

31 July 2020

ASX Announcement

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2020

Highlights

- Aruma commenced implementation of its strategy to identify and secure new prospective gold projects
- Company pegged and/or acquired four new strategically located gold projects in major, active gold mineralised belts
- New projects demonstrate potential to host large high-grade gold discoveries – in line with Aruma’s sediment-hosted gold model
- First phase of exploration to commence in the September 2020 quarter at the Saltwater Gold Project
- Placement to raise \$800k to fund ongoing targeted exploration

Aruma Resources Limited (ASX: AAJ) (Aruma or the Company) is pleased to provide the following report on its activities for the quarter ending 30 June 2020.

During the quarter the Company commenced implementation of its project generation strategy to secure new prospective gold project areas, which demonstrate the potential to host new, large high-grade gold discoveries.

Consistent with this project generation strategy, Aruma pegged and/or acquired four new large and exciting gold projects, strategically located in major, active gold mineralised belts. Three of the new projects are located in Western Australia and one is located in New South Wales.

The new projects were identified as a result of research and assessment undertaken by Aruma for prospective project areas that exhibit the characteristics of its sediment-hosted gold exploration model, and also based on their proximity to project areas where recent significant new gold discoveries had been made.

The four new Gold Projects are:

- Saltwater – four granted exploration licences (ELs) and one EL application (ELA) covering a strike extent of more than 65km of the highly significant Nanjilgardy fault, in the Pilbara region of WA.
- Melrose - five ELAs covering an area of 161km² adjacent to Northern Star Resources’ Paulsens Gold Mine in the Pilbara region of WA.

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

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- Scotia South – one ELA covering an area of 217km², at the southern end of the prolific Norseman-Wiluna greenstone belt, in south-east WA.
- Capital - three ELAs covering a possible extension of the stratigraphy and structure of Sky Metals' significant Hume gold discovery, in the Goulburn region of NSW.

See Figure 1 for Aruma's project location map and Table 1 for details of the Company's Licence holdings.

PROJECTS' OVERVIEW

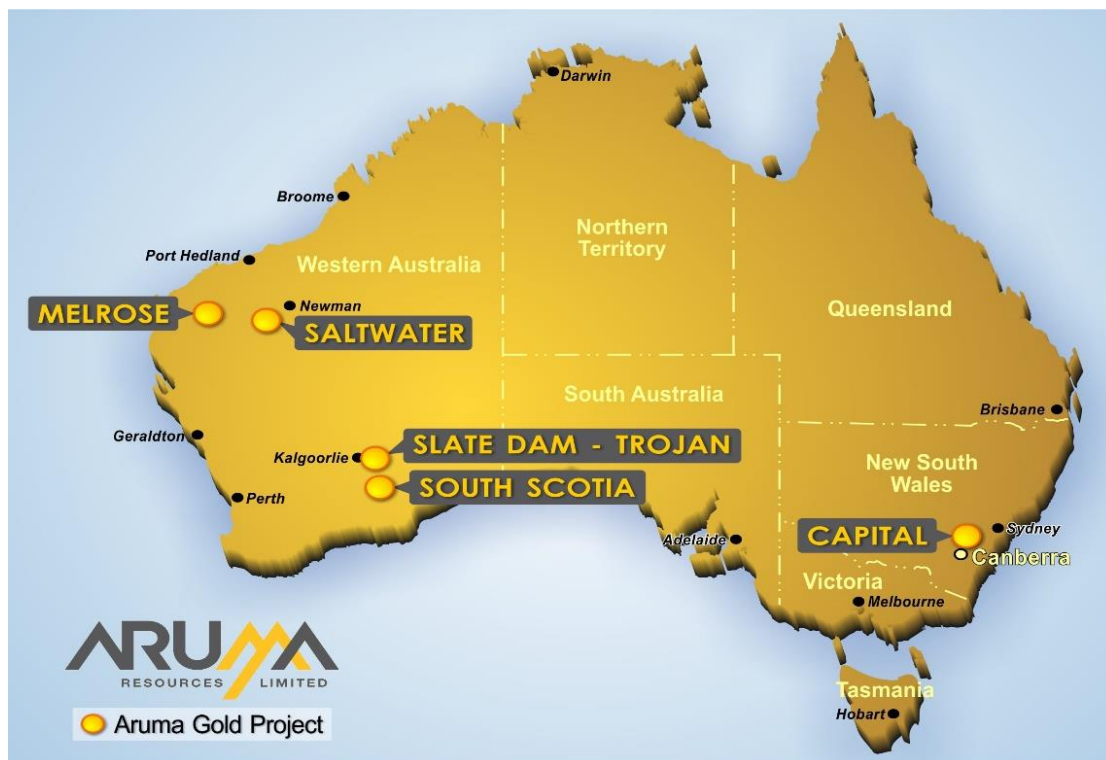


Figure 1: Aruma's Australian Gold Projects

Tenement	Project	State	Holder	Status	Applied	Granted	Area km ²	Totals
E52/3816	Saltwater	WA	AEPL (100%)	Granted	15/04/2020	1/07/2020	19	
E52/3818	Saltwater	WA	AEPL (100%)	Granted	17/04/2020	1/07/2020	171	
E52/3825	Saltwater	WA	AEPL (100%)	Granted	5/05/2020	5/07/2020	121	
E52/3830	Saltwater	WA	AEPL (100%)	Pending	12/05/2020	5/07/2020	55.8	
E52/3837	Saltwater	WA	AEPL (100%)	Pending	1/07/2020		96	462.8
ELA08/3183	Melrose	WA	AEPL (100%)	Pending	20/04/2020		25.6	
ELA08/3184	Melrose	WA	AEPL (100%)	Pending	20/04/2020		16	
ELA08/3188	Melrose	WA	AEPL (100%)	Pending	21/04/2020		44.8	
ELA47/4362	Melrose	WA	AEPL (100%)	Pending	21/04/2020		8	
ELA08/3210	Melrose	WA	AEPL (100%)	Ballot	27/05/2020		32	
ELA08/3219	Melrose	WA	AEPL (100%)	Pending	4/06/2020		67	161.4
E63/2037	Scotia South	WA	AEPL (100%)	Pending	21/05/2020		67.2	67.2
ELA5955	Gurrindah	NSW	Augustus PL	Pending	22/04/2020	Approved	48	
ELA5956	Currawang	NSW	Augustus PL	Pending	22/04/2020	Approved	156	
ELA5987	Bywong	NSW	AEPL (100%)	Pending	8/06/2020	Approved	168	372
Grand Total								1063.4

Table 1: Aruma's new lease application details (shaded areas are in the current quarter).

Saltwater Gold Project

The Saltwater Gold Project consists of the four granted ELs (52/3816, 52/3818, 52/3825 and 52/3830) and one ELA (52/3837) for a total area of 463km². The Project is located approximately 100 kilometres south-west of the regional mining centre of Newman.

The Project area is interpreted to cover a strike extent of more than 65km of the highly significant Nanjilgardy fault, the same regional structure reported as the primary source of gold mineralisation at Northern Star Resources' Paulsens Gold Mine and the Mt Olympus Gold Mine in the region.

Heritage Agreements for the Saltwater project area are in place and the Company has landholder support. Aruma plans to commence its first phase of exploration at Saltwater in the September 2020 quarter.

An initial reconnaissance site visit to the Project has been completed to inspect the geological setting and zones of anomalous mineralisation and previous mining activities. The Company now plans to undertake a detailed mapping program in conjunction with a rock chip and soil sampling program, targeting the outcropping areas at a large 60km² magnetic ring structure (the Saltwater Ring Structure). This initial exploration program will focus on identifying the stratigraphic and alteration control of mineralisation identified in work by previous explorers to quickly identify drilling areas and targets.

Aruma will then apply for a program of work (PoW) and other regulatory approvals required for drilling, ahead of the first phase of drilling at Saltwater which it expects to be undertaken as soon as possible.

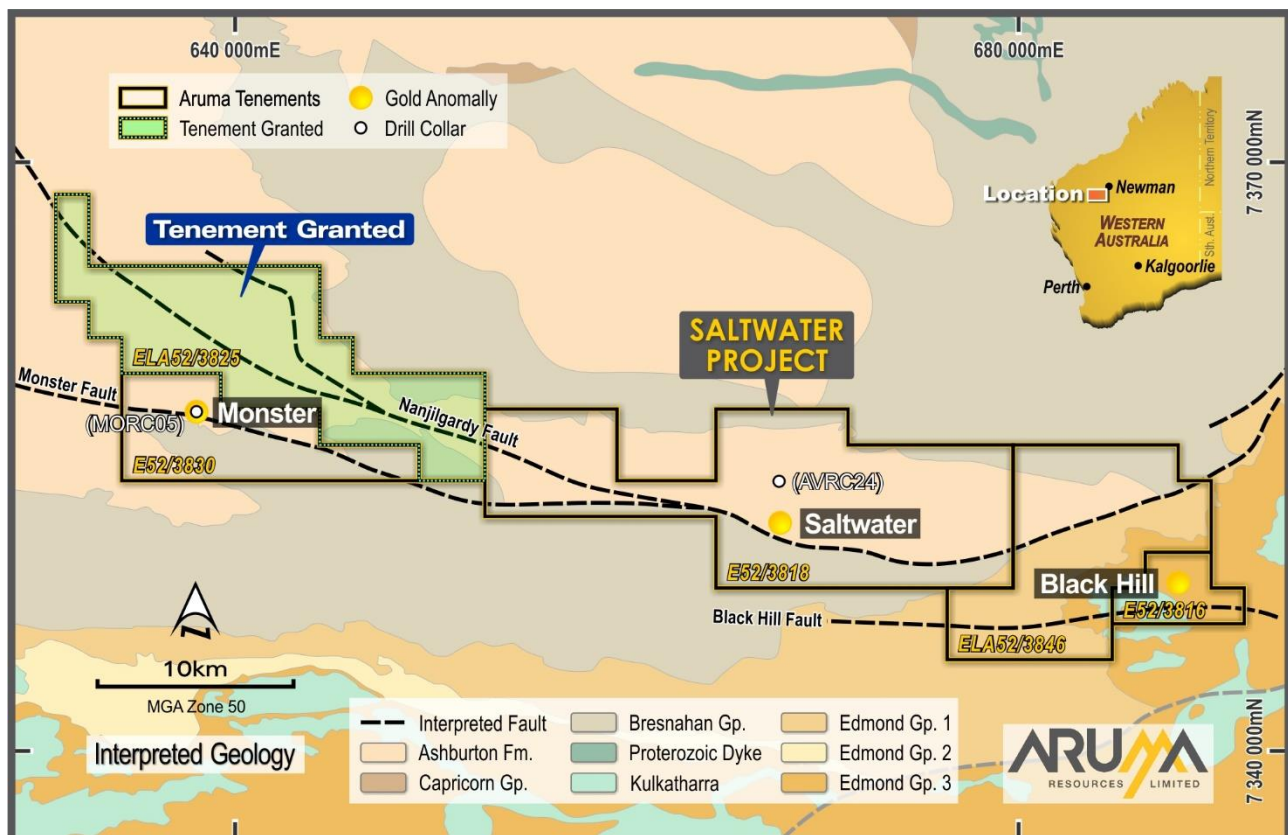


Figure 2: Aruma's Saltwater Project area (yellow outlined) on 500K geology showing Faults and anomalies.

Melrose Gold Project

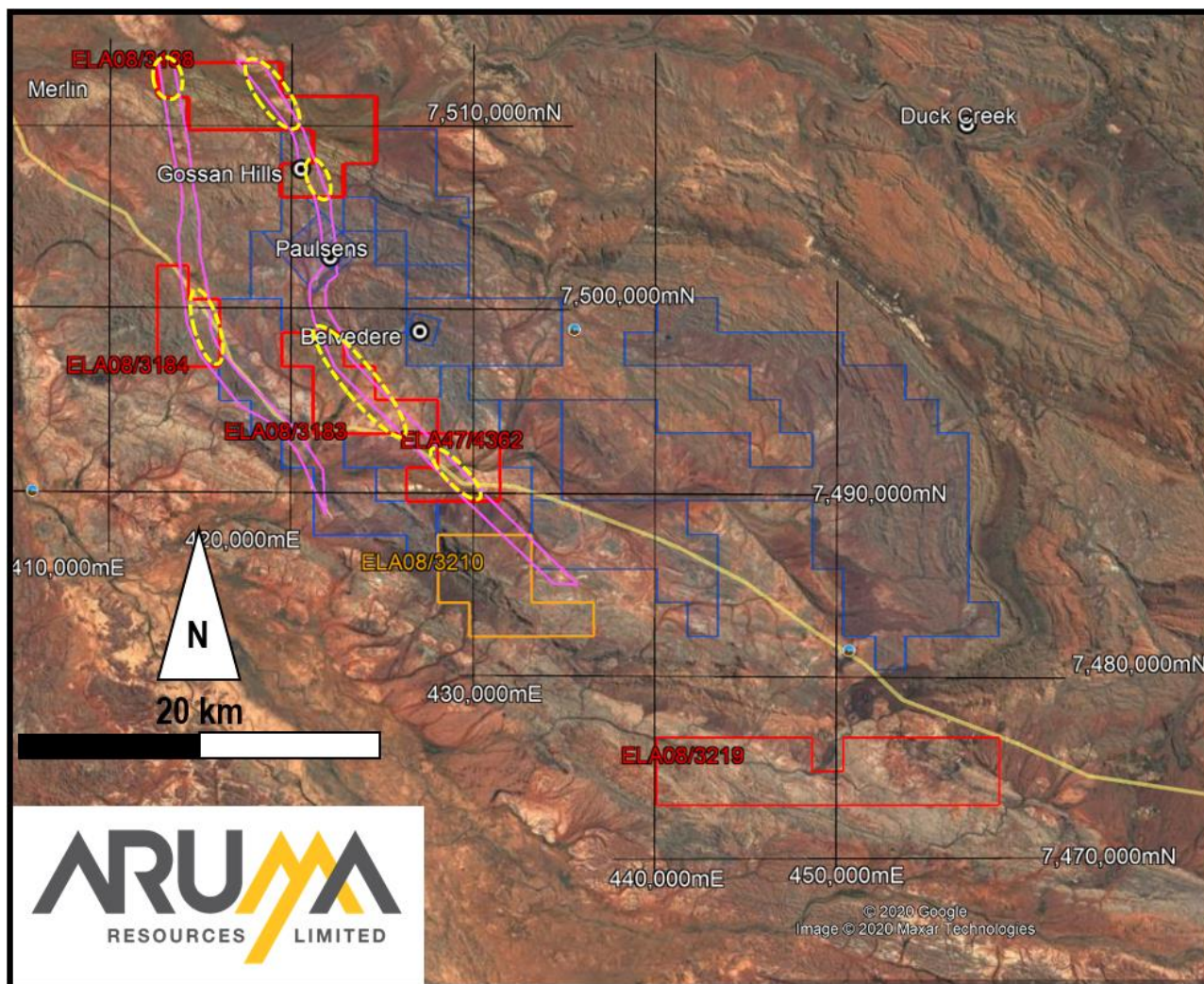


Figure 3: Aruma's Melrose leases (red border) with initial exploration targets circled in yellow. Interpreted structural corridors shown in magenta outline. Northern Star Resources leases shown in blue (GDA94)

The Melrose Gold Project consists of five ELAs (08/3183, 08/3184, 08/3188, 47/4362 and 08/3219) and covers a total area of 161km². It is located approximately 105km south of the mining town of Pannawonica on the border of the Ashburton and West Pilbara Mineral Fields.

As with the Saltwater Project, the Melrose Projects is situated on the same regional structure reported as the main source of gold mineralisation at the Paulsens Gold Mine and Mt Olympus Gold Mine. The structural corridors that control the mineralisation at Paulsens appear to continue into Aruma's Melrose Project area, where initial exploration targets have been identified (shown in Figure 3).

The Paulsens Deposit was discovered and mined in the early 1930s and was then called the Melrose Mine. It is situated in a +3M oz. gold camp and most production has come from multiple lodes at the Paulsen Mine.

Modern evaluation and mining of the Paulsens mine by NuStar Mining Corporation commenced in May 2004 and the Paulsens process plant poured the first bar in June 2005. In July 2010, Northern Star Resources took over the mine and successfully mined it until late 2017 producing up to 100,000 oz. Au per year through both existing and new ore shoots.

Since 2017 Northern Star have relinquished areas in the Paulsens district following initial exploration, and these areas represent the ground that Aruma has appraised, using "gold in sediment" models to seek stratigraphic repetitions in favourable structures associated with the Nanjilgardy Fault.

The new Melrose leases cover extensions and splays of the Nanjilgardy Fault which contain the Paulsens mine as well as the Mt Olympus mine, where the ore is either quartz veins in greywacke or lode in shale which is the Aruma model.

Most of the reported historic drilling and sampling was conducted on east-west traverses at a spacing that Aruma believes has left windows of opportunity for the discovery of further gold mineralisation. One such area is the Gossan Hills area which has multiple thick (>20m) anomalous (>0.2g/t Au) intersections indicating carbonate alteration in gossanous ridges outlining the structure and indicating sulphides. This area also has rock chip samples >1g/t and this will be the priority area upon grant.

Scotia South Gold Project

The Scotia South Gold Project encompasses ELA 63/2037 and covers an area of 217km², at the southern end of the prolific Norseman-Wiluna greenstone belt. It is located approximately 200 kilometres south of the major regional centre of Kalgoorlie, and approximately 60 kilometres south of the mining town of Norseman.

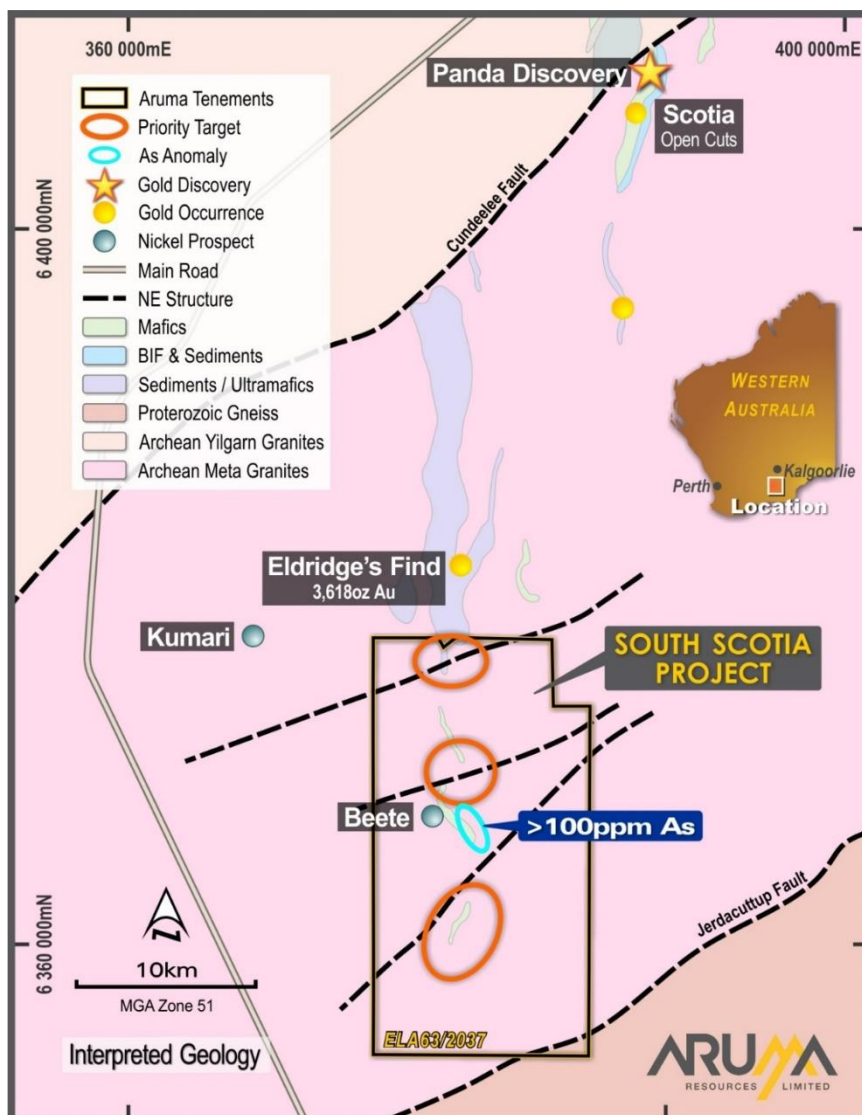


Figure 4: Aruma's Scotia South Project (ELA63/2037) on the interpreted bedrock geology showing gold occurrences with stratigraphy continuity hidden by cover (from GeoVIEW mapping).

The Project is strategically located on a 20km strike extension of the prospective stratigraphy magnetic signature that hosts Pantoro Limited's (ASX: PNR) Panda gold discovery at the Scotia Mining Centre, within the Norseman Gold Project (PNR, ASX announcement, 21 May 2020) – and also the very high-grade Eldridge's Find gold mine, immediately north of Aruma's Scotia South project area (Figure 4).

The Scotia South area has been drilled for nickel by previous explorers, who defined a strong, >100ppm, arsenic anomaly (in blue outline on Figure 4), but to date the area has been substantially under explored for gold (Minedex open file report A70631).

Aruma's initial assessment of the Project has identified three priority drill targets (circled in Figure 4), which will be the focus of the Company's first phase of exploration at Scotia South. It plans to test these initial targets with RAB drilling and follow-up RC drilling after the granting of the exploration licence, which is anticipated in the current calendar year.

Capital Gold Project, NSW

Aruma entered into an agreement to purchase the Capital Gold Project, in the Goulburn region of NSW (ASX announcement, 5 June 2020). The project area comprises three ELAs (5955, 5956 and 5987) within the Lachlan Fold Belt.

It covers a possible extension of the stratigraphy and structure that hosts Sky Metals' (ASX: SKY) significant recent Hume gold discovery at its Cullarin Gold Project in the region. The thick, high-grade intersection at the Hume Prospect discovery was detailed in SKY's ASX announcement of 10 February 2020.

The Capital Project area also displays similar host stratigraphy and structures to Regis Resources' major McPhillamys Gold Project in the Lachlan Fold Belt, in Central Western NSW.

The Capital Project has not been explored for gold to date. The mineralisation styles in the belt have thickness, grade and recent exploration success in the sediments of the Lachlan Fold Belt. This type of gold mineralisation style fits the Aruma sediment-hosted gold model.

Acquisition details

The Capital Project is to be acquired by the issue of 5 million Aruma shares (at 0.4 cents per share) to the Project vendors following Aruma shareholder approval at a General Meeting to held on 23 July 2020. The Project vendors have agreed to the voluntary escrow of 2.5 million of the New Shares for a period of 3 months from the date of issue.

Further details are provided in ASX announcement of 5 June 2020.

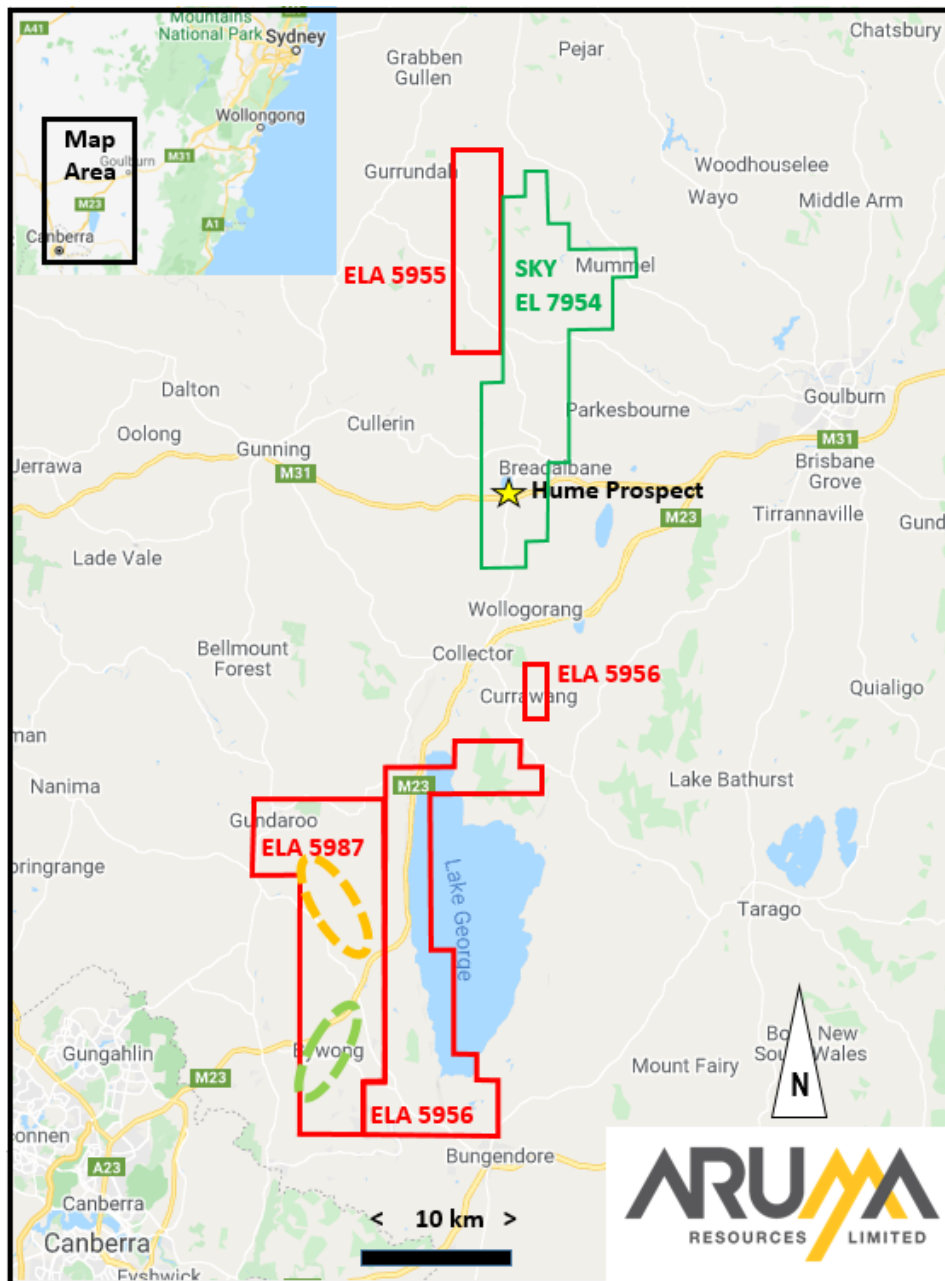


Figure 5: Aruma's Capital Project area (red outline) also showing Sky Metals' Cullarin Project area with old gold workings at the Shinglehouse Creek (tan ellipse) and Bywong-Macs Reef (green ellipse) areas.

CORPORATE

Aruma had a cash balance at 30 June of approximately \$1,057,000.

During the quarter, the Company undertook a two-tranche Placement to sophisticated investors to raise \$800,000 (before costs) by the issue of 200 million shares at \$0.004 each and 66,666,666 attaching options (ASX announcement 5 June 2020).

Tranche 1 raised \$448,000 with the issue of 112 million shares at \$0.004. Tranche 2 to raise \$352,000 was completed in July 2020 following a meeting of shareholders to approve the issue of 88 million shares and the 66.7 million attaching options.

The Company's expenditure commitments were significantly reduced with the relinquishment of a number of project areas and management reduced corporate

overheads to a minimum during the quarter. Fees and salaries for all directors were reduced by half and a number of contractors agreed to reduced and/or deferred fees.

Fees and salaries are to be resumed at the normal level in the coming quarter in light of the increased work load driven by the recently acquired new projects.

ASX ADDITIONAL INFORMATION

ASX listing rule 5.3.1 - Exploration and evaluation expenditure during the quarter was \$63,717. Details of exploration activity during the June 2020 quarter are set out in this report.

ASX listing rule 5.3.2 - There were 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 \$27,625 was paid to Directors for director and consulting fees.

PROJECTS SUMMARY

WA EASTERN GOLDFIELDS	Kalgoorlie Projects	<ul style="list-style-type: none"> ▪ Glandore Gold Project – Aruma holds a 1.25% net smelter royalty
		<ul style="list-style-type: none"> ▪ Slate Dam – possible drilling on Trojan extensions ▪ Trojan – evaluation of development alternatives ▪ Clinker Hill – area to be sold or relinquished ▪ Kopai – area to be sold or relinquished
WA EASTERN GOLDFIELDS	Norseman Projects	<ul style="list-style-type: none"> ▪ Mt Deans Lithium – Lithium Australia option to 80% interest
		<ul style="list-style-type: none"> ▪ South Scotia gold – new project awaiting grant
WA PILBARA	Nanjilgardy Projects	<ul style="list-style-type: none"> ▪ Saltwater Gold Project – project 80% granted and work commencing
		<ul style="list-style-type: none"> ▪ Melrose Gold Project – awaiting grant
NSW LACLAN FOLD BELT	Southern Project	<ul style="list-style-type: none"> ▪ Capital Gold Project – awaiting access, leases recommended for grant

Table 2: Gold Project Status and Activity Table

Authorised for release by Peter Schwann, Managing Director.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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. 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

Glandore (gold)	Interest at beginning of Quarter	Interest at end of Quarter
M25/327 M25/329 M25/330 P25/2154	1.25% net smelter royalty	1.25% net smelter royalty
Slate Dam (gold)	Interest at beginning of Quarter	Interest at end of Quarter
E25/553 E25/534 E25/556 E25/558 E25/526 P25/2333 P25/523 M25/104 E25/571	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
Clinker Hill (gold)	Interest at beginning of Quarter	Interest at end of Quarter
P25/2320 E25/568	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
Kopai (gold)	Interest at beginning of Quarter	Interest at end of Quarter
P15/6145 P15/6146	100% Aruma Exploration Pty Ltd	100% Aruma Exploration Pty Ltd
Saltwater (gold)	Interest at beginning of Quarter	Interest at end of Quarter
EL52/3816 EL52/3818 EL52/3825 EL52/3830 ELA52/3837	Nil	100% Aruma Exploration Pty Ltd
Melrose (gold)	Interest at beginning of Quarter	Interest at end of Quarter
ELA08/3183 ELA08/3184 ELA08/3188 ELA47/4362 ELA08/3210 ELA08/3219	Nil	100% Aruma Exploration Pty Ltd
Scotia South (gold)	Interest at beginning of Quarter	Interest at end of Quarter
ELA63/2037	Nil	100% Aruma Exploration Pty Ltd
Capital (gold)	Interest at beginning of Quarter	Interest at end of Quarter
ELA5955 ELA5956	Nil	Agreement to acquire
ELA5987	Nil	100% Aruma Exploration Pty Ltd
Mt. Deans (Li)	Interest at beginning of Quarter	Interest at end of Quarter
P63/2063	50% Aruma Exploration Pty Ltd	50% Aruma Exploration Pty Ltd