7 July 2020

ASX Announcement

ARUMA EXPANDS SALTWATER GOLD PROJECT - IDENTIFIES LARGE MAGNETIC TARGET

Highlights

- **Aruma has expanded its Saltwater Gold Project in the Pilbara region of Western Australia with Exploration Licence (ELA52/3846 - 96km²)**
- **Saltwater now covers >65km of the Nanjilgardy fault which hosts multiple areas of gold anomalism**
- **The 463km² Saltwater Project is interpreted to sit along the same regional structure (Nanjilgardy fault) as Northern Star Resources' Paulsens Gold Mine and the Mt Olympus Gold Mine in the region**
- **Aruma has identified the >60km² Saltwater Ring Structure**
- **The Saltwater and Atlantis anomalies are on the structure's edge**
- **Aruma views the Saltwater Project as an exciting and significant early stage gold exploration opportunity in an under explored area**

Aruma Resources Ltd (AAJ) is pleased to announce that is expanded its prospective gold ground holding, and identified a large priority exploration target at is Saltwater Gold Project in the Pilbara region of Western Australia.

Aruma has applied for Exploration Licence E52/3846 at the Saltwater Project. The new Exploration Licence covers an area of 96 km², and is situated on the eastern extent of the Saltwater project area, immediately adjacent to Exploration Licence Application ELA52/3818 (see Figure 2).

The Saltwater Project represents, what Aruma believes to be, an exciting early stage gold exploration opportunity in an under explored area.

With the new ELA, the project area now covers a strike extent of more than 65km of the previously delineated Nanjilgardy fault, with splays interpreted on the Monster trend and Black Hill trend. The presence of this major fault running through the entire project area along with the presence of gold anomalism and previous mining activities at multiple areas has enhanced the prospectivity of the Saltwater Project.

The Saltwater and Atlantis anomalies are on the western extremity of the large >60km² magnetic ring structure, the Saltwater Ring Structure, partly defined in the Tempest AEM Survey (refer announcement 12 May 2020) and now confirmed and fully covered by the new lease.

Aruma now has several large-scale priority target areas at the Saltwater Project; the Saltwater Anomaly, the Atlantis Anomaly and the Monster Anomaly.

ASX: AAJ

Capital Structure
821M Shares on Issue
8M Options on issue

Board of Directors
Non-Executive Chairman
Paul Boyatzis
Managing Director
Peter Schwann
Non-Executive Director
Mark Elliott
Company Secretary
Phillip MacLeod

Active Gold Projects

Kalgoorlie - Norseman

SLATE DAM - TROJAN

SCOTIA SOUTH

Pilbara

MELROSE

SALTWATER

Lachlan Fold Belt NSW

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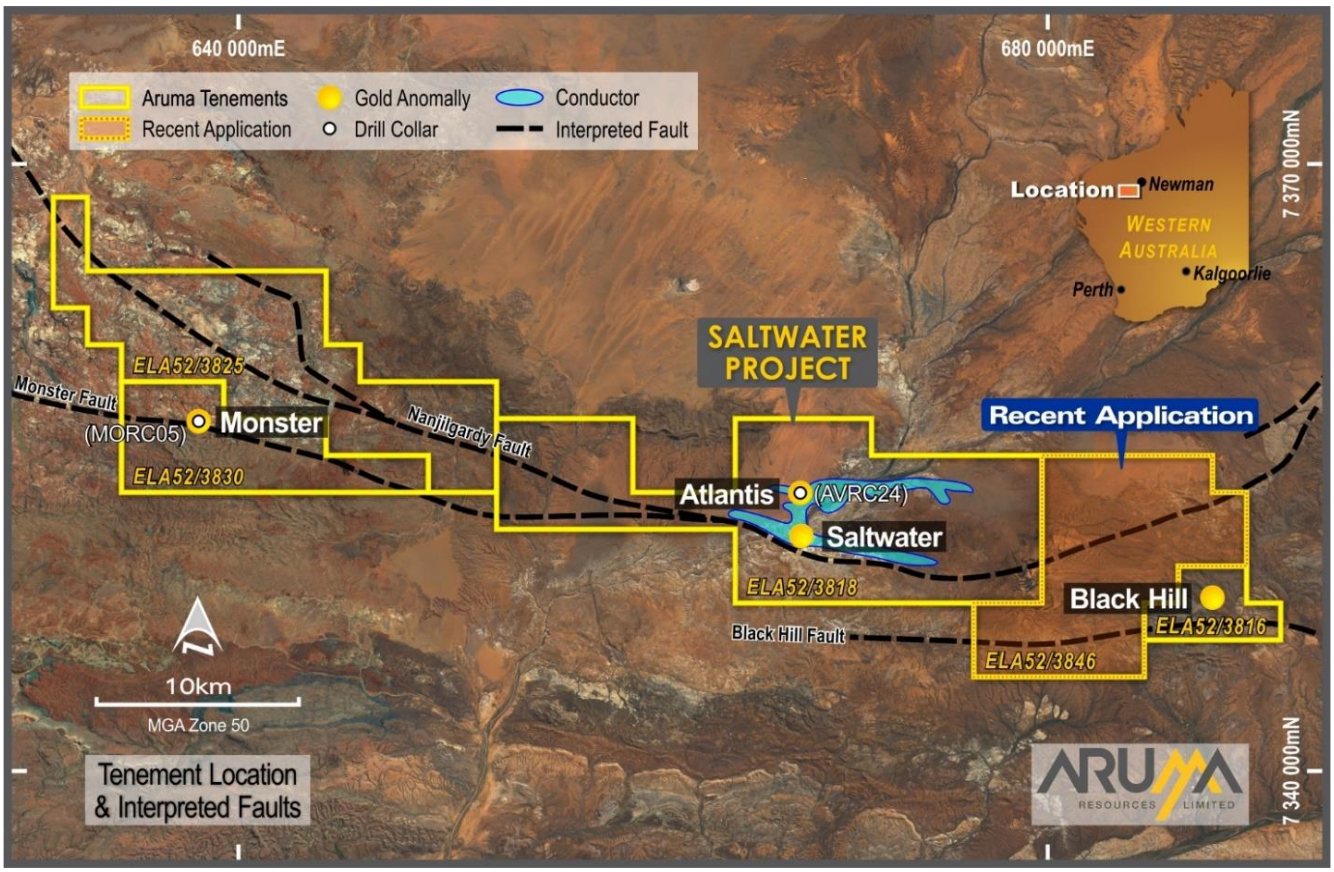

Figure 1: Aruma's new lease E52/3846 (yellow shaded), at the Saltwater Gold Project. Interpreted splay faults are shown and the leases now cover 64km of the Nanjilgardy Fault. The cyan shape is the conductor modelled from the Tempest AEM Survey by Lion One.

Three Priority Targets

The Saltwater Anomaly covers the western edge of the Saltwater Ring Structure defined by a magnetic anomaly which is now fully covered as shown in Figure 2 below. The western portion of this structure was defined in the Tempest Survey (as reported) and can be seen to extend to the east into the new lease. This structure was partly investigated in the exploration conducted by Lion One (refer announcement 12 May 2020) and will be a priority target for regional mapping and geochemistry in the first phase of exploration, after granting of the exploration licence. The magnetic feature shown in Figure 2 now extends east with only the western third outcropping as shown by previous small-scale mining and prospecting. The non-outcropping eastern area makes the Saltwater target significant with known structure-stratigraphic controls and demonstrated gold endowment.

Early exploration for uranium was undertaken in the 1980s by Uranerz and identified some low level gold anomalies. These were followed up by a private explorer Ismoy Pty Ltd who used geological contractor Geochemex to Rab drill the Saltwater Area in 1988 following up "sub ore grade values in a ferruginous chert unit." A total of 10 holes were reported in the Wamex Report A29519 and the anomalous holes are listed below in Table 1.

Hole ID	GPS m Easting	GPS m Northing	Dip°	Azimuth°	Depth from (m)	Depth to (m)	Interval m	Gold Au ppm
SPH1	669235	7351417	-60	360	8	12	4	0.15
SPH1	669235	7351417	-60	360	16	20	4	0.11
SPH2	669245	7351407	-60	18	100	101	9	0.23
SPH4	669230	7351462	-60	5	101	102	2	0.14
SPH8	669230	7351442	-65	5	102	103	2	0.12

Table 1: Saltwater drillhole intersections from A29519, using a 0.1g/t Au cutoff.

The drilling results above are some 500m from old mining areas and will be sampled and mapped when the licences are granted.

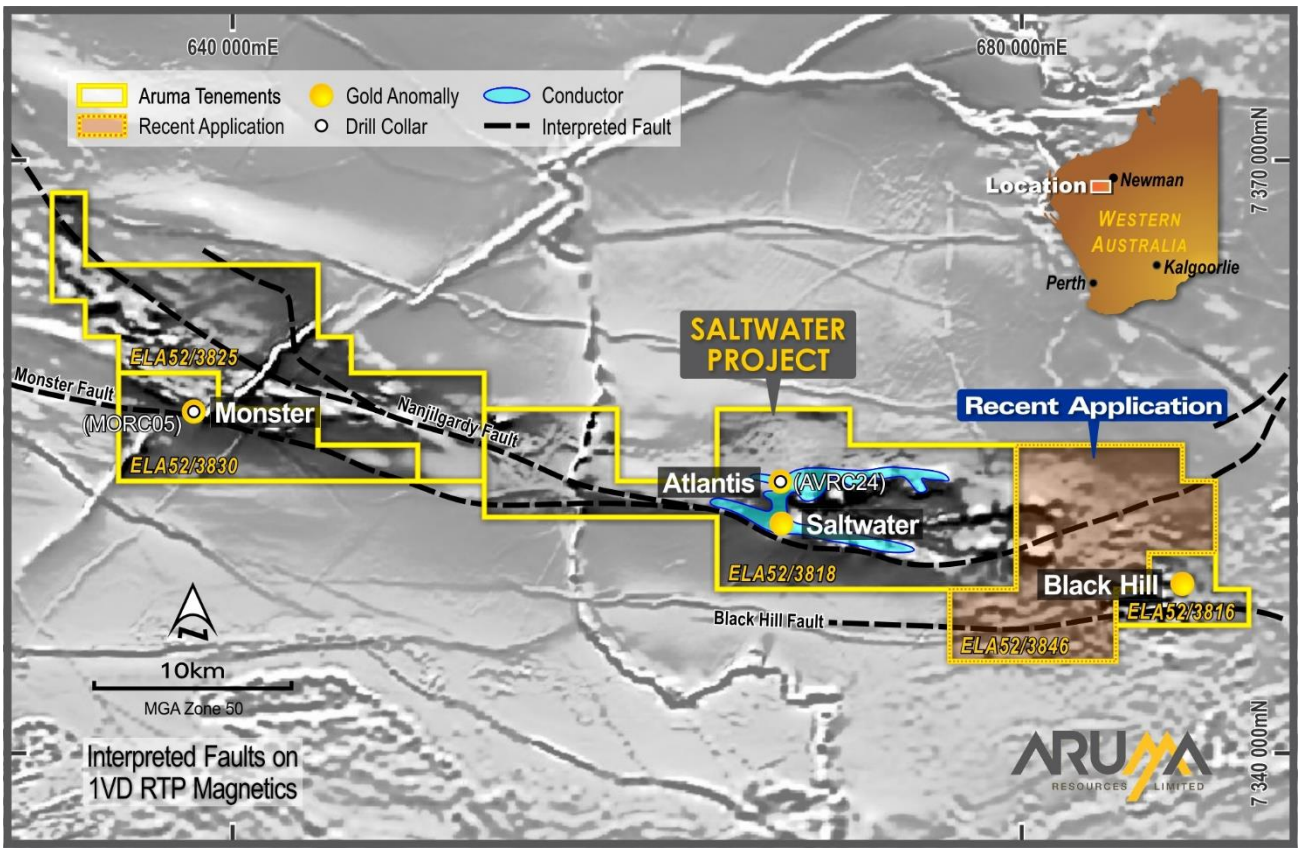

Figure 2: Aruma's Saltwater Project leases on 1VD Magnetics showing the Monster, Atlantis-AVRC24 and the Saltwater anomalies (yellow dot). The Tempest AEM Survey conductor can be seen to extend into the new lease area to the east.

The structural and stratigraphic control is quite evident in Figure 2, with the Monster anomaly situated on the Nanjilgardy Fault where there is an offset with a major north-east dolerite.

More recent exploration was undertaken by Lion One Australia Pty Limited (previously Avocet Resources Limited) in joint venture with Thundelarra Limited and Cullen Resources Limited on their Saltwater Pool JV Project (which is covered by E52/3818) and reported during 2013. Results quoted in this announcement are detailed in Minedex open file report A101164.

The previously announced Atlantis drill hole AVRC24 (announcement 12 May 2020) defined the initial confirmation of hydrothermal alteration assemblages and these are confirmed with the Monster results discussed below.

The Monster Anomaly is an outcropping quartz vein with sulphide scars that was mapped, sampled and drilled by previous explorers. This area represents an initial priority exploration target for Aruma at the Saltwater Project.

The best results from previous drilling were related to quartz veins containing pyrite in the western section of the licence area. That area remains open to the west where the quartz vein disappears under tertiary cover. See tables 2 and 3 for details on this previous drilling. The presence of gold at ~0.3g/t with associated sulphides and on a structure in reactive rocks may make the area prospective for sediment hosted gold deposits. This alteration signature is shown in Figure 4.

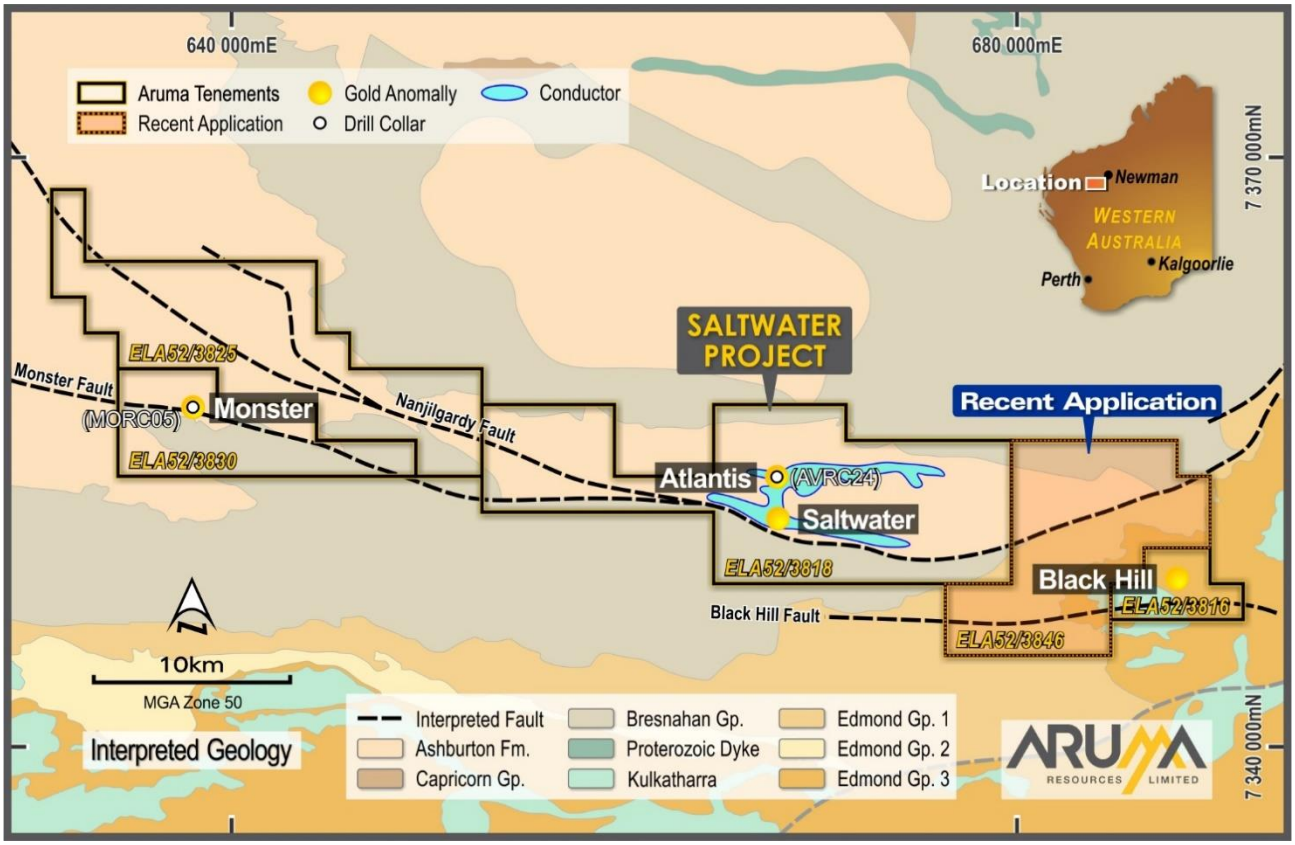

Figure 3: Aruma's Saltwater Project leases on 500K geology with Faults and anomalies

Hole Number	Tenement number	Easting GDA 94	Northing GDA 94	RL (m)	Azimuth	Dip	End of hole (m)
MORC004	E52/1892	637825	7357751	537	345	-80	111
MORC005	E52/1892	637651	7357794	556	20	-70	126
MORC006	E52/1892	637476	7357855	551	20	-60	90

Table 2: Drillhole details for the Monster Trend

Hole_ID	Sample ID	Depth From	Depth to	Gold	Copper	Lead	Sulphur	Zinc
				Au ppb	Cu ppm	Pb ppm	S %	Zn ppm
MORC005	74690	98	99	10	44	23	0.78	312
MORC005	74691	99	100	60	50	18	0.29	193
MORC005	74692	100	101	280	55	20	1	105
MORC005	74693	101	102	<10	29	11	0.64	69
MORC005	74694	102	103	<10	29	8	0.39	107

Table 3: Assays in MORC005 showing the relationship of gold and sulphur in the 98 to 103m interval

The results in Figure 4, below, clearly demonstrate the elevated and anomalous hydrothermal gold and sulphur levels in MORC005 compared to the non mineralised zones. Aruma's planned first phase of exploration will target where the structure intersects reactive rocks where lodes may be developed. The geochemistry of the standard alteration will greatly assist exploration by allowing the hand held XRF to be used in the field whilst mapping.

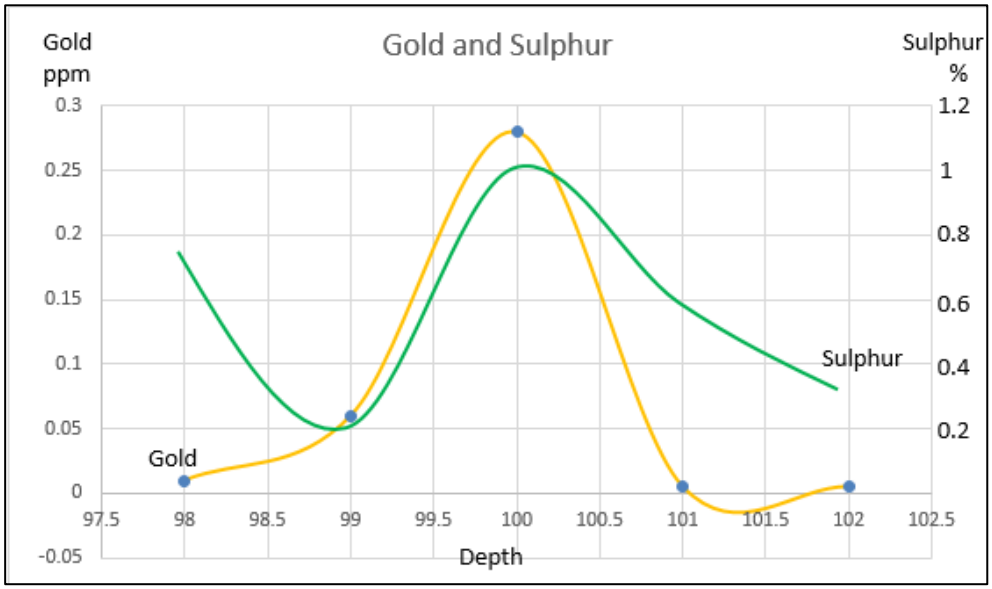

Figure 4: Relationship with Gold (yellow) and Sulphur (green) in MORC005

Next steps

The Company plans to undertake a detailed desk top study of the Saltwater Project as part of its exploration targeting work at the Project. This will also include a ground reconnaissance program, with all work designed to define and rank initial priority exploration areas within the Project area. An access agreement with the pastoralist is currently underway. Project access, via station tracks, is good.

Saltwater Project Background

The Saltwater Gold Project consists of the four Exploration Licence Applications (ELA52/3816, ELA52/3818, ELA52/3825 and E52/3830) and the new Exploration Licence (E52/3846), and covers a total area of 463km^2. The Project is located approximately 100 kilometres south-west of the regional mining centre of Newman.

Project	Lease	Applied for	Blocks	km^2
Saltwater	E52/3816	15/4/2020	6	19
Saltwater	E52/3818	17/4/2020	55	171
Saltwater	E52/3825	5/5/2020	39	121
Saltwater	E52/3830	12/5/2020	18	56
Saltwater	E52/3846	30/6/2020	31	96
		Total	**149**	**463**

Table 4: Lease details for the Saltwater Project

The Project is interpreted to be situated on the same regional structure (the Nanjilgardy Fault) reported as the primary source of gold mineralisation at Northern Star's Resources' (ASX: NST) Paulsens Gold Mine and at the Mt Olympus Gold Mine in the region.

The Saltwater Project was pegged in the previous quarter following a review by Aruma of its project holdings, designed to rationalise the current project portfolio and to pursue new potentially value-accretive projects, with potential to host large scale gold deposits.

Aruma's initial assessment of the Project has defined several anomalous areas with positive indicators of alteration and gold mineralisation.

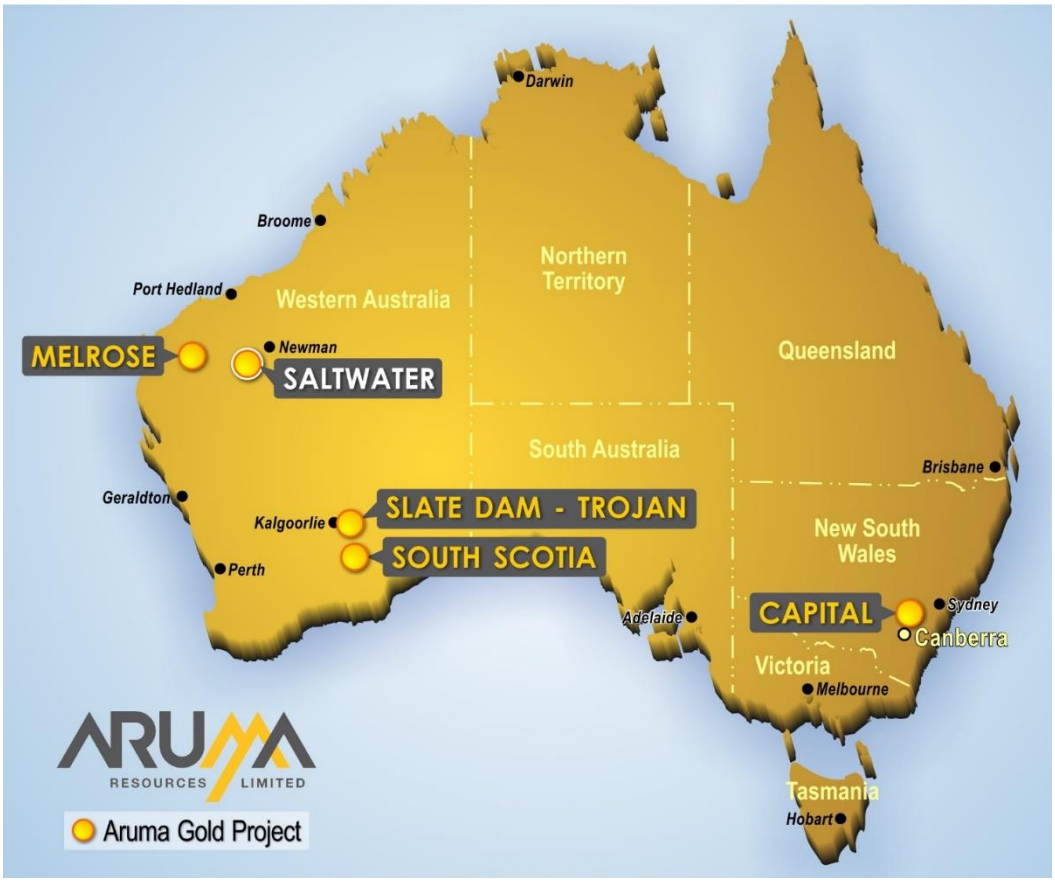

Figure 5: Aruma's Gold Projects

Authorised for release by Peter Schwann, Managing Director.

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Aruma Resources Limited *is a proud supporter and member of the Association of Mining and Exploration Companies, 2020.*

AMEC
ASSOCIATION OF MINING AND EXPLORATION COMPANIES
2020 MEMBER

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.arumaresurces.com.au .

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.

Section 1 Sampling Techniques and Data

The following data is in relation to Historic Drill Hole data in the announcement and the individual holes are listed in the relative Minedex A Report number.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• drill samples are taken from various depth holes and sampled in 4 to 1m intervals as set by drill refusal • Samples from depth down hole. • Samples were riffle split for composites and the 1m samples left on sites • All the sites were rehabilitated as required by PoW
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling was done with Rab and RC rigs using industry standard sampling methods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The best endeavors were used to ensure sample recovery and splitting gave the best quality possible.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All samples were logged geologically and qualitatively.

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples rotary split and noted wet or dry. Where sample quality precluded riffle splitting, the material was tube sampled. • The sample size satisfied the Gy size requirements.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory standards and methods are industry standards. • Duplicate samples were not taken as any anomalous holes would be assayed in the 1m splits
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All significant intersections were inspected or reviewed by at least two competent and relevant geologists. • No holes were twinned as this is not required in grass roots exploration.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Initial hole layout was by GPS. Australian Standard licenced surveyors were used to position the drill holes where required. • All locations are GDA94 • The SPH Rab holes were sited on ground and located by Camera GPS
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing was done to look a previous geochemical anomaly and identify bedrock • Compositing was done on early holes in 4m intervals and re-assayed if greater than 1g/t Au
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All holes drilled as close to tangential as possible with vertical Rab and -60° RC holes.
Sample security	• *The measures taken to ensure sample security.*	• All samples logged and numbered on site and checked as drilled, as logged, as loaded to Laboratory and as submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits were listed in the reports

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All tenements and issues required are detailed in the reports. • All work done under PoWs. • All work quoted was done by previous lease holders and is referenced by the Minedex A Report numbers

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The reports are acknowledged in the announcement and is numbered as an A report in Minedex
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Detailed in the "Gold in Sediments" exploration model published by Aruma in previous announcements and presentations.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All drill holes tabled, and information from holes quoted with Relevant Minedex A Report Number.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drill holes are oriented to get intersections as close to true widths as possible. • No data aggregation was done for the report • Metal equivalents never used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Sections are not used in the AAJ announcement

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• As done
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The complete list of individual hole assays are not listed as they are available in the quoted A reports from Minedex.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All A reports and associated previous data are listed to source the original reported data.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As detailed in the report.