

27 October 2022

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

Highlights

- **Mt Deans Lithium-Tantalum Project**
 - **Drilling of mineralised pegmatites underway**
 - **Previous drilling and rock chip sampling identified high-grade lithium and rubidium**
- **Melrose Gold Project**
 - **Initial phase of RC drilling preparation completed**
 - **Targeting historic soil and drilling anomalies in a structural setting similar to nearby Paulsens gold mine**
- **Salmon Gums Gold Project**
 - **Core drilling program completed in previous quarter – results pending**
 - **Detailed airborne magnetic survey planned to assist future drill planning**
- **Corporate**
 - **Board succession announced and COO appointed**
 - **Sound financial position with \$3.88m cash at quarter-end**

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 2022.

Aruma has a portfolio of four strategically located prospective gold projects. All are in active gold domains in Western Australia. The Company also has a prospective Lithium-Tantalum-Rubidium project in the lithium corridor of south-east WA (Figure 1).

Activities in the quarter focused on exploration at the Mt Deans and Melrose Projects, with drilling commencing at both projects subsequent to the end of the quarter. A diamond drilling program was completed at the Salmon Gums Gold Project in the previous quarter, and initial observations indicate that the greenstone belt that runs through the Project area may be 2-3km in width. This potentially expands the target zone from 15km² to 150km².

This significant change in prospectivity within a proven high-grade gold area will require a reappraisal and recalibration for the next phase of evaluation. A detailed aerial magnetic survey is planned to be conducted at the Salmon Gums project.

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ASX: AAJ

Capital Structure

157M Shares on Issue
29M Options on issue
Cash \$3.88m

Board of Directors

Non-Executive Chairman
Paul Boyatzis

Managing Director
Peter Schwann

Non-Executive Director
James Moses

Non-Executive Director
Bret Smith

Company Secretary
Phillip MacLeod

Chief Operating Officer
Glenn Grayson

Gold Projects - 1,296km²

Norseman

SALMON GUMS – 222km²

Pilbara

MELROSE – 381km²

SALTWATER - 398km²

Murchison

CARTER WELL – 294 km²

Li Ta Project

Norseman

MT DEANS - 1.44km²

Head Office

Level 1, 2 Richardson Street
West Perth, WA 6005

T +61 8 9321 0177

F +61 8 9226 3764

E info@arumaresources.com

W www.arumaresources.com

Postal Address

PO Box 152

West Perth, WA 6872

ABN 77 141 335 364

Aruma also added the Carter Well Gold Project in the Murchison region of WA to its project portfolio during the quarter.

Corporately, Glenn Grayson was appointed Chief Operating Officer during the quarter, and will play a key role driving the company's exploration strategy across its project portfolio. Aruma retains a sound financial position with a cash balance at quarter's end of \$3.88 million.



Figure 1 Aruma's project portfolio

Mt Deans Lithium-Rubidium Project, Norseman, WA

The 100%-owned Mt Deans Project (P63/2063) is situated in the Mt Deans pegmatite field, within the Eastern Goldfields Terrane of the Yilgarn Craton, approximately 170 kilometres south of the major regional centre of Kalgoorlie and approximately 10 kilometres south of the mining town of Norseman.

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.

Subsequent to the quarter, Aruma commenced its next phase of drilling at Mt Deans (ASX announcement, 5 October 2022) (Figure 2). Drilling is planned to consist of 1,500m-1,800m of reverse circulation (RC) drilling in 12 to 15 holes, to depths of 80m-120m. See Figure 3 for drill hole locations.

The program is designed to follow-up the lithium and high-grade rubidium intersected in the thick vertical pegmatite in Aruma's first phase of drilling, and a subsequent rock chip sampling program (ASX announcements 8 February, 21 April and 30 May 2022)



Figure 2: Drilling underway at the Mt Deans Project

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Initial indications from the first hole of the program indicated several pegmatites in the northern section of the project, which may warrant additional holes. High lepidolite content has been noted in the first holes and this is the target mineral for Li-Rb content. Drilling is currently ongoing and results will be released when available.

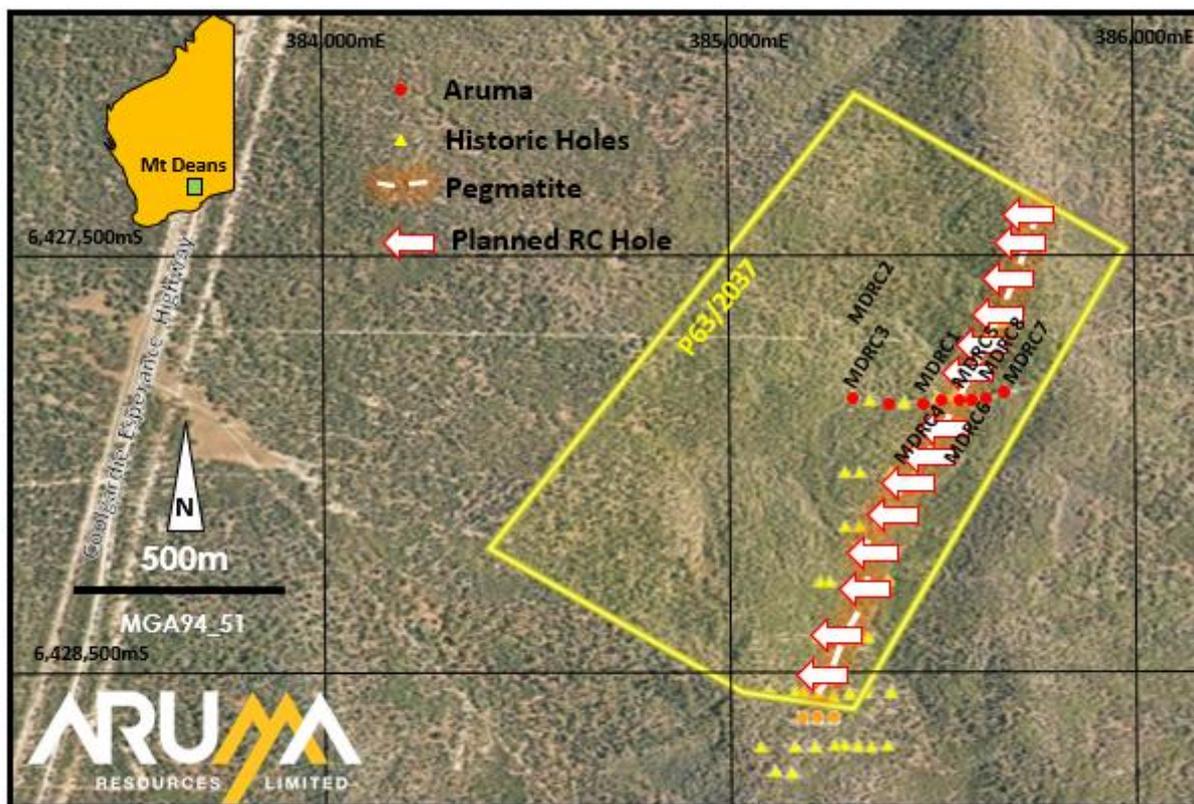


Figure 3: Mt Deans RC drilling along the interpreted pegmatite

Exploration to date at Mt Deans Project

Aruma completed a first phase of drilling at Mt Deans in April (ASX announcement 21 April 2022). This drilling comprised 1,156m of RC drilling in eight holes and targeted the priority Mt Deans 'main section'. The program delivered encouraging results including high-grade rubidium, and lithium grades of up to 1.14% Li₂O (lithium oxide) intersected within a wide zone of lithium - all within a near-surface 25m thick, vertical body of solid pegmatite, from a depth of 17m. Drilling defined an interpreted strike length of at least 1,500m, which remains open at both ends.

The Company followed up this drilling with a rock chip sampling program to test for strike extensions to the interpreted pegmatite zone, and help refine targets for future drilling. A total of 11 rock chip samples were collected along a 500m strike (ASX announcement, 30

May 2022). This returned lithium of up to 1.96% Li₂O and very high-grade rubidium of up to 1.42% Rb₂O (rubidium oxide), plus cesium values up to 1,550ppm.

To maximise the available data, Aruma has re-logged and re-sampled historic drillhole samples from drilling by Tantalum Australia Limited, and will have these assayed for the full Lithium suite of elements.

Salmon Gums Gold Project

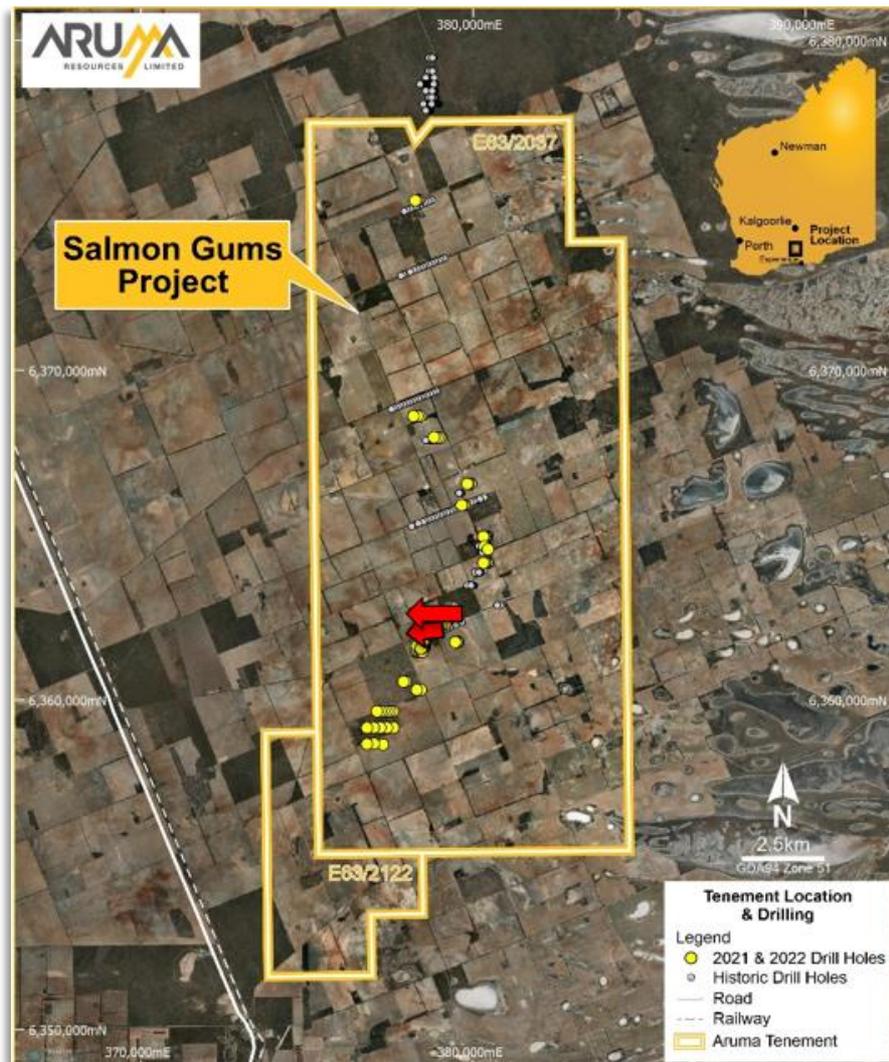


Figure 4: Salmon Gums Gold Project showing diamond drill hole locations

The Salmon Gums Project (EL63/2037, EL63/2122) covers a total area of 222km², and is located 200km south of Kalgoorlie, and 60km south of the mining town of Norseman (Figure 1). The Project is situated 30km south and directly along strike in the same stratigraphy as Pantoro Limited's (ASX: PNR) rapidly expanding high grade Scotia Gold Project.

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Aruma completed a two hole 701m diamond drilling program at the Salmon Gums Project in the previous quarter (ASX announcement, 3 June 2022) (Figures 4 and 5).

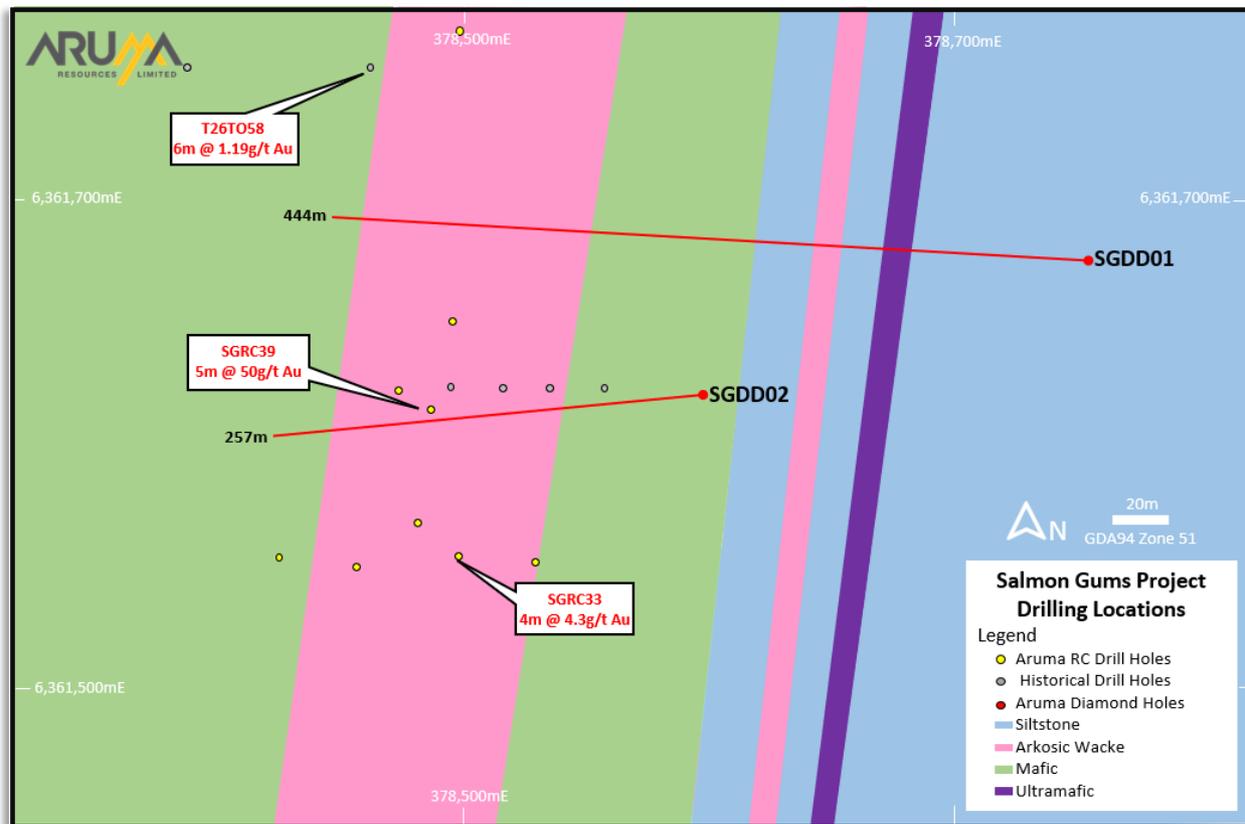


Figure 5: The Iris and Thistle Trends at Salmon Gums with drill holes and geochemistry

Drilling was designed to provide a deeper geological understanding of the Salmon Gums Project. The program will generate core samples to allow for definition of rock types, mineralisation types, geometallurgy and stratigraphy, along with gold grades and controls.

After logging and sampling the two diamond drillholes a reinterpretation showed that the previously logged "Granite" was in fact part of the "Greenstone Sequence" and has increased the width of the prospective stratigraphy from 500m to approximately 2-3km. This has required a new consideration of targeting and evaluation methods over the high-grade Thistle areas and the lower 70% of the project area.

Results are currently pending. Interpreted geology from initial examination of the core indicates a wide sequence of sediments from the Noganyer and Woolyeener formations, similar to the Scotia belt with no granite stopping evident.

This has now opened-up the project area to potentially be prospective for multiple horizons similar to the Scotia Project to the north.

This drilling followed-up Aruma's maiden wide-spaced RC drilling program at Salmon Gums which returned exceptional high-grade gold intersections (ASX announcement, 21 March 2022), including;

- 5m @ 50.2g/t Au from 42m in hole SGRC39 including
- 3m @ 83g/t Au from 42m and
- 1m @ 224g/t Au from 44m

Post-quarter, Aruma contracted a detailed aerial magnetic survey to be flown at the Salmon Gums project. This is designed to guide the next phase of drilling to expand the high-grade gold zones from Aruma's previous drilling at the Project (ASX announcement, 21 March 2022).

Pilbara Gold Projects

Aruma has two gold exploration projects in the Pilbara region of WA, the Saltwater Project and the Melrose Project (Figure 6).

During the quarter, Aruma completed the Heritage Survey and site preparation at Melrose ready for drilling of the Gossan Hill Structure.

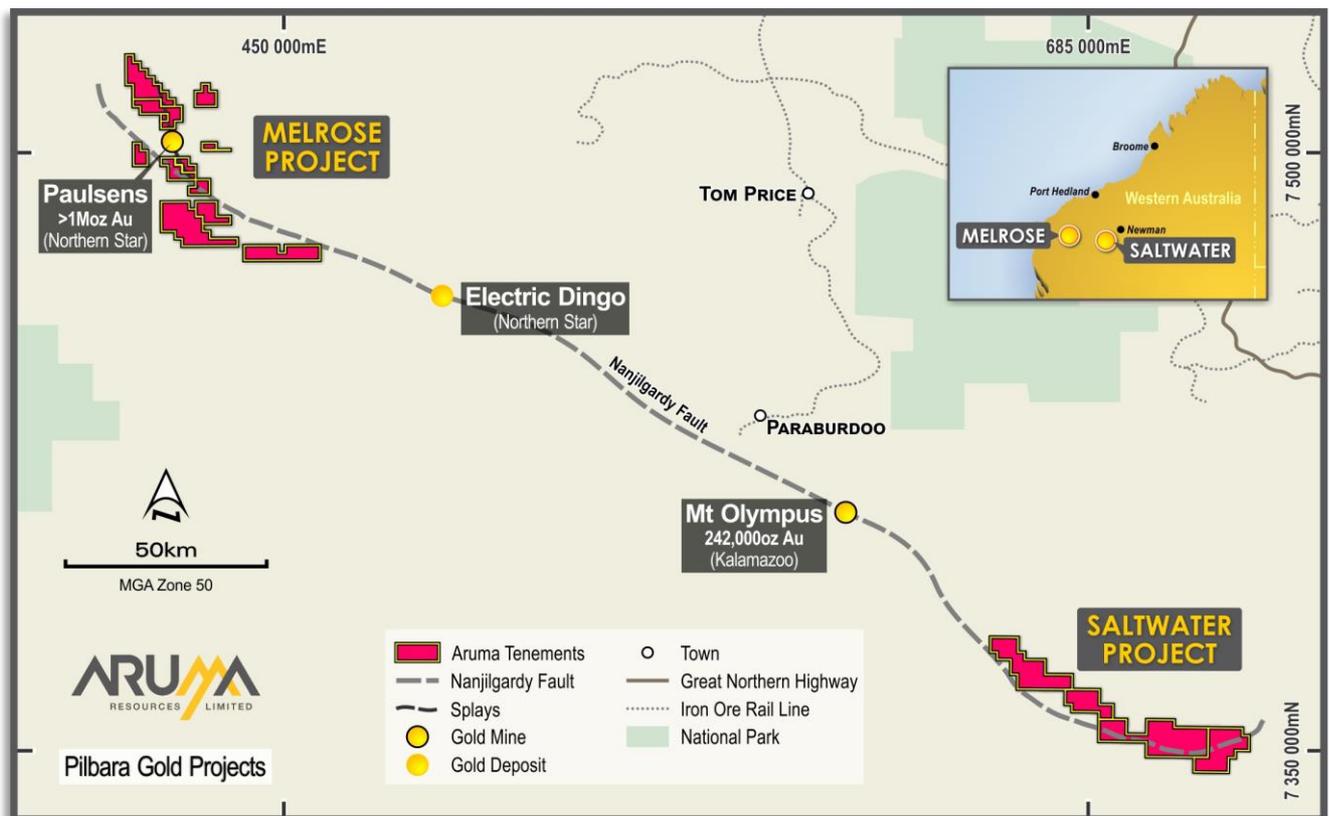


Figure 6: Aruma's Pilbara Gold Projects

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Melrose Gold Project

The Melrose Project is located north-west of the Saltwater Project, immediately adjacent to the Paulsens Gold Project (acquired by Black Cat Syndicate (ASX: BC8) from Northern Star Resources (ASX: NST)). Subsequent to the quarter, Aruma commenced its maiden drilling program at the Melrose Project (ASX announcement, 10 October 2022).

Drilling is targeting the priority Gossan Hill Prospect at the Project, located 5km north of the Paulsens Gold Mine (Figure 7). The maiden program is designed to follow-up historic reverse circulation (RC) drilling at Gossan Hill which returned significant, thick gold intersections (ASX Announcement, 2 June 2020), including;

- 27m @ 0.3g/t Au from surface in hole PGHRC22
- 18m @ 0.26g/t Au from 63 including 1m at 1.44g/t from 63m and
- 11m @ 0.42g/t Au from 8m including 1m at 2.74g/t from 14m.

These highly anomalous historic drill results are located in a strong 50ppb gold anomaly, within a favourable structural setting with similarities to the nearby Paulsens deposit (Figure 8). Aruma's drilling will aim to define gold grades and controls on mineralisation along with lithology, mineralisation types, metallurgy and stratigraphy.

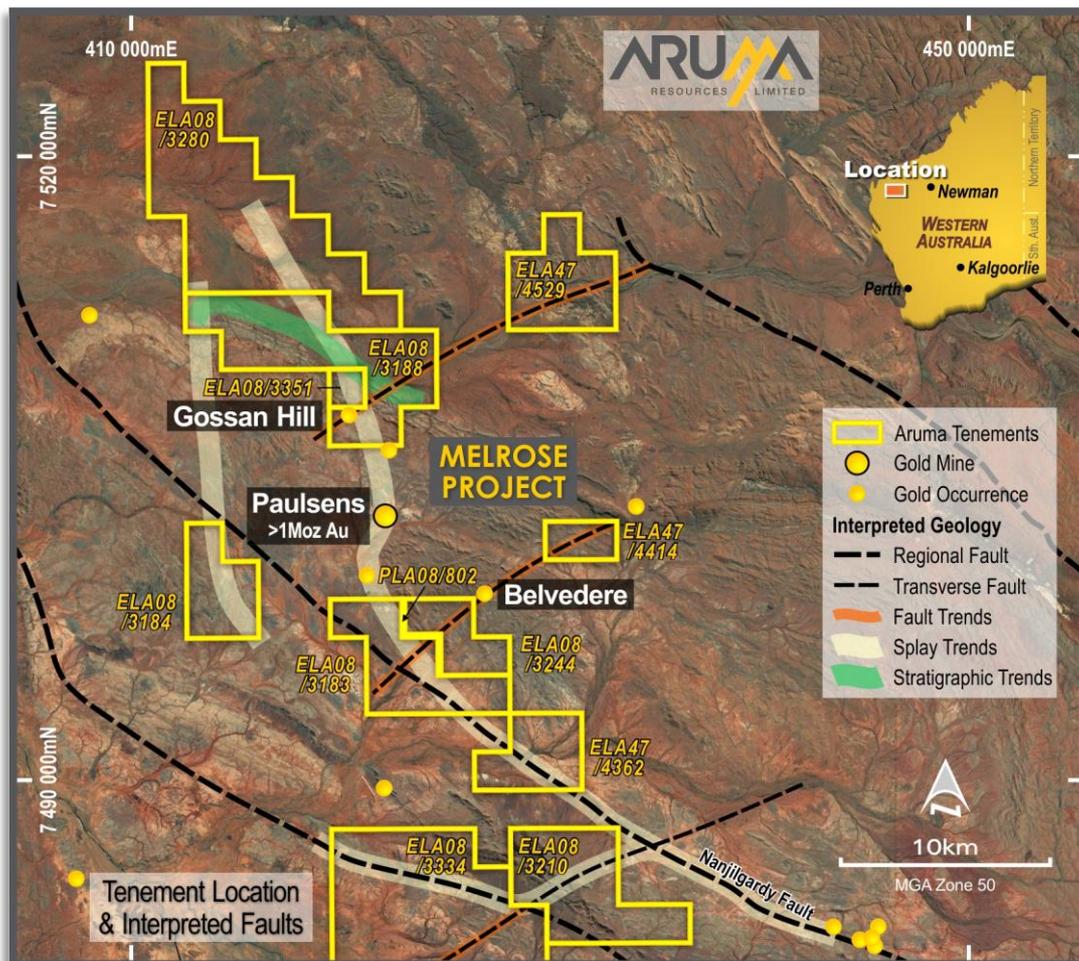


Figure 7: Melrose Gold Project showing multiple targets – drilling underway at Gossan Hill

The target zone is an east-west structure in a folded carbonate-shale-greywacke sequence interpreted as being similar to Paulsens.

Aruma has a PoW (program of works) for 200 reverse circulation (RC) holes and plans to drill up to 50 holes on 10 lines (subject to results). Drilling will be to depths of around 100 metres (Figure 9). Results will be released when available.

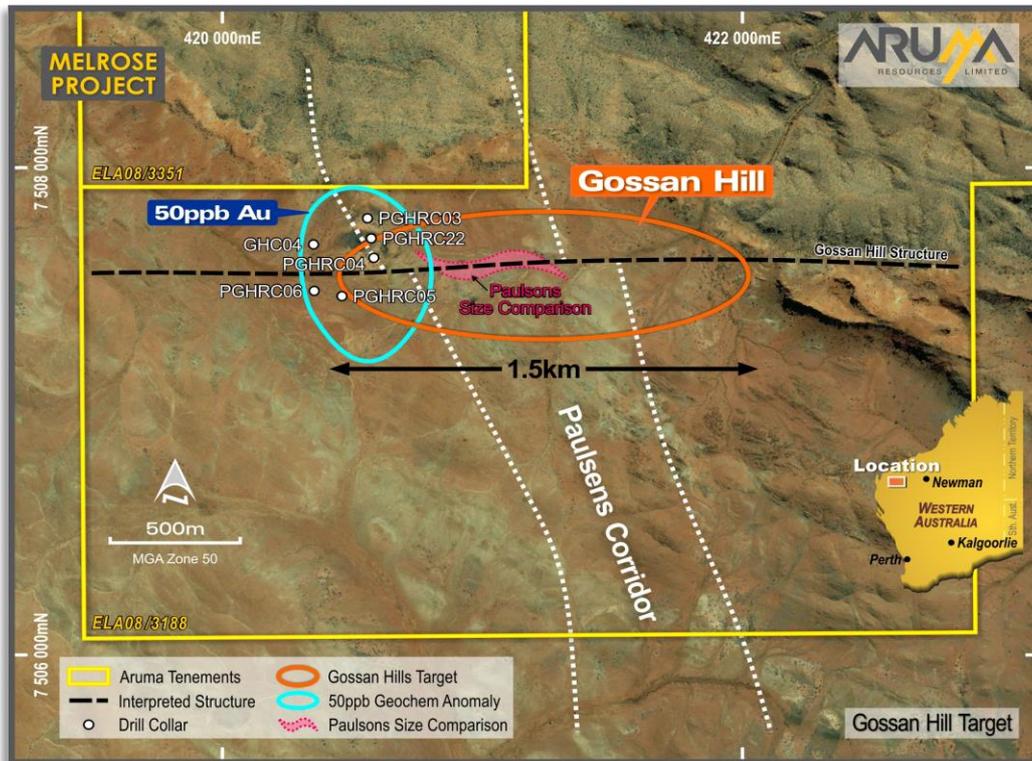


Figure 8: Melrose Gold Project showing target area in the Gossan Hill prospect with Paulsens Lode shown in pink for comparison

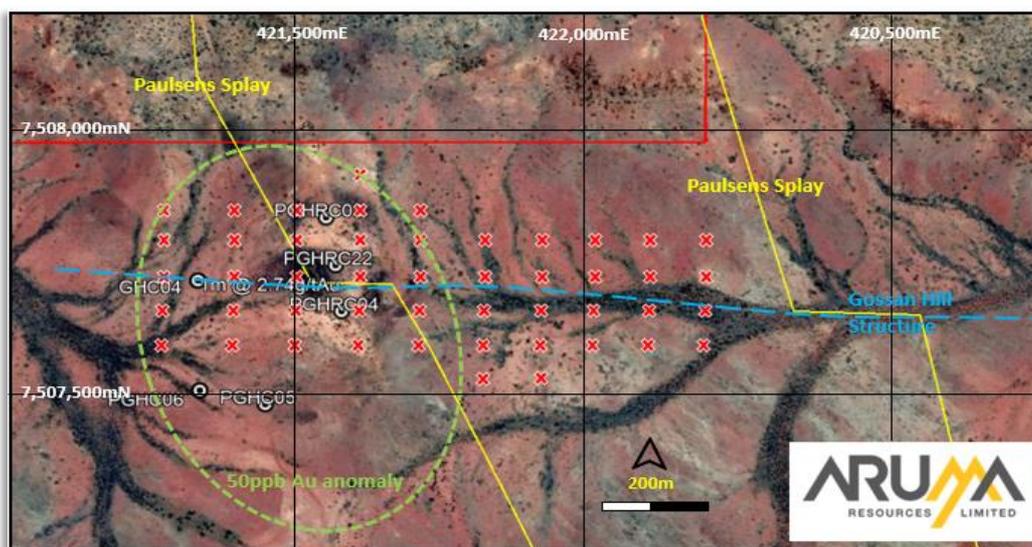


Figure 9: Planned drill locations at Gossan Hill with initial 26 holes to test gold-in-soil anomaly – potential to extend to up to 50 holes subject to results

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Carter Well Gold Project

During the quarter, Aruma expanded its portfolio of gold exploration assets via the pegging of the Carter Well Gold Project (ELA E58/590), east of Mt Magnet in the Murchison region in WA (ASX announcement, 6 July 2022).

The Carter Well Project is located 75km east of Mt Magnet, and north of the Windimurra Intrusive Complex. It covers an area 294km² and represents a potential new Greenfields gold opportunity, interpreted to exhibit characteristics consistent with Aruma's sediment-hosted gold model.

The Company will provide details of its exploration plans for the Project in due course.

CORPORATE

Chief Operating Officer Appointed

The Company has appointed Mr Glenn Grayson as Chief Operating Officer (ASX announcement, 3 October 2022). Mr Grayson will play a key role in advancing Aruma's project portfolio. He will assume a leadership role in the Company's exploration programs, including exploration strategy, planning and implementation.

He has in excess of 27 years' experience as a geologist, and has a strong depth of technical expertise in gold exploration and development in Western Australia and Victoria.

Prior to his role with Aruma, Mr Grayson, was Exploration Manager for Kin Mining NL (ASX: KIN) for the past five years. In this position he helped Kin advance their projects from prospect to mining proposal by instituting a technical approach to exploration.

Cash Position

Aruma had cash reserves of \$3.88 million as of 30 September 2022, and no debt.

PROJECTS SUMMARY

Table 1: Gold Project Status and Activity Table

Region	Location	Project	Status
WA EASTERN GOLDFIELDS	Norseman Projects	Mt Deans Lithium	Drilling and awaiting assays
		Salmon Gums gold	Drilled and awaiting assays New close spaced magnetics booked for November
WA PILBARA	Nanjilgardy	Melrose Gold	Drilling and awaiting results
	Nanjilgardy	Saltwater Gold	Reappraisal on new geophysics
WA Murchison FOLD BELT	Windsor Fault	Carter Well	Data Assembly and field inspection

ASX ADDITIONAL INFORMATION

ASX listing rule 5.3.1 - Exploration and evaluation expenditure during the quarter was \$163,913. Details of exploration activity during the September 2022 quarter are set out in this report.

ASX listing rule 5.3.2 - There was no substantive mining production or development activities during the half.

ASX listing rule 5.3.5 - Appendix 5B, Section 6.1 – description of payments: During the half \$113,505 was paid to Directors for director and superannuation fees.

Authorised for release by Peter Schwann, Managing Director.

FOR FURTHER INFORMATION PLEASE CONTACT:



Peter Schwann
Managing Director

Aruma Resources Limited
Telephone: +61 8 9321 0177
Mobile: +61 417 946 370
E:info@arumaresources.com

James Moses
Media and Investor Relations

Mandate Corporate
Mobile: +61 420 991 574
E: james@mandatecorporate.com.au

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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. 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

Table 4: Summary of tenements for the September 2022 Quarter

Saltwater (gold)	Interest at beginning of Quarter	Interest at end of Quarter
E52/3818 E52/3846 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 EL47/4362 EL47/4414 EL47/4529 EL08/3280 EL08/3351 PL08/802 PL47/1985	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

Carter Well	Interest at beginning of Quarter	Interest at end of Quarter
ELA58/590	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	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Aruma Resources Limited

ABN

77 141 335 364

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3.months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(460)	(460)
(b) development	-	-
(c) production	-	-
(d) staff costs	(214)	(214)
(e) administration and corporate costs	(153)	(153)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash used in operating activities	(824)	(824)

2. Cash flows from investing activities		
.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) term deposit investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3.months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from financing activities	-	-
4.	Net (decrease)/increase in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,701	4,701
4.2	Net cash used in operating activities (item 1.9 above)	(824)	(824)
4.3	Net cash from by investing activities (item 2.6 above)	-	-
4.4	Net cash from financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3.months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,877	3,877

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,830	4,685
5.2	Term deposits	70	70
5.3	Bank overdrafts	-	-
5.4	Other (credit card)	(23)	(54)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,877	4,701

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	114
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash used in operating activities (item 1.9)	(824)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(824)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,877
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,877
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.67
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2022

Authorised by: Peter Schwann, Managing Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.