



ARUMA RESOURCES LIMITED

ABN 77 141 335 364

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2015**

ARUMA RESOURCES LIMITED

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ARUMA RESOURCES LIMITED

CORPORATE INFORMATION

Directors

Paul Boyatzis (Non-Executive Chairman)
Peter Schwann (Managing Director)
Ki Keong Chong (Non-Executive Director)

Company Secretary

Phillip MacLeod

Registered office

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West Perth WA 6005
Australia

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Share Register

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Auditors

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88 William Street
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Australia

Solicitors

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011
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ASX Code

Ordinary shares - AAJ

ARUMA RESOURCES LIMITED

DIRECTORS' REPORT

The directors of Aruma Resources Limited ("Aruma") submit herewith the financial report of Aruma Resources Limited and its subsidiary ("Consolidated entity" or "Group") for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Mr. P. Boyatzis	Non-Executive Chairman
Mr. P. Schwann	Managing Director
Mr. K. K. Chong	Non-Executive Director

Directors were in office for the entire period unless otherwise stated.

REVIEW OF OPERATIONS

Overview

Aruma is a focussed West Australian based gold and copper exploration company which has several prospective project areas within the Eastern Goldfields region of Western Australia. Inclusive of several tenements which are still under application, Aruma's tenement package now totals approximately 2,700km².

Glandore Gold project

- 1,200m diamond hole EIS funded and drilled for \$200,000
- State Government subsidised 50% of direct drilling costs (\$72,000 received to date)
- Nine sulphidic mineralised alteration zones intersected
- 240m of sulphide rich alteration zones assayed
- Six mineralised zoned intersected with values up to 2.58g/t Au

Bulloo Copper Project

- A two hole, 961m diamond drilling program completed for equity
- Joint venture discussions in progress

Corporate

- Company administration and remuneration costs reduced by up to 50%
- Current cash balance \$1.05million

ARUMA RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

Glandore Project

Joint venture discussions advanced:

Aruma is currently in discussions with a local producer regarding a possible Joint venture.

Co-Funded Drill Program / Exploration Incentive Scheme:

The Glandore deep drilling intersected ~1,200m of mafic sediment analogous to the Golden Mile Dolerite with 240m of shaly chloritic altered zones with copper and tellurium anomalism detected by portable XRF. The core from these areas was cut and sampled for assay which has now been received. The significant (>0.1g/t Au) results are detailed in table 1 below.

Depth m d/h	Zone	Alteration	Trace	Au-FA25	Au-Rp1	Au-Rp2
89-90	Supergene	Cb-Qz-Py	Cpy-Ep	0.17		
111-112	Supergene	Cb-Qz-Py	Cpy-Ep	0.14		
138-139	Supergene	Cb-Qz-Py	Cpy-Ep	0.15		
150-151	Supergene	Cb-Qz-Py	Cpy-Ep	0.16	0.46	0.98
223-224	MZ 2	Cb-Qz-Py		0.11		
308-309	Axial Planar	Cb-Qz-Py-Bt	Cpy	0.61	0.62	
309-310	Axial Planar	Cb-Qz-Py-Bt	Cpy	0.16		
873-874	Eastern	Cb-Qz-Py-Bt	Cpy	0.5	0.59	
996-997	Johnston	Cb-Qz-Py-Bt		2.58	2.56	
997-998	Johnston	Cb-Qz-Py-Bt		0.23		
1000-1001	Johnston	Cb-Qz-Py-Bt		0.12		
1063-1064	MZ 5	Cb-Qz-Py-Bt		1.07	0.91	

Table 1 ADH 001 Intersection Summary for Au over 100ppb, showing the 4 expected zones and the additional 2 mineralised zones (MZ 2 and MZ 5). All measurements in metres down hole.

The drilling has established that the Glandore project has a sequence similar to the Black Flag Beds and the exploration to date has identified foliated and altered material similar to Fimiston-Golden Mile mineralisation.

New activities will be based on identifying possible near surface resources in many locations identified by previous workers but now significant in the new invincible model.

REVIEW OF OPERATIONS (CONTINUED)

Glandore Project (continued)

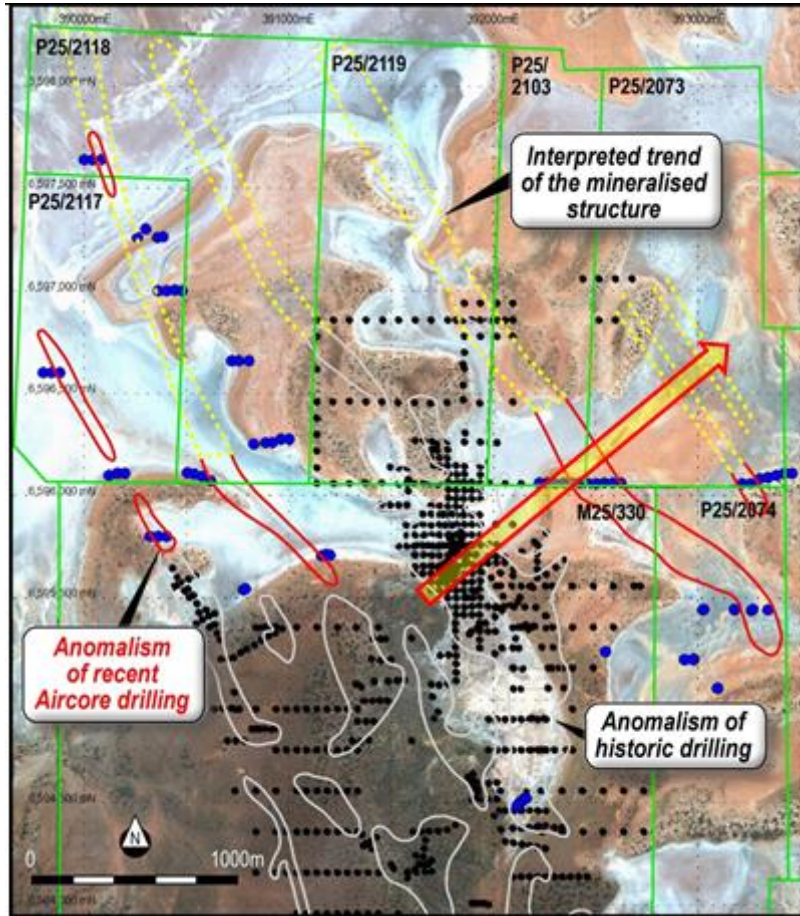


Figure 1 Google Earth image of total drilling at Glandore with latest air core holes in blue. The arrow displays the projection of the proposed drill hole.

Results:

The drillhole was completed on time and on budget, with full core recovery achieved with orientation. The very thick sequence of Mafic Sediment (Volcanic Wacke similar to the Golden Mile Dolerite) had sulphide and carbonate throughout with nine zones of mineralised (pyrite – biotite – carbonate ± chalcopyrite – quartz) shaly material totalling nearly 240m.

The assay grades returned two assays above one gram per tonne with the full assays above 100ppb Au showing the continuous mineralisation trends which demonstrate that the mineralising trends are consistent along strike and down structure.

The Glandore system is a mineralised gold-sulphur system and has many locally mineralised smaller shoots such as Axial Planar and Supergene. The focus of the next phase of exploration will be the evaluation of the smaller near surface gold mineralisation.

ARUMA RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

Bulloo Copper Project

Drill program:

Aruma completed the 961m diamond drilling program at its Bulloo Downs Copper Project (Bulloo) in Western Australia in mid-September. The drilling was the culmination of the emissivity mapping and sampling programs on multiple copper gossans conducted last year.

Using the Nifty Copper Model, evidence of copper-phosphorous anomalism, carbonate silica alteration and sulphide rich systems of hydrothermal nature was required to confirm the Bulloo Project as capable of containing multiple Nifty style mineralisations.

After collating all the data and completing mapping and surface sampling over most of the 2,800km² of leases, Aruma RC drilled the nine defined Tier 1 targets and encountered copper mineralisation in five. However no sulphide mineralisation was drilled and all the areas drilled were outside the emissivity targets. Research into the Nifty style mineralisation defined the parameters that needed to be established at Bulloo, namely the presence of:

1. copper-phosphorous anomalism at 0.1% in sulphides;
2. oxidised and reduced domains;
3. quartz carbonate veining;
4. hydrothermal temperatures and pressures;
5. black shales with carbonate beds; and
6. sulphur rich sediments.

The deep drilling has confirmed that the Bulloo Copper Project has all the required parameters and Aruma Resources Managing Director Peter Schwann said the results increased the Company's understanding of fresh rock copper mineralisation. "Now that Nifty style copper mineralisation attributes have been confirmed, Aruma is in a position to target higher copper grades and thicker zones of mineralisation where HyMap structures transect favourable host stratigraphy indicated by emissivity. This has enabled Aruma to progress another step closer to unlocking what could be a large and very exciting new copper province at Bulloo Downs," he said.

"The next phase of exploration will be aimed at testing the most prospective areas for discovering a significant Nifty-type copper deposit within our tenements, and we believe that this potential has now been confirmed. We have a drill site cleared for drilling that was not drilled due to access and water supply problems, which are now sorted" he said.

The next phase will be a self-funded or JV drill program to test the site that was not drilled due to gas pipeline access problems.

ARUMA RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

Projects Summary

EASTERN GOLDFIELDS	Glandore Hub	<p>Glandore Gold Project - 40km east of Kalgoorlie-Boulder</p> <ul style="list-style-type: none"> ▪ EIS Application successful - Deep Diamond hole intersected nine parallel mineralised structures ▪ New Black Flag Model creates interest in southern blocks ▪ JV discussions in progress
		<p>Clinker Hill Gold Lease - 35km east of Kalgoorlie-Boulder</p> <ul style="list-style-type: none"> ▪ Additional leases pegged to the east to cover possible extensions ▪ Soil Samples planned to the east to cover possible extensions
	Regional Projects	<p>Bulloo Downs Copper Project – 100km south of Newman</p> <ul style="list-style-type: none"> ▪ Deep Diamond drilling completed to test emissivity targets ▪ JV discussions continuing

Table 2 Project Status and Activity Table

Proposed Exploration Activities for H2 FY2016

Aruma's lease holdings are constantly being appraised and are currently approximately 2,700km².

All of Aruma's projects have strong metal indicators and proven high grade potential. The ongoing work comprises:

- **Bulloo Downs Copper Project** – JV discussions.
- **Glandore** – Deep diamond hole completed and assays received LA-ICP-MS Pyrite Study underway and JV discussions.
- **Glandore Hub – Clinker Hill** – Soil sampling program and data interpretation.

The Company is considering joint venture partners on all projects due to the scale and scope of work required.

Aruma will also be appraising leases that are becoming available in the Wiluna-Kalgoorlie terrain, especially where adjacent to current projects or with resources or intersections.

In addition to its current projects in Western Australia, Aruma continues to evaluate other potential project opportunities.

ARUMA RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

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 Australasian Institute of Mining and Metallurgy. Mr Schwann is a full time employee of the Company. Mr Schwann has sufficient relevant experience to qualify as a Competent Person as defined in the JORC Code (2012) and consents to the inclusion of this 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 present have not been materially modified from the original announcements.

The Group incurred an after tax loss for the half-year ended 31 December 2015 of \$115,122 (2014: \$1,081,296).

Corporate

During the period the Company completed a pro-rata non-renounceable rights offer on the basis of 1 new share for every 2 shares held at an issue price of 0.6 cents per share.. The offer raised approximately \$463,000 before issue costs which will be used to identify and evaluate new resource projects, existing projects and for working capital.

Management has taken measures to significantly reduce administration costs. Staff and directors have taken remuneration cuts of 40% as of September 2015, which together with downsizing of office space, has reduced overheads and costs by some 50% for the foreseeable future.

The Company received an R&D tax refund of \$623,032 (2014: \$517,098) before costs under the 2015 Research & Development Tax Incentive Program.

EVENTS SUBSEQUENT TO THE BALANCE DATE

No matter or circumstance has arisen subsequent to the balance date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

ARUMA RESOURCES LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Nexia Perth Audit Services Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 10 and forms part of the directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'P Schwann', with a long horizontal line extending to the right.

P Schwann

Managing Director

Perth, 15th March 2016

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Aruma Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2015, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Nexia Perth Audit Services Pty Ltd



PTC Klopner
Director

Perth
15 March 2016

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	CONSOLIDATED	
		Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
		\$	\$
Revenue from continuing operations	1(a)	758,016	515,000
Exploration expenditure expensed as incurred		(499,736)	(1,120,247)
Impairment of exploration assets		(70,960)	-
Depreciation		(6,048)	(2,860)
Non-Executive Directors' fees		(37,400)	(51,000)
Employee benefits		(68,165)	(123,905)
Legal and professional fees		(101,818)	(93,316)
Occupancy expenses		(15,331)	(26,381)
Share options expense		-	(90,380)
Travel expenses		(4,385)	(1,220)
Other expenses		(74,101)	(114,481)
Loss from operating activities		(119,928)	(1,108,790)
Financial income		4,808	27,837
Financial expenses		(2)	(343)
Net financing income		4,806	27,494
Loss before income tax expense		(115,122)	(1,081,296)
Income tax benefit/(expense)		-	-
Loss for the period		(115,122)	(1,081,296)
Total comprehensive loss for the period		(115,122)	(1,081,296)
Loss per share			
Basic and diluted loss per share (cents per share)		(0.07) cents	(0.72) cents

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

		CONSOLIDATED	
		31 Dec 2015	30 June 2015
Note		\$	\$
Current assets			
	Cash and cash equivalents	695,842	916,457
	Trade and other receivables	701,109	12,930
	Other current assets	15,511	14,427
	Total current assets	1,412,462	943,814
Non-current assets			
	Plant and equipment	41,942	47,754
	Deferred exploration expenditure	129,773	200,733
	Total non-current assets	171,715	248,487
	Total assets	1,584,177	1,192,301
Current liabilities			
	Trade and other payables	164,715	113,777
	Provisions	59,505	68,603
	Total current liabilities	224,220	182,380
	Total liabilities	224,220	182,380
	Net assets	1,359,957	1,009,921
Equity			
	Issued capital	9,195,119	8,729,961
	Reserves	211,967	211,967
	Accumulated losses	(8,047,129)	(7,932,007)
	Total equity	1,359,957	1,009,921

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	CONSOLIDATED	
	Half-year ended 31 Dec 2015 \$	Half-year ended 31 Dec 2014 \$
Cash flows from operating activities		
Cash receipts from customers	86,984	-
Interest received	8,933	5,674
Interest paid	(2)	(343)
Payments for exploration and evaluation	(516,967)	(1,061,592)
Payments to suppliers and employees	(236,685)	(359,890)
Net cash used in operating activities	(657,737)	(1,416,151)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(236)	(5,986)
Transfer to/(from) term deposit investment	-	1,565,158
Net cash provided by/(used in) investing activities	(236)	1,559,172
Cash flows from financing activities		
Proceeds from the issue of shares	462,912	-
Payment of capital raising expenses	(25,554)	-
Net cash from financing activities	437,358	-
Net increase/(decrease) in cash and cash equivalents	(220,615)	143,021
Cash and cash equivalents at the beginning of the period	916,457	928,001
Cash and cash equivalents at the end of the period	695,842	1,071,022

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

Consolidated	Issued capital	Share based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2014	8,729,961	95,389	(6,128,760)	2,696,590
Loss for the period	-	-	(1,081,296)	(1,081,296)
Total comprehensive loss for the period	-	-	(1,081,296)	(1,081,296)
Issue of share options to directors and staff	-	90,380	-	90,380
Issue of share options for exploration payment	-	44,083	-	44,083
Transfer on expiry of options	-	(17,885)	17,885	-
Balance at 31 December 2014	<u>8,729,961</u>	<u>211,967</u>	<u>(7,192,171)</u>	<u>1,749,757</u>
Balance at 1 July 2015	8,729,961	211,967	(7,932,007)	1,009,921
Loss for the period	-	-	(115,122)	(115,122)
Total comprehensive loss for the period	-	-	(115,122)	(115,122)
Issue of shares for cash	462,912	-	-	462,912
Issue of shares for exploration payment	35,000	-	-	35,000
Share issue expense	(32,754)	-	-	(32,754)
Balance at 31 December 2015	<u>9,195,119</u>	<u>211,967</u>	<u>(8,047,129)</u>	<u>1,359,957</u>

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The condensed consolidated interim financial report does not include full disclosure of the type normally included in an annual financial report, and accordingly this report should be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of *the Corporations Act 2001* and the ASX listing rules.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. The Company, Aruma Resources Limited and its subsidiary, Aruma Exploration Pty Ltd, are domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2015.

For the purpose of preparing the report the half-year has been treated as a discrete reporting period.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments to AASBs and the new Interpretation which are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

New or revised requirement	When effective	Applicability to 31 December 2015 half year
<i>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i> Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.	Applicable to annual reporting periods beginning on or after 1 July 2015	Mandatory

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

Financial position

The financial report is prepared on a going concern basis.

At the balance date, the Group had an excess of current assets over current liabilities of \$1,188,242 (30 June 2015: \$761,434). Notwithstanding this positive working capital position, the Group is reviewing its tenement holdings with a view to either a joint-venture, sale or relinquishing those holdings which are considered less prospective in order to preserve working capital over the next 12 months.

Significant Accounting Judgements and Key Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half-year report the significant judgements made by management in applying the Consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2015.

(a) Research & Development tax concession

The Company lodged a claim for a refund under the R&D tax concession scheme for 2015 and received \$623,032 subsequent to the period ended 31 December 2015.

ARUMA RESOURCES LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

2. ISSUED CAPITAL

	31 December 2015	30 June 2015
	\$	\$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	9,195,119	8,729,961
	6 months to 31 December 2015 Number	12 months to 30 June 2015 Number
<i>Movements in fully paid shares on issue</i>		
At beginning of period	149,304,167	149,304,167
Shares issued for exploration payment	5,000,000	-
Shares issued for cash	77,152,084	-
Balance at end of period	231,456,251	149,304,167

3. RESERVES

	6 months to 31 December 2015	12 months to 30 June 2015
	\$	\$
Share based payment reserve		
Balance at beginning of period	211,967	95,389
Transfer to accumulated losses on expiry of options	-	(17,885)
Issue of options to third party	-	44,083
Issue of options to directors, employees and contractors	-	90,380
Balance at end of period	211,967	211,967

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

4. COMMITMENTS

	31 December 2015 \$	30 June 2015 \$
COMMITMENTS		
Operating lease commitments		
Not later than 1 year	-	8,403
Later than 1 year but not later than 5 years	-	-
	<u>-</u>	<u>8,403</u>
Exploration Expenditure Commitments		
Minimum exploration expenditure:		
Not later than 1 year	1,439,387	1,115,500
Later than 1 year but not later than 5 years	5,757,548	4,462,000
	<u>7,196,935</u>	<u>5,577,500</u>

5. CONTINGENT LIABILITIES

In the opinion of the directors, other than the matter disclosed above, there were no contingent liabilities at the date of this report.

6. SEGMENT INFORMATION

The Group's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Group's operations and allocation of working capital.

Due to the size and nature of the Group, the Board as a whole has been determined as the chief operating decision maker.

The Group operates in one business segment and one geographical segment, namely mineral exploration industry in Australia only. AASB 8 Operating Segments states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely mineral exploration industry.

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the statement of financial position.

7. EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen subsequent to the balance date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

8. RELATED PARTIES

Transactions with directors and director-related entities continue to be in place. For details on these arrangements, please refer to the 30 June 2015 annual financial report. No other related party transactions were entered into during the half year ended 31 December 2015.

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share based payments.

ARUMA RESOURCES LIMITED

DIRECTORS' DECLARATION

In the Directors' opinion:

- 1 the financial statements and notes set out on pages 11 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date of the consolidated entity; and
- 2 there are reasonable grounds to believe that Aruma Resources Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



P. Schwann
Managing Director

Perth, 15th March 2016

Independent Auditor's Review Report to the members of Aruma Resources Limited

Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Aruma Resources Limited (the "Company") and its controlled entity (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entity it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aruma Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Nexia Perth Audit Services Pty Ltd

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Independent member of Nexia International



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aruma Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim financial report of Aruma Resources Limited and its controlled entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads "NPAS".

Nexia Perth Audit Services Pty Ltd

A handwritten signature in blue ink that reads "PTC Klopner".

PTC Klopner
Director

Perth
15 March 2016