

18 August 2020

ASX Announcement

ARUMA FURTHER EXPANDS SALTWATER GOLD PROJECT

First phase of exploration to commence

Highlights

- Aruma has further expanded its Saltwater Gold Project in the Pilbara region of Western Australia with three new Exploration Licences
- The new licences - ELA52/3852, ELA52/3854 and ELA52/3857 – represent strategic additions to the Saltwater Project
- They fully cover four major geophysical anomalies which are priority exploration target areas for Aruma
- First phase of exploration to commence at Saltwater, to include;
 - Geophysics and historic basement sampling will be assayed;
 - Detailed sampling and mapping programs (subject to heritage clearance); and
 - PoW application, followed by first phase drilling

Aruma Resources Ltd (AAJ) is pleased to announce it has further expanded its 100%-owned Saltwater Gold Project in the Pilbara region of Western Australia to fully cover priority anomalies within the project area.

Aruma has applied for three new Exploration Licences - ELA52/3852, ELA52/3854 and ELA52/3857 – covering a total area of 233km², adjoining the existing Saltwater project area (Figure 1).

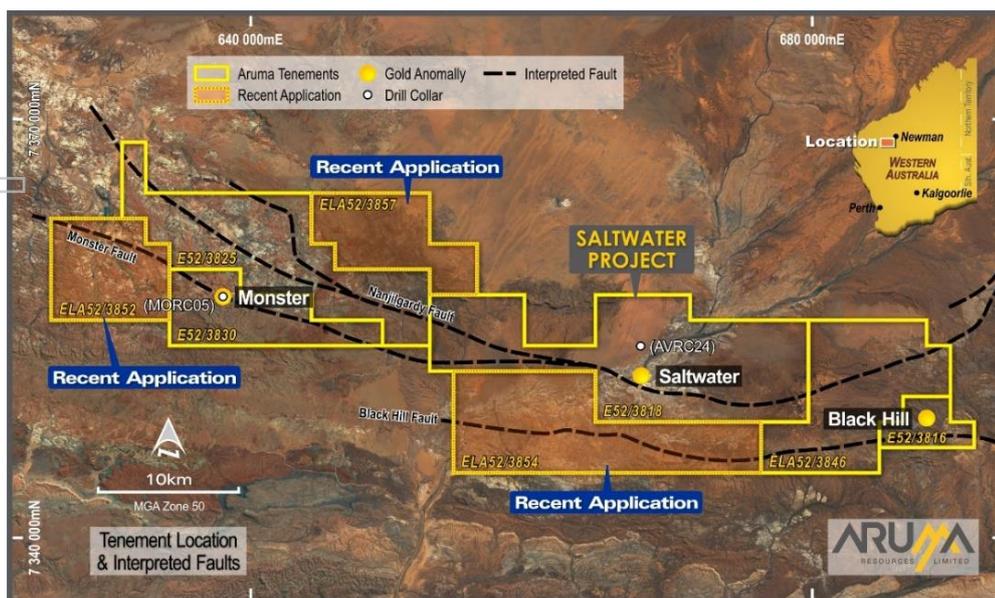


Figure 1: Saltwater Project with new leases, covering extensions of faults and anomalies shown in Figure 5

ASX: AAJ

Capital Structure

1119M Shares on Issue

74M 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

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SCOTIA SOUTH

Pilbara Gold Projects

MELROSE

SALTWATER

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The new licences represent strategic additions to the Saltwater Project area, as they fully encompass the total area which hosts four strong geophysical anomalies, which will be priority exploration targets for Aruma.

The anomalies were identified from an initial geophysical study and a review of existing data conducted by leading geophysical consultants, Terra Resources Pty Ltd.

The Saltwater 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' (ASX: NST) Paulsens Gold Mine and the Mt Olympus Gold Mine in the region.

Aruma recently received the grant of Exploration Licences EL52/3816, EL52/3818, EL52/3825 and EL52/3830 at Saltwater (ASX announcement, 15 July 2020). These granted licences cover Aruma's large-scale priority target areas; the Saltwater Anomaly, the Monster Anomaly and the Black Hill Anomaly (see Figure 1, Project location map).

Access via pre-existing tracks has now been established at the Saltwater Project and Indigenous Land Use Agreement (ILUA) parties have been contacted in order to facilitate the commencement of surveys in targeted exploration areas to define drilling targets.

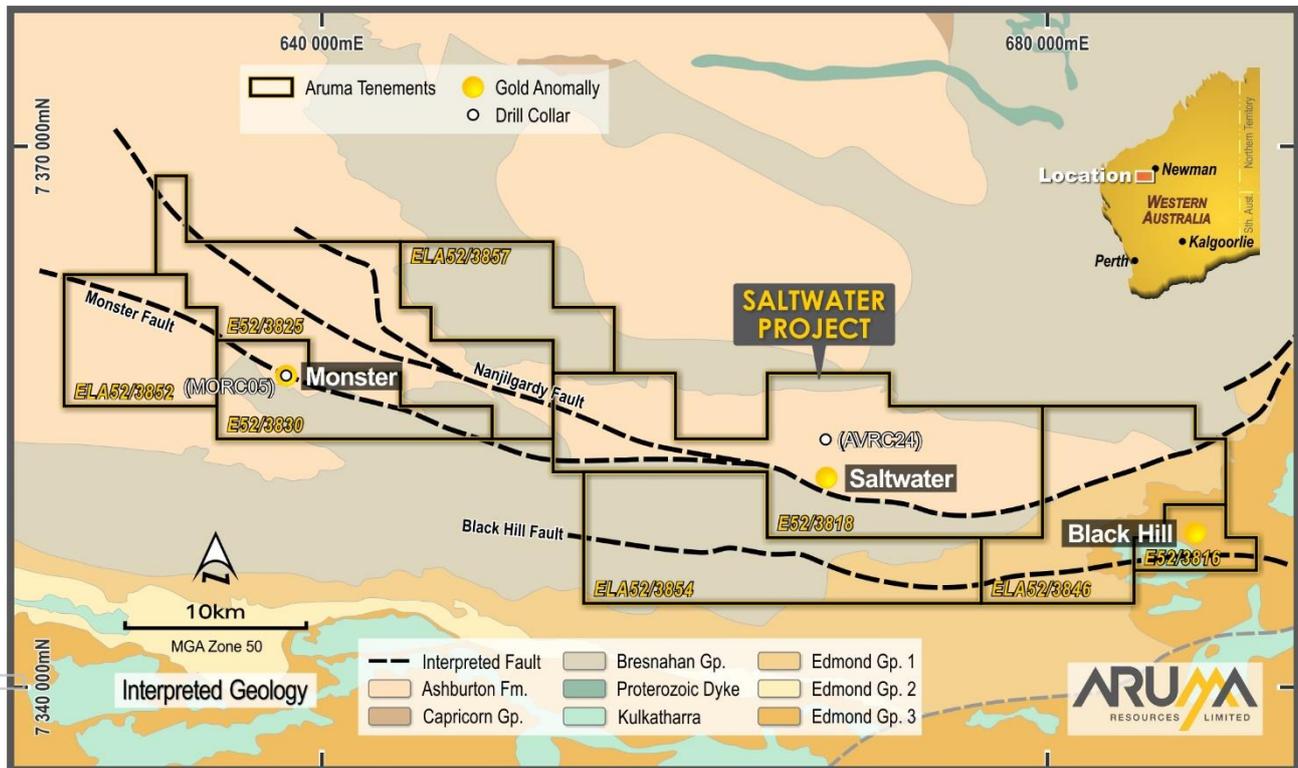


Figure 2: Aruma's Saltwater Project area (yellow outlined) on regional geology with major structures.

First Phase of Exploration

Aruma has now finalised plans for its first phase of detailed exploration at the Saltwater Project. An initial reconnaissance site visit has been conducted and has identified the presence of outcropping carbonate-sulphide alteration with associated quartz veining (as shown in Figures 3 and 4). This area was explored in the early 1980s with excavation and prospecting.

The Company will undertake a detailed mapping program, in line with the provisions under the Heritage agreements for the project area, along with a low-impact sampling program

which will target the outcropping areas at a large 60km² elliptical magnetic/conductivity structure – known as 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 3: Photograph showing the large quartz veining at Saltwater



Figure 4: Photograph showing the sulphidic chert at Saltwater

Background to Exploration Targets

The presence of the major Nanjilgardy fault running through the entire project area in combination with the presence of gold anomalism and previous mining activities at multiple areas confirms the Company's positive view on the prospectivity of the Saltwater Project.

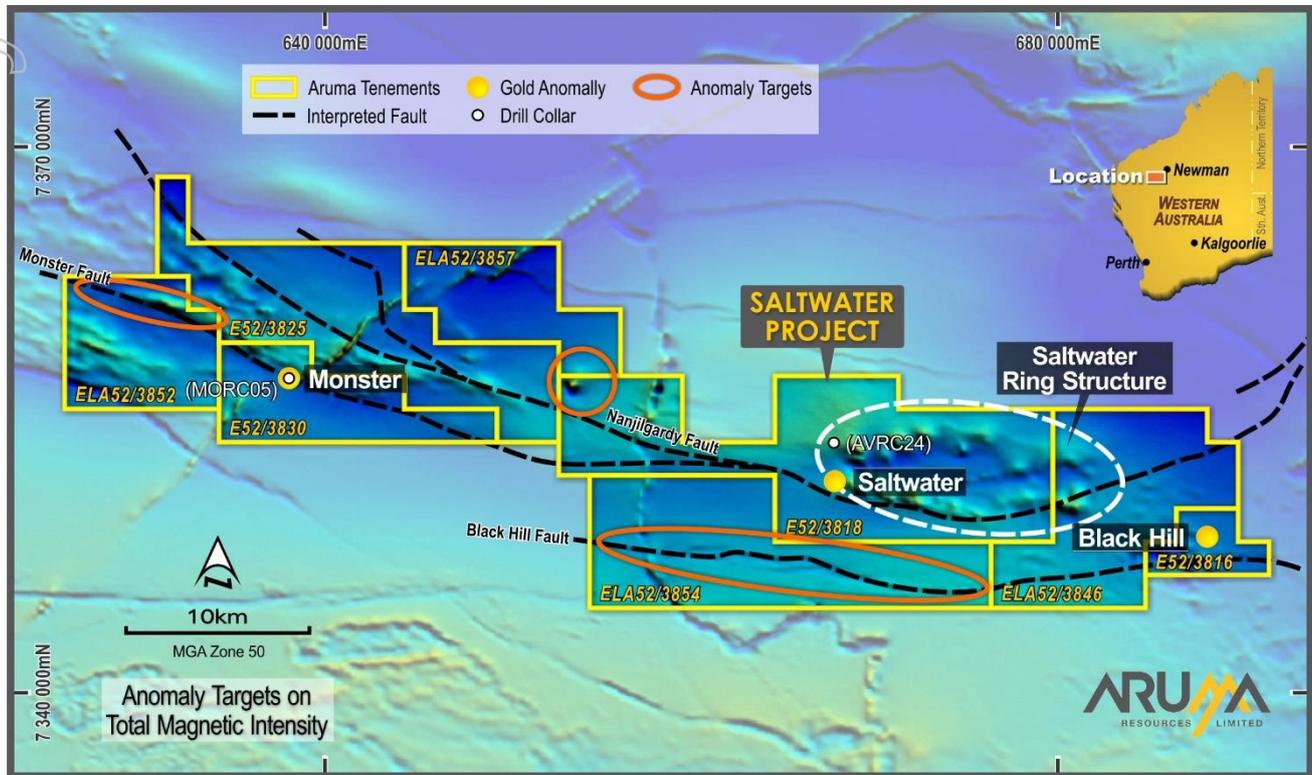


Figure 5: Aruma's Saltwater Project area (yellow outlined) on 500K TMI magnetics with faults and anomalies and recent tenements covering extensions of anomalies in red solid ellipses with the bullseye structure in the red circle and the Saltwater Ring structure in grey dashed ellipse

The Saltwater anomaly is situated on the western extremity of the Saltwater Ring Structure, which was partly defined by the previous AEM Survey (refer ASX announcement 12 May 2020), and is now fully covered (in EL52/3818 and 3846) as shown in Figure 5 above.

The Saltwater Ring Structure is a large co-incident magnetic and conductivity anomaly, which is some 16km long and covers a total area of 60km². Only the western third of the area is outcropping (as evidenced by previous small-scale mining and prospecting), with the rest being under cover. The non-outcropping eastern area makes the Saltwater target significant, with known structure-stratigraphic controls and demonstrated gold endowment.

The exciting geophysical structures seen in the Saltwater Ring structure are thought to represent the older Mt McGrath Formation-Cheela Springs Basalt, which are associated with the Mt Olympus Orebody, and this will be investigated in the coming quarter.

About the Saltwater Project

The Saltwater Gold Project now consists of the four granted Exploration Licences (EL52/3816, EL52/3818, EL52/3825 and EL52/3830) and four Exploration Licence Applications (ELA52/3846, ELA52/3852, ELA52/3853 and ELA52/3854), and covers a total area of 736km² (Table 1). The Project is located approximately 100 kilometres south-west of the regional mining centre of Newman.

The Saltwater Project was pegged in the previous quarter (ASX announcement 11 May 2020) following a review by Aruma of its project holdings. This review was designed to rationalise its existing project portfolio and to pursue new potentially value-accretive projects, with potential to host large scale gold deposits. Aruma's initial assessment of the Saltwater Project has defined multiple anomalous areas with positive indicators of alteration and gold mineralisation.

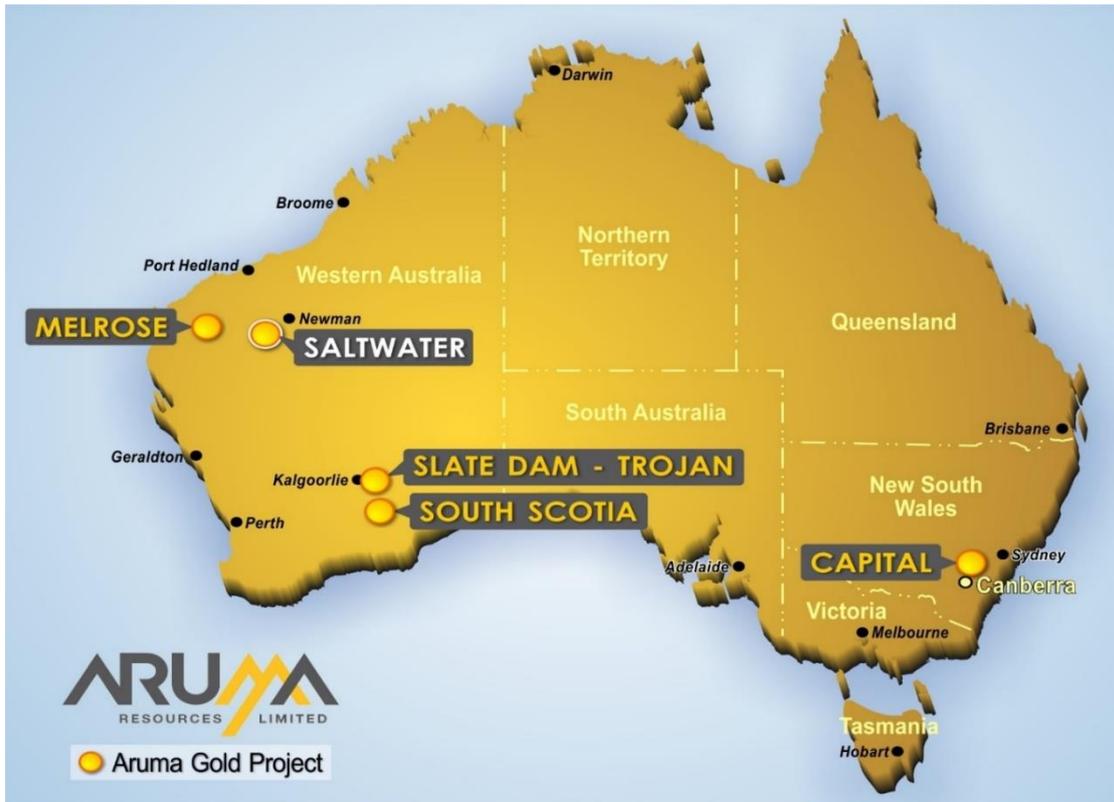


Figure 6: Aruma's Gold Project Portfolio

Authorised for release by Peter Schwann, 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 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.

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.