

30 July 2020

ASX Announcement

\$2.7M PLACEMENT TO ACCELERATE GOLD EXPLORATION PROGRAMS

Highlights

- Placement of up to 675.0 million shares at \$0.004 per Share to raise up to \$2.7 million.
- Prominent Mining Investor Stephen Copulos has committed to \$700,000 in the Placement, a strong endorsement of the Company's strategy.
- Funds raised will be applied primarily towards systematic exploration and targeted drilling across the Company's five strategically located gold projects across a total area of 1,502km²
- Focus will be on its flagship new Pilbara projects (Saltwater and Melrose Gold Projects) which are located in close proximity to producing gold mines along a 5Moz corridor.
- Preliminary works at the Melrose and Saltwater display strong indicators of potential gold mineralisation which the Company aims to delineate significant gold deposits.
- Post Placement cash balance of approximately \$4.0 million places the Company in a strong financial standing.

Aruma Resources Ltd (AAJ) (**Aruma** or **the Company**) is pleased to announce that it has received firm commitments to raise **\$2.7 million** through a two-tranche placement to sophisticated and professional investors pursuant to section 708 of the Corporations Act 2001 (Cth).

Up to a total of 675.0 million fully paid ordinary shares (**New Shares**) will be issued at \$0.004 per New Share (**Placement**), with one free attaching option to be issued for every three New Shares issued in the Placement on the same terms as the existing options series (exercise price of \$0.01 each and expiry date of 31 July 2022) (**Attaching Options**).

The proceeds from the Placement will fund the accelerated exploration at the Company's strategically located portfolio of Australian gold projects, including its flagship new Pilbara projects - the granted Saltwater Gold Project, the Melrose Project, the costs of the issue and ongoing working capital.

Managing Director Peter Schwann commented:

"The Company is pleased to announce the Placement which will bolster the balance sheet to fund future exploration campaigns at its strategically located Australian gold projects.

ASX: AAJ

Capital Structure

909M Shares on Issue

75M Options on issue

Board of Directors

Non-Executive Chairman

Paul Boyatzis

Managing Director

Peter Schwann

Non-Executive Director

Mark Elliott

Company Secretary

Phillip MacLeod

Yilgarn Gold Projects

SLATE DAM

TROJAN RESOURCE

SCOTIA SOUTH

Pilbara Gold Projects

MELROSE

SALTWATER

NSW Gold Project

CAPITAL

Head Office

Level 1, 6 Thelma 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

The Company is encouraged by the preliminary works at the Melrose and Saltwater tenements which display indicators of potential gold mineralization. The Company looks forward to updating shareholders on exploration programs whereby the Company aims to delineate significant gold deposits."

Placement Details

Tranche 1: 225.0 million New Shares will be issued under the Company's current ASX Listing Rule 7.1 (135,000,000 New Shares) and 7.1A (90,000,000) placement capacity to raise gross proceeds of \$900,000. Settlement is expected to occur on Thursday, 6 August 2020 with quotation of the New Shares expected on Friday, 7 August 2020.

Tranche 2: 450.0 million New Shares will be issued to raise a further \$1.8 million along with the 225.0 million Attaching Options. The completion of Tranche 2 is subject to obtaining shareholder approval at a General Meeting of shareholders, at a date to be confirmed.

Lazarus Corporate Finance Pty Ltd (Lazarus) and Rawson Lewis Pty Ltd (Rawson Lewis) acted as Joint Lead Managers to the Placement. The Placement will see prominent mining investor Mr Stephen Copulos become a substantial shareholder in the Company through a cornerstone \$700,000 commitment in the Placement. As part of the Placement, associates of Aruma directors have committed to participate in the second tranche of the Placement, subject to shareholder approval.

Use of Funds

Funds raised from the Placement will be used to accelerate Aruma's targeted exploration plans at its portfolio of Australian gold projects (Figure 1, Projects' location map) as well as costs of the issue and working capital.

The Company's initial focus will be on field-work at its recently granted Saltwater Project, which will be designed to define targets for a maiden drill program at the Project (ASX announcement, 15 July 2020). It will also focus on the Melrose Project, also in the Pilbara region, where drill ready targets have been identified only five kilometres north of Northern Star Resources (ASX: NST) Paulsens gold mine which has historically produced >1Moz of gold (ASX announcement, 1 June 2020).

Aruma will also commence first-phase exploration upon granting of licences at the Scotia South Project, which is located on a 20km strike extension of Pantoro Limited's (ASX: PNR) Panda gold discovery in the Eastern Goldfields of Western Australia (ASX announcement, 29 June 2020), and the Capital Project in New South Wales, which is located adjacent to Sky Metals (ASX: SKY) Cullarin Gold Project - which hosts the Hume gold discovery (ASX announcement, 5 June 2020).



Figure 1: The Aruma Gold Projects in Australia showing the strategic locations in active belts

Aruma's gold project portfolio now covers a total area of 1,502km² including the four new strategically located projects, and the funds raised will allow the Company to commit to a high level of in-ground exploration expenditure, with the aim of defining significant new gold deposits and resources. The Project areas all exhibit strong indicators of potential gold mineralisation (see Table 1).

| Project | Status | Gold Indicators | Previous Work | Current Activity | Area km ² |
|--------------------|-------------|--------------------------------------|------------------|------------------|----------------------|
| Saltwater | 80% granted | Nuggets and Mag-AEM anomaly | minor | Field mapping | 463 |
| Melrose | Pending | 1-2g/t drill hits 5km from Paulsens | not followed up | Field Inspection | 200 |
| Scotia South | Pending | on strike from gold mines | no gold drilling | Field Inspection | 217 |
| Capital - NSW | Approved | 1,500oz historic gold | no gold drilling | Remote sensing | 372 |
| Slate Dam - Trojan | Granted | 145koz Resource, drill hits to 16g/t | AEM-Drilling | PoW for drilling | 250 |

Table 1: Project matrix for Aruma Tenements showing progressive stages of exploration

Aruma plans to bring all the projects to pre-resource status concurrently as soon as possible (post grant of licenses) and then rank in order of potential.

Effect on Capital Structure

Assuming no options are exercised and Tranche 2 of the Placement is approved by shareholders, the effect of the Placement on Aruma's issued share capital is shown in the following table.

| | Shares (fully paid ordinary) | Options (various) |
|-----------------------------|------------------------------|--------------------|
| Existing | 909,413,900 | 74,666,666 |
| Capital Project acquisition | 5,000,000 | 0 |
| Placement | 675,000,000 | 225,000,000 |
| | 1,589,413,900 | 299,666,666 |

Table 2: Aruma share capital post placement

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
Email: info@arumaresources.com

James Moses
Media and Investor Relations

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

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



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.

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.