the Gossan Hill area.



**Figure 4: Left** - The new ELA (E08/3351) at the Melrose Project showing the strategic location with respect to the Gossan Hill anomaly, and the Pausens and the Merlin trends.

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

Historic drill holes demonstrate the untested potential of the Gossan Hill target and are shown in Figure 4 and listed below in Table 1. All the drill holes listed are from open file data and were previously reported in ASX announcement of 28 July 2020.

**Table 1** - The thick and highly anomalous holes from Figure 5

Drillhole Number	Eastings	Northings	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

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## Salmon Gums Gold Project

During the quarter, Aruma made significant progress at the Salmon Gums Gold Project (previously known as the Scotia South Gold Project).

The Project (EL63/2037 and EL63/2122) 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.

The completed land access agreements cover a total of 68 km<sup>2</sup> and include the main portion of the known gold in soils anomalies where historic drilling returned intersections of up to 7m at 2.74g/t Au in T26R002 (ASX announcement 6 July 2021) (Figures 5 and 6).

Aruma also expanded the Project via the strategic addition of exploration licence E63/2122 (ASX announcement 15 September 2021). The new licence covers 20km<sup>2</sup> over an anomalous area in the southwestern extension of the Salmon Gums Project (Figures 5 and 6), where the prospective greenstone sequence has been identified by rock samples and geophysical data.

Aruma's initial assessment of the Salmon Gums Project identified three priority drill targets (circled in Figure 5), which are planned to be the initial focus of the first phase of drilling.

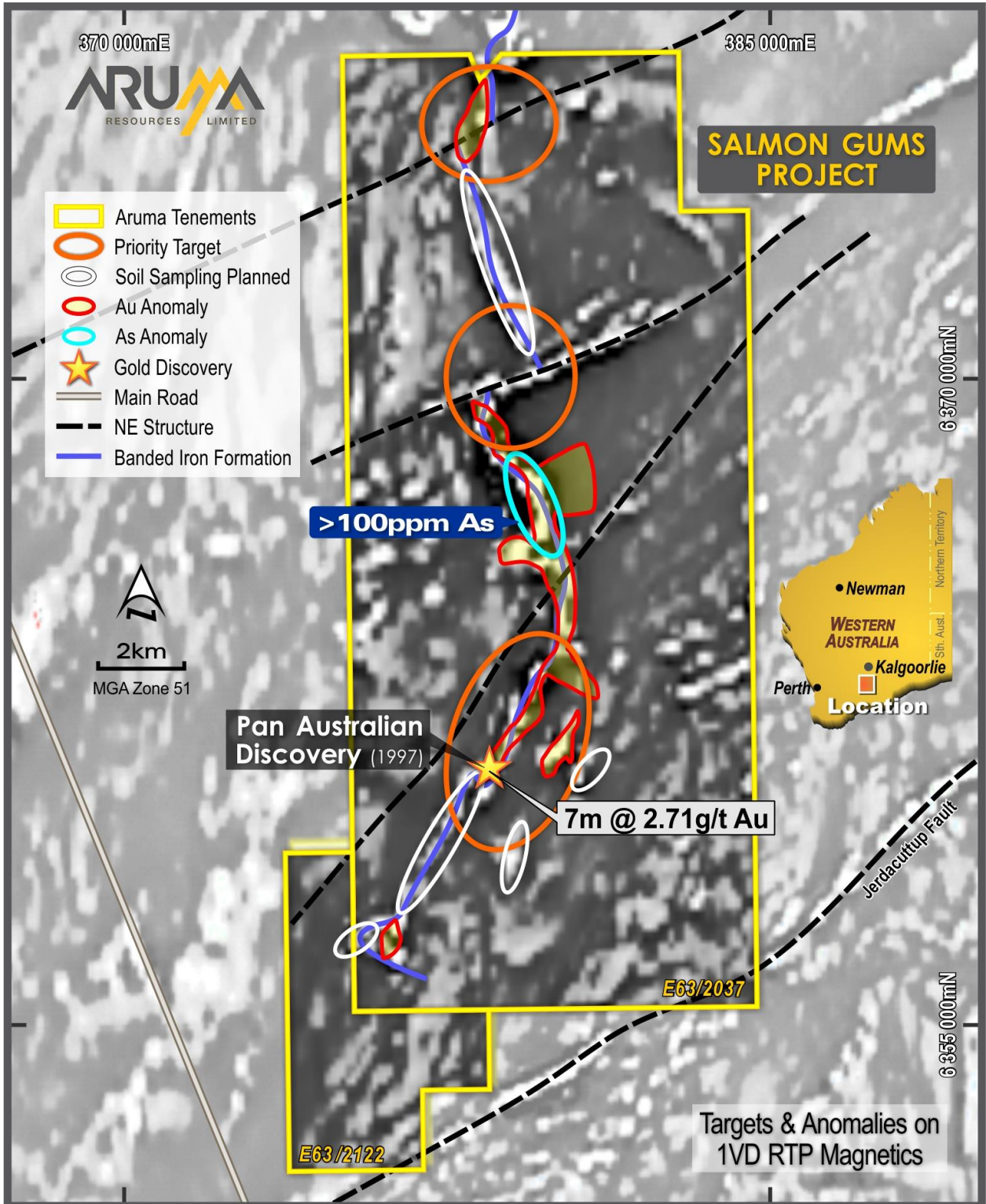
In September, the PoW for the Company's maiden drilling program at Salmon Gums was approved (ASX announcement 15 September 2021). Drilling is expected to commence in the current quarter.

This drilling was initially planned to be a 3,000 metre RC program, comprising five lines of drilling with six holes in each line. Ten land access agreements were completed with local landholders at the Project area, covering exploration licence E63/2037.

A further data review uncovered the Salmon Gums gold anomaly, from previous work done at Salmon Gums in the Yilgarn Extended project by Pan Australian Exploration Pty Ltd in 1997.

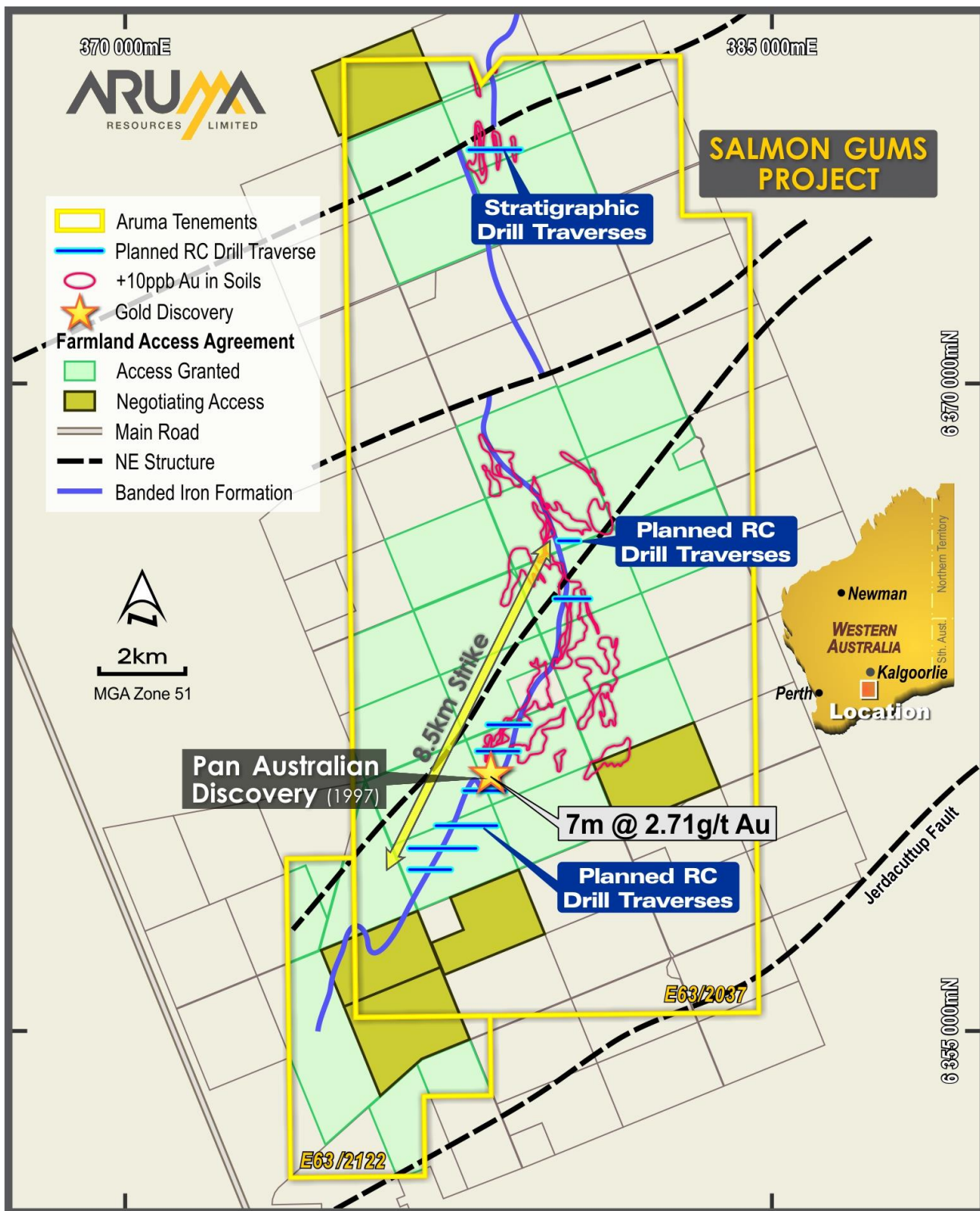
This work used geochemical sampling in the pedogenic carbonate zone under sandplain wheat fields. This strong continuous anomaly has only been partially drill tested for gold, by Pan Australian, which identified soil anomalies. Importantly, these are coincident with the target area for Aruma's planned first phase of drilling (as shown in Figures 5 and 6).

The drilling program has been enlarged to drill some 50 RC drill holes on 9 lines to investigate all the anomalies from the new data.



**Figure 5:** Salmon Gums Project on 1VD RTP magnetics showing gold occurrences with stratigraphy continuity and the suggested target areas as the ellipses.

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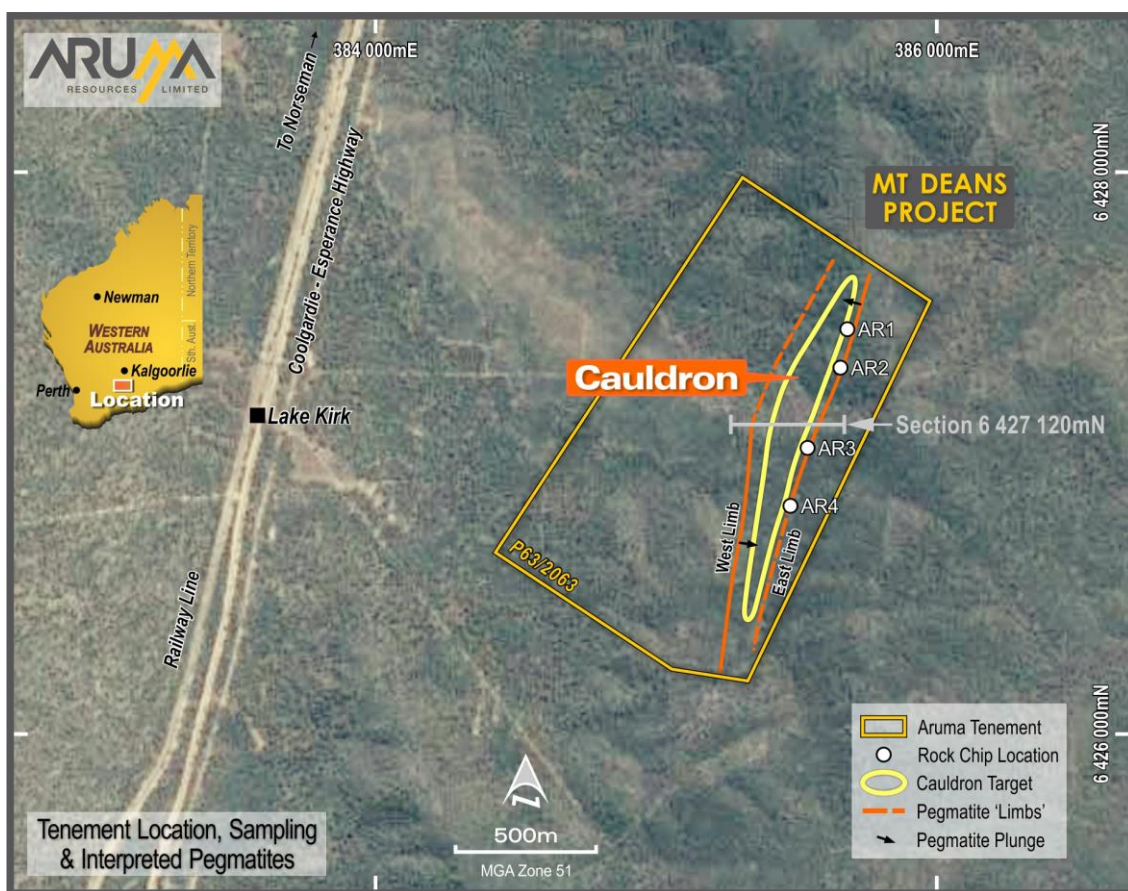


**Figure 6:** RC drilling program drill lines on geochemical anomalies and geological trend at Salmon Gums. The accessed area of farmland is green and new negotiated areas olive.

## Mt Deans Lithium Project, Norseman WA

The Mt Deans Project encompasses Prospecting Licence P63/2063 and covers an area of 1.44km<sup>2</sup> 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 7).

After the quarter, the PoW for drilling at the Mt Deans Project was approved (ASX announcement, 22 October 2021). Aruma plans to commence mobilisation to site in preparation for this drilling, and drilling is expected to commence upon completion of a Heritage Survey.



**Figure 7:** Mt Deans Lithium-Tantalite Project area, with pegmatites and projected cauldron

The Company views Mt Deans 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.

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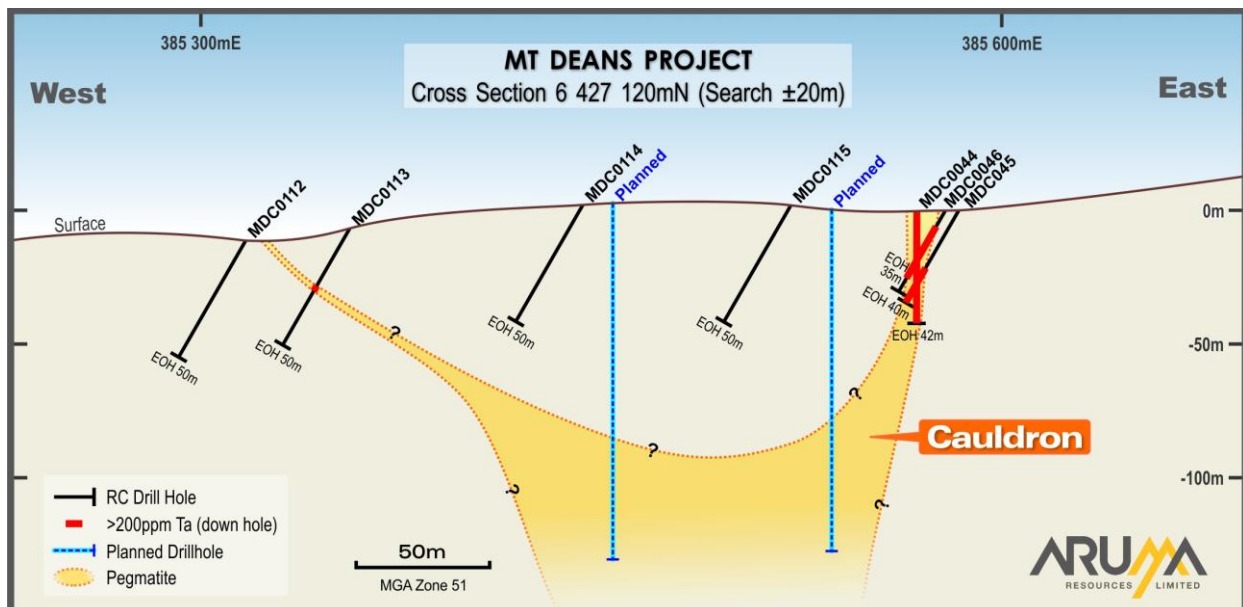


Rock chip samples have previously been reported from Mt Deans (ASX announcement, 24 March 2021) which returned high-grade lithium oxide (Li<sub>2</sub>O) results with high tantalum (Ta) and other rare earth elements (REE) (Table 2).

**Table 2:** Rock Chip samples from Mt Deans

Sample	Li <sub>2</sub> O	Ta <sub>2</sub> O <sub>5</sub>	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
<b>Average</b>	<b>1.4</b>	<b>275.0</b>				
<b>Comparison</b>	1.4	130.0	<b>Kathleen Valley(LTR)</b>			
	1.3	120.0	<b>Pilgangoora(PLS)</b>			
	1.0	44.0	<b>Buldanial(LTR)</b>			

Aruma plans to conduct an initial 12-hole RC drilling program at Mt Deans, designed to intersect an interpreted pegmatite chamber or 'cauldron' (Figure 8). Drilling is planned to a maximum hole depth of 200 metres, with holes spaced approximately 50 metres apart.



**Figure 8:** 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)).

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.

## Capital Gold Project, NSW

The Capital Project comprises three Exploration Licences (EL9022, EL9023 and EL9027) totalling 372km<sup>2</sup> within the Lachlan Fold Belt in New South Wales, near the historic Bywong gold mines. No work was done on the Project in the quarter.

## CORPORATE

### Capital Raising

Aruma raised \$1.56 million before costs through a placement to sophisticated and professional investors pursuant to section 708 of the Corporations Act 2001 (ASX announcement, 6 September 2021).

A total of 20.0 million Shares were issued under the Company's current ASX Listing Rule 7.1 (10,000,000 Shares) and 7.1A (10,000,000) placement capacity to raise gross proceeds of \$1,560,000. The quotation of the Shares occurred on the 15<sup>th</sup> of September 2021.

### Junior Minerals Exploration Incentive scheme

Aruma received \$550,000 of exploration credits under the federal government's Junior Minerals Exploration Incentive (JMEI) scheme. This will apply to investors in the recent successful \$1.56m Placement, announced on the 6<sup>th</sup> of September.

### Staffing

Aruma expanded its geological team with the appointment of Ms Grace Jaravani as Exploration Geologist. Grace has gold and iron ore experience and as part of her responsibilities will be undertaking a research project on the Salmon Gums Gold Project.

## PROJECTS SUMMARY

**Table 3:** Gold Project Status and Activity Table

Region	Location	Project	Status
WA EASTERN GOLDFIELDS	Norseman Projects	<b>Mt Deans Lithium</b>	Drilling after Heritage survey
		<b>Salmon Gums gold</b>	Drilling on arrival of Drill
WA PILBARA	Nanjilgardy Nanjilgardy	<b>Melrose Gold</b>	Awaiting Heritage survey
		<b>Saltwater Gold</b>	Follow-up drilling this quarter
NSW LACHLAN FOLD BELT	St George Fault	<b>Capital Gold</b>	Granted 100% AAJ

## ASX ADDITIONAL INFORMATION

ASX listing rule 5.3.1 - Exploration and evaluation expenditure during the quarter was \$192,413. 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 \$95,750 was paid to Directors for director and superannuation fees and \$3,250 for vehicle hire.

Authorised for release by Peter Schwann, Managing Director.

## FOR FURTHER INFORMATION PLEASE CONTACT:



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**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 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.*

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## SUMMARY OF TENEMENTS

Western Australia

**Table 4:** Summary of tenements for the September 21 Quarter

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 EL52/3966	100% Aruma Exploration Pty Ltd	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	100% Aruma Exploration Pty Ltd

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

Mt. Deans (Li-Ta)	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

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