ARUMA RESOURCES LIMITED

ABN 77 141 335 364

ANNUAL FINANCIAL REPORT
30 JUNE 2010

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CORPORATE INFORMATION

This annual report covers the Group consisting of Aruma Resources Limited (**"Aruma", "the Company", ASX: "AAJ")** and the entities it controlled during the period for the period ended 30 June 2010. The Group's functional and presentation currency is Australian dollars ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report on pages 6 to 19. The Directors' report is not part of the financial report.

Directors

Paul Boyatzis (Chairman)

Peter Schwann (Managing Director)

Danny Costick

Company Secretary

Philip MacLeod

Registered office

24 Colin Street

West Perth WA 6005

Australia

Principal place of business

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West Perth WA 6005

Australia

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Share Register

Advanced Share Registry Services

110 Stirling Highway

Nedlands WA 6009

Australia

Auditors

Ord Partners

Level 1, 47-49 Stirling Highway

Nedlands WA 6009

Australia

Solicitors

Fairweather and Lemonis

Ground Floor, 1 Havelock Street

West Perth WA 6005

Australia

ASX Code:

Ordinary shares – AAJ

LETTER FROM THE BOARD OF DIRECTORS TO SHAREHOLDERS

Dear Shareholder

Your Company, Aruma Resources Ltd (**"Aruma", "the Company", ASX: "AAJ"),** is a West Australian based gold exploration company, which listed on the Australian Securities Exchange on 23 July 2010. Although at the time, the markets displayed uncertainty a successful capital raising of $5million was completed. On listing, Hemisphere Resources Ltd **("Hemisphere", ASX: "HEM"**) held a 61% shareholding in Aruma.

The global financial uncertainty has refocused the markets on the relevance of gold as an asset class and we are currently seeing it re-rated by the international investment community. Published investment reports indicate this re-rating should continue well into next year.

Aruma is well positioned financially to actively explore its leases and drilling has already commenced at the highly prospective Glandore project, which is located 40k east of Kalgoorlie-Boulder.

Projects

Aruma has four prospective project areas within the Eastern Goldfields region of Western Australia, which is considered to be both highly prospective for gold as well as highly amenable for the development and exploitation of new deposits. Inclusive of several tenements which are still under application, Aruma's tenement package now totals approximately 400 km^2.

The Company's flagship Glandore Project is located approximately 40 km east of Kalgoorlie-Boulder. Previous exploration of the Glandore Project, has identified several advanced exploration areas and some twenty under-explored prospective exploration targets. Current exploration is aimed at identifying resources located in association with 6 large geochemical responses.

The Kurnalpi South Project located approximately 100 km to the east of Kalgoorlie-Boulder and comprises four gold exploration prospects designated as Christmas Well, Pinnacles South, Mt Quin and Steeple Hill. These prospects lie within a minimally explored area of greenstone belt that hosts several major mines. Initial exploration will focus on shallow covered felsic zones similar to those that host the large Carosue Dam and Salt Creek deposits.

The Laverton East Project is located approximately 20 km east of Laverton. Previous exploration of the area includes relatively shallow RAB drilling over much of the tenement and reconnaissance rock chip sampling returned several gold assays of greater than 0.2 g/t. This area is covered by a thin hardpan and will be explored using remote sensing and terrain modelling similar to the methods used by Regis at Garden Well.

The Jundee South Project is approximately 50 km to the east of Wiluna within the Yandal Greenstone belt. The Gourdis alluvial deposits are thought to have been derived from the west, near or on the Aruma Lease. The lease when granted will be evaluated by remote sensing and detailed terrain modelling.

All of the project areas can be readily accessed from the regional towns of Kalgoorlie-Boulder, Laverton or Wiluna.

LETTER FROM THE BOARD OF DIRECTORS TO SHAREHOLDERS (CONTINUED)

The coming year will see active development of the Company's assets, which will systematically be explored with the purpose of determining the full value of the tenements held. In addition, the Company will continue to review other resource opportunities that the Directors consider have the potential to add shareholder value.

At this time the Directors would like to thank all staff and contractors for their contribution to the continuing development of the Company.

I recommend reading this report to gain further understanding of the Company's plans and projects, and thank you for your support.

Paul Boyatzis
Chairman

DIRECTORS' REPORT

The Directors of Aruma Resources Limited submit herewith the Annual Report of the Company for the period 5 January 2010 to 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

1. INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the directors of the Company during or since the end of the period are:

Paul Boyatzis – Chairman, Non-Executive Director, appointed 5 January 2010, age 55.

B Bus, ASA, MSDIA, MAICD

Mr Boyatzis has over 25 years experience in the investment and equity markets, particularly with emerging growth companies within the Mining and Industrial sectors.

Mr Boyatzis is a member of the Australian Institute of Company Directors and the Securities and Derivatives Industry Association. He has served as Chairman and Director of a number of public and private companies globally.

Mr Boyatzis is a director of QED Occtech Limited and Hemisphere. During the past three years Mr Boyatzis has not served as a director of any other listed company.

At the reporting date Mr Boyatzis is the holder of 250,000 ordinary shares and 1,000,000 options over unissued shares.

Mr Peter Schwann – Managing Director, appointed 11 February 2010, age 60.

Ass of App Geology, FAIMM, CP Geology

Mr Schwann has more than 35 years experience in mineral exploration, company management and consulting.

During his early years he worked with some of Australia's biggest companies exploring for nickel, iron ore, gold and mineral sands. Mr Schwann has recently held project generation and evaluation roles with resource companies in Africa, Asia, Australia and Eastern Europe. He has participated in evaluations of precious and base metal deposits in Mexico, Africa, Madagascar, China and Kyrgyzstan.

As a former exploration director of Kingsgate Consolidated Limited he has previous experience as a director of a listed resource company.

During the past three years Mr Schwann has not served as a director of any other listed company.

At the reporting date Mr Schwann is the holder of 280,000 ordinary shares and 2,000,000 options over unissued shares.

DIRECTORS' REPORT (CONTINUED)

Danny Costick – Non-Executive Director, appointed 6 January 2010, age 48.

B.Eng.Msc.

Mr Costick has over 25 years experience in the mining industry. For the last 15 years Mr Costick has been actively involved in a professional capacity in the operation and management of mines throughout Australia and internationally.

Mining operations worked on include the Wannaway Nickel Mine, Ora Banda Gold Mine, Agnew Gold Operations, Leinster Nickel Operations, Tennant Creek Operations, Mt Lyell Copper Mine, Gidgee Gold Mine and Oceana Gold Limited's New Zealand Operations.

His experience includes extensive hands on experience in mining, mine design, mine development and production, feasibility studies, project valuation and mine management in a wide range of commodities including gold, base metals and mineral sands.

Mr Costick is a graduate of the Western Australian School of Mines, having completed his Mining Engineering Qualifications in 1991 and his Mineral Economics Masters Degree in 1999. He commenced his mining career on the Golden Mile in Kalgoorlie.

Mr Costick is a director of Hemisphere. During the past three years Mr Costick has not served as a director of any other listed company.

At the reporting date Mr Costick is the holder of 100,000 ordinary shares and 1,000,000 options over unissued shares.

Steven Leithead – Non-Executive Director, appointed 13 January, resigned 11 February 2010, age 50.

During the past three years Mr Leithead has not served as a director of any other listed company.

Phillip MacLeod – Non-Executive Director, appointed 5 January, resigned 13 January 2010, Company Secretary, appointed 5 January 2010

B Bus, ASA

Mr MacLeod has over 20 years commercial experience and has held the position of company secretary with listed public companies since 1995. Mr MacLeod has provided corporate, management and accounting advice to a number of public and private companies involved in the resource, technology, property and healthcare industries.

DIRECTORS' REPORT (CONTINUED)

2. DIRECTORS' MEETINGS

The number of Directors' meetings held and the number of meetings attended by each of the Directors of the Company during their term in office during the period is as follows.

Director	Meetings held	Meetings attended
Paul Boyatzis	6	6
Peter Schwann	1	1
Danny Costick	6	6
Steven Leithead	-	-
Phil MacLeod	5	5

The Company does not have any committees. Matters usually considered by an audit, remuneration or nomination committee were dealt with by the directors during regular Board meetings.

3. REMUNERATION REPORT (*Audited*)

3.1 Principles of compensation (audited)

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company and other executives. Key management personnel comprise the directors of the Company and other executives.

Remuneration levels for key management personnel and other staff of the Company are competitively set to attract and retain appropriately qualified and experienced directors and executives and take account of factors such as length of service, particular experience and expertise. Effective from 23 July 2010 non-executive directors receive a fixed fee of $40,000 per annum plus statutory superannuation or GST as applicable. The Chairman receives a fixed fee of $72,000 per annum plus statutory superannuation or GST as applicable. Currently key management personnel remuneration is not dependent on the satisfaction of any performance condition.

The Company does not have a policy for key management personnel to hedge their equity positions against future losses.

DIRECTORS' REPORT (CONTINUED)

3. REMUNERATION REPORT (*Audited*) (continued)

3.2 Remuneration of directors and senior management (audited)

Details of the nature and amount of each major element of remuneration of each director of the Company and named executives of the Company receiving the highest remuneration are:

		Short-term				Post-employment	Other long term		Share-based payments			
		Salaries & fees $	Cash bonus $	Non-monetary benefits $	Total $	Superannuation benefits $	$	Termination benefit $	Options and rights $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Non-executive Directors												
Mr P Boyatzis Appointed 5 Jan 2010	2010	-	-	-	-	-	-	-	93,266	93,266	-	100
Mr D Costick Appointed 6 Jan 2010	2010	-	-	-	-	-	-	-	93,266	93,266	-	-
Mr S Leithead Appointed 13 Jan 2010 Resigned 11 Feb 2010	2010	-	-	-	-	-	-	-	-	-	-	-
Mr P MacLeod Appointed 5 Jan 2010 Resigned 13 Jan 2010	2010	-	-	-	-	-	-	-	-	-	-	-
Executive Director												
Mr P Schwann Appointed 11 Feb 2010	2010	-	-	-	-	-	-	-	186,534	186,534	-	100
Total	2010	-	-	-	-	-	-	-	373,066	373,066	-	100

There was no provision for payment of salaries or fees prior to the listing of the Company.

DIRECTORS' REPORT (CONTINUED)

3. REMUNERATION REPORT (*Audited*) (continued)

3.3 Bonuses and share-based payments granted as compensation for the current period

4,000,000 share options over unissued shares in Aruma Resources Limited ("Aruma") were issued during the year. The options are exercisable at a price of 27 cents. The options were granted on 21 April 2010 and vested immediately. The expiry date of the options is 31 March 2012. The options fair value at grant date is $0.0933 per option. The securities are classified as restricted and are to be held in escrow until 23 July 2012.

The options were granted in recognition of the substantial contribution made by the recipients to the listing of Aruma for which no other financial compensation was awarded. There is no further service or performance criteria that need to be met in relation to the options granted before the beneficial interest rests in the recipient.

The following grants of share-based compensation to directors and relate to the current period:

During the current period

Directors	Number granted	Number vested	% of grant vested	% of grant forfeit-ed	% of compensation for the period consisting of options
Paul Boyatzis	1,000,000	1,000,000	100	n/a	100
Danny Costick	1,000,000	1,000,000	100	n/a	100
Executives					
Peter Schwann	2,000,000	2,000,000	100	n/a	100

DIRECTORS' REPORT (CONTINUED)

The following table summarises the value of options issued to directors granted, exercised or lapsed during the period:

Directors	Value of options granted at the grant date (i)	Value of options exercised at the exercise date	Value of options lapsed at the date of lapse (ii)
	$	$	$
Paul Boyatzis	93,266	-	-
Danny Costick	93,266	-	-
Peter Schwann	186,534	-	-

(i) The value of options granted during the period is recognised as compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

(ii) The value of options lapsed during the period due to the failure to satisfy a vesting condition is determined assuming the vesting condition had been satisfied.

DIRECTORS' REPORT (CONTINUED)

3. REMUNERATION REPORT (Audited) (continued)

3.4 Service agreement (audited)

Aruma has entered into an Executive Service Agreement with Mr Peter Schwann. Under the agreement commencing 23 July 2010 Mr Schwann will be employed as Managing Director of Aruma. The agreement continues until terminated by either party. The agreement can be terminated without cause by either party upon three months' written notice.

Mr Schwann's remuneration will consist of $200,000 per annum base salary plus statutory superannuation and provision of a laptop computer and mobile phone. Remuneration will be reviewed after twelve months and every twelve months thereafter.

The Company may elect to pay 3 months base salary and superannuation in lieu of notice. The Company has no other service agreements with any other directors or key management personnel.

4. SHARE OPTIONS

Unissued shares under option

There are 4,000,000 options over unissued shares in Aruma.

Share options lapsed

There were no options which lapsed or expired during the period.

Share options issued

There were 4,000,000 options over unissued shares in Aruma issued during the period as share-based compensation to directors. Details of the options are disclosed under s.3.3 of the directors' report.

Shares issued on exercise of options

There were no ordinary shares issued as a result of the exercise of options during the period.

5. PRINCIPAL ACTIVITY

The principal activity of the Company during the period was mineral exploration in Australia.

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DIRECTORS' REPORT (CONTINUED)

6. FINANCIAL AND OPERATING REVIEW

Financial review

The Group made a loss for the period of $396,829. The Group had cash and term deposit balances at 30 June of $3,310,583. Cash held included $3,309,300 held by Aruma in share subscriptions held in trust prior to it's listing on 23 July 2010.

Operating review

Overview

Aruma was incorporated on 5 January 2010 as a wholly owned subsidiary of Hemisphere with the purpose of acquiring the gold assets of Hemisphere and listing on the ASX.

In the period 5 January to 30 June 2010 Aruma undertook all the activities required to carry out the IPO and subsequently listed on the ASX on 23 July 2010.

Project Descriptions

Aruma is a focused West Australian based gold exploration company which has four 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 400 km^2

DIRECTORS' REPORT (CONTINUED)

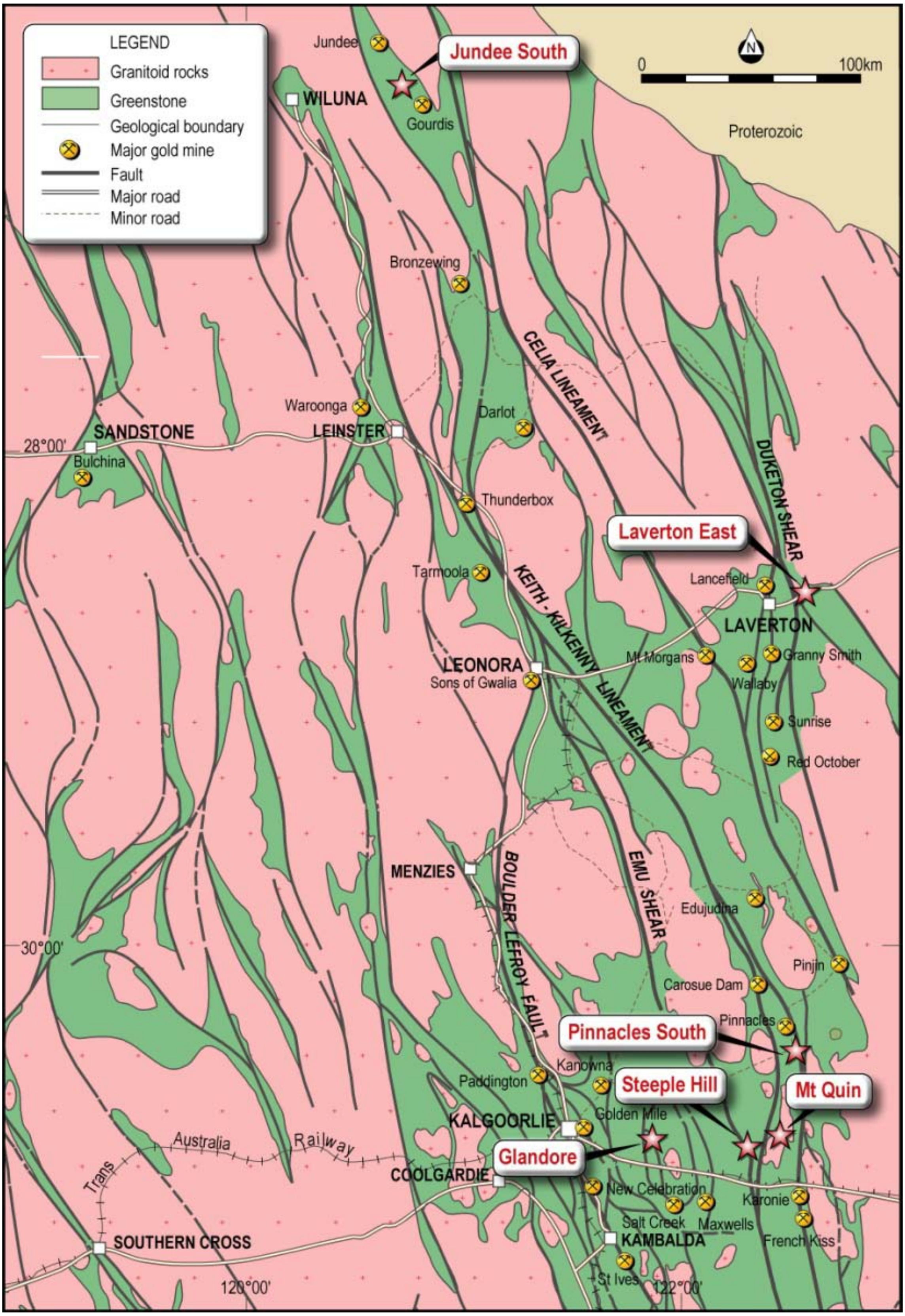

Figure 1 Aruma's Project Locations

DIRECTORS' REPORT (CONTINUED)

6. FINANCIAL AND OPERATING REVIEW (continued)

Project Descriptions (continued)

The flagship Glandore Project is approximately 40 km east of Kalgoorlie-Boulder. Previous exploration of the Glandore Project, has identified several advanced exploration areas and some twenty under-explored prospective exploration targets.

The Kurnalpi South Project lies approximately 100 km to the east of Kalgoorlie-Boulder and comprises four gold exploration prospects designated as Christmas Well, Mt Quin and Steeple Hill, within a minimally explored area of a greenstone belt that hosts several major mines.

The Laverton East Project, located approximately 20 km east of Laverton. Previous exploration of the area includes relatively shallow RAB drilling over much of the tenement and reconnaissance rock chip sampling returned several gold assays of greater than 0.2 g/t.

The Jundee South Project is approximately 50 km to the east of Wiluna within the Yandal Greenstone belt. The Gourdis alluvial deposits are thought to have been derived from the west, near or on the Aruma Lease.

Each of the project areas can be readily accessed from the regional towns of Kalgoorlie-Boulder, Laverton or Wiluna.

Activities

The main activities of Aruma were in fulfilling the requirements of ASIC and the ASX and included the completion of

- Independent Geologist's Report
- Independent Accountant's Report
- Solicitor's Report
- Field visits to Projects
- Hiring of relevant officers
- Establishment of IT sites
- Appointments of required institutions and contractors
- Transferrals and maintenance of leases
- Applications for PoWs and Native Title negotiations
- Planning and costing of exploration requirements
- Tentatively arranging offices
- Establishment of banking relationships

Completion of the above together with the required due diligence allowed the Prospectus to be issued on 27 of April 2010 and the fund raising to commence.

The officers of the Company were appointed:

- Mr Paul Boyatzis, Non-Executive Chairman (appointed 5 January 2010)
- Mr Peter Schwann, Managing Director (appointed 11 February 2010)
- Mr Danny Costick, Non Executive Director (appointed 6 January 2010)
- Mr S Leithead, Non-Executive Director (appointed 13 January, resigned 11 February 2010)
- Mr Phil McLeod, Company Secretary, Non-Executive Director (appointed 5 January 2010, resigned 13 January 2010)

DIRECTORS' REPORT (CONTINUED)

6. FINANCIAL AND OPERATING REVIEW (continued)

Future Activities

Having successfully listed on the Australian Securities Exchange, Aruma will commence drilling on current drill-ready targets and explore the described projects in structural and lithologically favourable areas derived from a regional study of the known gold mineralisation controls. In addition, targets defined through a study of previous exploration will be explored. Conceptual targets identified may also be explored at this time.

Aruma's overall exploration budget is summarised in Table 1.

Table 1: Total Exploration Budget

	2011 $	2012 $	Total $
Geochemistry/Geophysics	62,000	53,000	115,000
RAB Drilling	196,000	242,000	438,000
RC Drilling	375,000	375,000	750,000
Diamond Drilling	150,000	150,000	300,000
Field Support	140,000	140,000	280,000
Geology	220,000	320,000	540,000
Heritage and Environment	160,000	160,000	320,000
Technical Services	100,000	100,000	200,000
Administration	1,043,000	562,000	1,605,000
Other Working Capital	-	452,000	452,000
Total	2,446,000	2,552,000	5,000,000

Environmental and Community

Aruma has complied with all the requirements of the DMP and Native Title requirements and will fulfil the ongoing commitments made by Hemisphere. The statutory requirements on listing will also be completed.

7. DIVIDENDS

No dividends were paid or declared by the Company during the period or since the end of the period.

DIRECTORS' REPORT (CONTINUED)

8. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Group successfully completed the listing of Aruma on the Australian Securities Exchange.

Subsequent to the reporting date settlement of the tenement acquisition agreement entered into between the Company, Hemisphere and Plasia Pty Ltd ("Plasia"), a company controlled by Mr Peter Schwann, the Managing Director of Aruma, for the right, title and interest in the tenements to be acquired under the agreement. The consideration for the acquisition of the tenements is 125,000 fully paid ordinary shares in the capital of Aruma.

There have been no other events occurring subsequent to the reporting date.

9. LIKELY DEVELOPMENTS

The Group will continue planning and executing mineral exploration work on its existing projects as well as any new projects or investments which come under review during the financial year.

10. DIRECTORS' INTERESTS

The relevant interest of each director in the shares and options of the Company as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Directors	Ordinary shares	Options over ordinary shares
Mr P Boyatzis	250,000	1,000,000
Mr P Schwann	280,000	2,000,000
Mr D Costick	100,000	1,000,000

11. ENVIRONMENTAL REGULATIONS

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements up to the date of this report. The board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

DIRECTORS' REPORT (CONTINUED)

12. INDEMNIFICATION OF OFFICERS AND AUDITORS

Under the Constitution the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

During the year, no insurance premiums were paid by the Company to insure Directors and officers of the Company.

The Company has not provided any insurance or indemnification for the Auditor of the Company.

13. NON-AUDIT SERVICES

During the period Ord Partners, the Company's auditor, has performed certain other services in addition to their statutory duties.

During the period Ord Partners, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the period by the auditor and has resolved that it is satisfied that the provision of those non-audit services during the period by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Corporation Act 2001*. The non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES110 (*Code of ethics for professional accountants*), as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, Ord Partners, and its related practices for audit and non-audit services provided during the period are set out below:

	5 JANUARY 2010 TO 30 JUNE 2010 $
Audit and review of financial reports	13,500
Investigating accountant's report	9,869
	23,369

ARUMA RESOURCES

DIRECTORS' REPORT (CONTINUED)

14. AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set on page 20.

15. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of directors there were no significant changes in the state of affairs of the Company that occurred during the period.

This report is made with a resolution of the directors:

P Schwann
Managing Director

Perth
Dated 30th September 2010

O R D
PARTNERS
CHARTERED ACCOUNTANTS

Ian K Macpherson CA

Robert W Parker CA

To the Board of Directors of Aruma Resources Limited

Dear Sirs

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, in relation to the audit for the period from 5 January 2010 to 30 June 2010, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully
ORD PARTNERS

Ian Macpherson
Partner

Perth, 30 September 2010

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2010

	Note	CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
Revenue from continuing operations		-
Exploration expenditure expensed as incurred		(14,050)
Depreciation	11	(166)
Share-based compensation		(373,066)
Other expenses		(14,116)
Loss from operating activities	3	(401,398)
Financial income		4,569
Net financing income	4	4,569
Loss before income tax		(396,829)
Income tax expense	7	-
Loss for the period		(396,829)
Total comprehensive loss for the period		(396,829)
Loss per share		
Basic and diluted loss per share	6	2.25 cents

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2010

	Note	CONSOLIDATED 2010 $
Current Assets		
Cash and bank balances	9	3,310,583
Trade and other receivables	10	22,840
Total current assets		3,333,423
Non current assets		
Plant and equipment	11	5,071
Deferred exploration expenditure	12	224,945
Total non current assets		230,016
Total assets		3,563,439
Current liabilities		
Trade and other payables	13	232,097
Other liabilities	14	3,309,300
Total current liabilities		3,541,397
Total liabilities		3,541,397
Net assets		22,042
Equity		
Issued capital	15	45,805
Reserves	16	373,066
Accumulated losses	17	(396,829)
Total equity		22,042

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2010

	Note	CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
Cash flows from operating activities		
Interest received		1,489
Exploration expenditure		(7,960)
Payments to suppliers and employees		(19,025)
Net cash used in operating activities	23(b)	(25,496)
Cash flows from investing activities		
Payments for purchase of plant and equipment		(5,237)
Net cash used in investing activities		(5,237)
Cash flows from financing activities		
Proceeds from loan from Parent entity		211,157
Proceeds from share subscriptions held in trust		3,309,300
Costs of capital raising		(179,141)
Net cash provided by financing activities		3,341,316
Net increase in cash and cash equivalents		3,310,583
Cash and cash equivalents at 5 January 2010		-
Cash and cash equivalents at 30 June 2010	23(a)	3,310,583

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2010

	Issued capital $	Accumulated losses $	Option premium reserve $	Total equity $
Balance at 5 January 2010	-	-	-	-
Comprehensive loss for the period	-	(396,829)	-	(396,829)
Total comprehensive loss for the period	-	(396,829)	-	(396,829)
Share issued for cash	1	-	-	1
Shares issued on acquisition of exploration assets	224,945	-	-	224,945
Recognition of share-based payments	-	-	373,066	373,066
Share issue costs	(179,141)	-	-	(179,141)
Balance at 30 June 2010	45,805	(396,829)	373,066	22,042

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Aruma Resources Limited (the "Company") is a company domiciled in Australia. The Company is a wholly-owned subsidiary of Hemisphere. The financial report of the Company and its subsidiaries (the "Group") is for the period from incorporation of the Company, 5 January 2010 ending 30 June 2010.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group.

Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the directors on 30 September 2010

(b) Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, the Group's functional currency, unless otherwise noted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New Standards and Interpretations not yet Effective

AASB 9	Financial Instruments	1 January 2013	AASB 9 and AASB 2009-11 address the classification and measurement of financial assets and are likely to affect the Group's accounting for its financial assets. The Group is yet to assess its full impact. However, initial indications are that it may affect the Group's accounting for available-for sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investment that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011	The principle amendments contained in AASB 2010-4 are as follows: • accounting policy changes in the year of adoption (AASB 1); • revaluation basis as deemed cost (AASB 1); • use of deemed cost for operations subject to rate regulation (AASB 1); • clarification of disclosures (AASB 7); • clarification of statement of changes in equity (AASB 101); • significant events and transactions (AASB 134). The amendments are not expected to have significant impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New Standards and Interpretations not yet Effective (continued)

AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 July 2010	The principle amendments contained in AASB 2010-3 are as follows: • measurement of non-controlling interests (AASB 3); • unreplaced and voluntarily replaced share-based payment awards (AASB 3); and • transition requirements for amendments arising as a result of AASB 127 *Consolidated and Separate Financial Statements.* The amendments are not expected to have significant impact on the financial statements.
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process	1 January 2010	The principle amendments contained in AASB 2009-5 are as follows: • disclosure of non-current assets (or disposal groups) classified as held for sale or discontinued operations (AASB 5); and • disclosure of information about segment assets (AASB 8). The amendments are not expected to have significant impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New Standards and Interpretations not yet Effective (continued)

AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payments Transactions	1 January 2010	These amendments confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity or as a cash-settled transaction. The amendments are not expected to have significant impact on the financial statements.

(d) Basis of Consolidation

The consolidated financial statements comprise the separate financial statements of Aruma Resources Limited ("Company" or "Parent") and its subsidiaries as at 30 June each year (the "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of Consolidation (continued)

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Aruma.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Revenue recognition

Interest revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

(f) Plant & equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

(ii) computer software 2.5 years

(iii) computer hardware 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and bank balances

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Issued capital

Ordinary shares

Ordinary shares are classified as issued capital. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(k) Income tax

Income tax on the consolidated statement of comprehensive income for the periods presented comprises current payable and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting, nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered by a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of the receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investment or financing activities which is payable to, or recoverable from, the taxation authority is classified within operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Exploration and evaluation

Exploration and evaluation costs, excluding the costs of acquiring licences, are expensed as incurred. Acquisition costs will be assessed on a case by case basis and, if appropriate, they will be capitalised. These acquisition costs are only carried forward only if the rights to tenure of the area of interest are current and either:

- They are expected to be recouped through successful development and exploitation of the area of interest or;
- The activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing

Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Dilutive EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Aruma.

(q) Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) 'held to maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial assets (continued)

i) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

ii) *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if;

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both which, is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and AASB 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income. Fair value is determined in the manner described in note 8.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial assets (continued)

(iii) AFS financial assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Fair value is determined in the manner described in note 7. Gains and losses arising from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established.

(iv) *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost, using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(v) *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could includes the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets’ carrying amount and the present value of estimated future cash flows \, discounted at the financial asset’s original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial assets (continued)

(v) *Impairment of financial assets (continued)*

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(r) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to directors and executives of the Group in the form of share-based payments, whereby directors and executives render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with directors and executives is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model, further details of which are given in Note 20.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Aruma (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share-based payment transactions (continued)

(i) Equity settled transactions: (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

In the application of the Group's accounting policies which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with directors and executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, using the assumptions detailed in Note 20.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the directors have elected for exploration assets to be carried at cost. All other exploration and evaluation costs are expensed during the period in which they are incurred.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement has been effected to determine that no deferred tax assets be recognised, based on the expectation that the Group will not make any taxable profits over the next two years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
3.	**LOSS BEFORE INCOME TAX**	
	Loss before income tax expense has been arrived at after charging the following items:	
	Depreciation	166
4.	**FINANCING INCOME**	
	Interest income	4,569
5.	**AUDITORS' REMUNERATION**	
	During the period the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:	
	Auditors' remuneration:	
	Audit and review services:	
	- Auditors of the Company	13,500
	Professional services:	
	- Auditors of the Company	9,869

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
6.	**LOSS PER SHARE**	
	Loss per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date	2.25 cents
(a)	Weighted average number of shares used in calculation of basic loss per share	
	Ordinary shares issued on 5 January 2010	5
	Effect of 39,999,995 shares issued on 14 April 2010	17,627,116
	Weighted average number of ordinary shares at 30 June 2010	17,627,121
(b)	Loss used in calculating basic loss per share	$396,829

As the Company incurred a loss for the period ended 30 June 2010 the options on issue have an anti-dilutive effect therefore the diluted loss per share is equal to the basic loss per share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
7. INCOME TAXES	
Tax expense/(income) comprise:	
Current tax expense/(income)	-
Deferred tax expense/(income) relating to the origination and reversal of temporary timing differences	-
Net deferred tax liability	-
Income tax recognised in profit or loss	
The prima facie income tax expense/(income) on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(income) in the financial statements as follows:	
Profit/(loss) from operations	(396,829)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
Income tax expense/(income) calculated at 30%	(119,049)
Section 40-880 expenses	(10,748)
Effect of expenses that are not deductible in determining taxable profit	118,202
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	11,595
	-

Unrecognised deferred tax assets/(liabilities)

The following deferred tax assets have not been brought to account:	
Tax losses - revenue	11,595
Temporary differences	49,276
	60,871

Deferred tax assets have not been recognised in respect of the following items:	
Trade and other payables	6,282
Section 40-880 expenses	42,994
Tax losses carry forward	11,595
	60,871

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Investments

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. Cash and cash equivalents are held with ANZ Bank which is an Australian bank with an AA credit rating (Standard & Poor's).

Trade and other receivables

As the Company operates in the mining explorer sector it does not have trade receivables and is therefore not exposed to credit risk in relation to trade receivables. Other receivables relate to GST credits receivable from the Australian Taxation Office and interest accrued on cash held with banks.

Presently, the Company undertakes exploration and evaluation activities solely in Australia. At the balance date there were no significant concentrations of credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	CARRYING AMOUNT CONSOLIDATED 2010 $
Trade and other receivables	13	22,840
Cash and bank balances	9	3,310,583

Impairment losses

None of the Company's trade and other receivables is past due. As the Company is not trading there is no management of credit risk performed through an ageing analysis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Company does not anticipate a need to raise additional capital for at least another 2 years.

Typically the Company ensures it has sufficient cash on demand to meet expected operational expenses for a minimum period of 90 days.

	Carrying amount	Contractual cash flows	6 months or less	6 months or more
	$	$	$	$
30 June 2010				
Trade and other payables	232,097	(232,097)	232,097	-
Other liabilities*	3,309,300	-	-	-
	3,541,397	(232,097)	232,097	-

* share applications held in trust which will be converted to equity upon the successful listing of Aruma.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to any currency risk. All investments and purchases are denominated in Australia dollars.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company is exposed to interest rate risk due to variable interest being earned on its assets held in cash and cash equivalents.

The Company has no borrowings.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	CONSOLIDATED	
	2010	
	Carrying amount	Interest rate
	$	%
Variable rate instruments		
Cash and bank balances	3,310,583	1.75

Cash flow sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Equity		Profit and loss	
	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2010				
Variable rate instruments	2,611	(2,611)	2,611	(2,611)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments

As of 1 July 2009, the Group has adopted the amendments to AASB 7 *Financial Instruments: Disclosures* which require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the close price at reporting date. These instruments are included in level 1.

The Group currently has no financial instruments that are shown at fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board monitors the return on capital and seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company defines return on capital as net operating income divided by total shareholders equity.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

At the present time the Company does not have an Employee share plan.

		CONSOLIDATED
		2010
		$
9.	**CASH AND BANK BALANCES**	
	Cash at hand	1
	Cash at bank	3,310,582
		3,310,583
		%
	Weighted average interest rate.	1.75
10.	**TRADE AND OTHER RECEIVABLES**	
	Current	
	GST receivable	19,756
	Other receivables	3,084
		22,840

Trade and other receivables are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		CONSOLIDATED 5 JANUARY TO 30 JUNE 2010 $
11.	**PLANT AND EQUIPMENT**	
	Computer equipment at cost	5,237
	Accumulated depreciation	(166)
	Total carrying value	5,071
	The reconciliation of computer equipment is as follows:	
	Opening carrying value	-
	Additions	5,237
	Depreciation	(166)
	Closing carrying value	5,071

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		CONSOLIDATED
		5 JANUARY 2010 TO 30 JUNE 2010
		$
12.	**DEFERRED EXPLORATION EXPENDITURE**	
	Balance at beginning of the period	-
	Acquisition of tenements – at cost	224,945
	Balance at end of the period	224,945

During the period the company completed the transfer of its gold exploration assets to Aruma Exploration Pty Limited, a wholly-owned subsidiary at their carrying value, being $224,945. The assets were transferred from Hemisphere for a consideration of 39,999,995 Aruma shares.

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance sheet date the exploration projects have not reached a stage where this determination can be made.

		CONSOLIDATED
		2010
		$
13.	**TRADE AND OTHER PAYABLES**	
	Trade creditors and accruals (i)	20,940
	Loan from Parent entity (ii)	211,157
		232,097

(i) *All trade creditors and accruals are non-interest bearing; and*

(ii) *In order to finance the transactions costs of Aruma listing on the ASX, Hemisphere, the parent entity, and Aruma entered into a funding agreement whereby Hemisphere will provide up to $250,000 to Aruma. The loan is non-interest bearing. The amount due will be settled out of the proceeds from the capital raised.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED
	2010
	$
14. OTHER LIABILITIES	
Share subscriptions held in trust	3,309,300

Share subscription applications for shares in Aruma are held in trust until the minimum subscription levels are reached. Minimum subscription levels were reached subsequent to year end.

	COMPANY
	2010
	$
15. SHARE CAPITAL	
Ordinary shares	
40,000,000 fully paid ordinary shares	45,805

	2010	2010
Movements during the year	Number	$
Balance at beginning of period	-	-
Shares issued on incorporation	5	1
Shares issued for exploration assets	39,999,995	224,945
Transaction costs arising pre-listing	-	(179,141)
Balance at end of period	40,000,000	45,805

		CONSOLIDATED 5 JANUARY 2010 TO 30 JUNE 2010 $
16.	**RESERVES**	
	Share-based payment reserve	373,066
	Movements:	
	Share-based payment reserve	
	Balance at beginning of period	-
	Share-based payments	373,066
	Balance at end of period	373,066

Share-based payment reserve

The share-based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration. Refer to note 20 for further details of these payments.

		CONSOLIDATED 2010 $
17.	**ACCUMULATED LOSSES**	
	Balance at beginning of period	-
	Loss for the period	(396,829)
	Balance at end of period	(396,829)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		CONSOLIDATED 2010 $
18.	**COMMITMENTS**	
	Exploration Expenditure Commitments	
	Minimum exploration expenditure:	
	not later than 1 year	232,800
	Later than 1 year but not later than 5 years	931,200
		1,164,000

19. CONTINGENT LIABILITIES

Lead Manager Mandate Agreement with Patersons Securities Limited

Aruma Resources Limited has entered into an agreement with Patersons Securities Limited ("Patersons") by which Patersons has been appointed as the sole Lead Manager to the offer of shares under their prospectus. The fees payable to Patersons upon successful completion of the offer is a $60,000 corporate advisory fee and a selling fee of 5% plus GST of the amount raised under the offer.

Under the Glandore project mineral rights agreement Hemisphere has provided a covenant to pay the sum of $50,000 to AngloGold Ashanti Australia Pty Ltd and Mario Epis upon submitting a notice of intent to mine in respect of the tenements. At the date of this report Hemisphere has no immediate intentions to submit such a notice. Aruma has covenanted to reimburse up to $50,000 that Hemisphere is obliged to pay.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. SHARE-BASED PAYMENTS

Aruma does not have a share option payment plan. During the year Aruma granted 4,000,000 options as share-based compensation to its directors vesting immediately. The options are restricted securities held in escrow until 23 July 2012.

The following share-based payment arrangements were in place during the current period:

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Option series No.1	4,000,000	21 April 2010	31 March 2012	0.27	373,066

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2010 No.	2010 Weighted average exercise price $
Outstanding at the beginning of the period	-	-
Granted during the period	4,000,000	0.27
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	4,000,000	0.27
Exercisable at the end of the period	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. SHARE-BASED PAYMENTS (CONTINUED)

The outstanding balance as at 30 June 2010 is represented by:

- 4,000,000 options over ordinary shares with an exercise price of $0.27 each, exercisable until 31 March 2012;
- The weighted average remaining contractual life for the share options outstanding as at 30 June 2010 is 1 year and 9 months;
- The exercise price for options outstanding at the end of the year was $0.27; and
- The weighted average fair value of options granted during the year was $373,066.

The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

The options are to be held in escrow until 23 July 2012.

The inputs to the option valuation were the following:

Dividend yield (%)	n/a
Expected volatility (%)	100
Risk-free interest rate (%)	4.97
Expected life of option (years)	1.94
Exercise price (cents)	27
Grant date share price (cents)	20

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility of the Company is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Group at any time during the period and unless otherwise indicated were key management personnel for the entire period:

Executive director

Mr P Schwann, Managing Director, appointed 11 February 2010

Non-executive directors

Mr P Boyatzis, Chairman, appointed 5 January 2010

Mr D Costick, appointed 6 January 2010

Mr S Leithead, appointed 13 January 2010, resigned 11 February 2010

Mr P MacLeod, appointed 5 January 2010, resigned 13 January 2010

(a) Key management personnel compensation

The key management personnel compensation for the period is as follows:

	CONSOLIDATED
	2010
	$
Short-term employee benefits	-
Share-based payments	373,066
Post-employment benefits	-
	373,066

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and executives. Remuneration packages comprise fixed remuneration.

Information regarding individual directors and executives compensation disclosures as permitted by *Corporations Regulations* 2M.3.03 and 2M.6.04 is provided in the remuneration report section 3.1, 3.2, and 3.3 of the Directors' report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) Equity instruments: disclosure relating to key management personnel

Equity holdings and transactions

Movements in shares

The movement during the reporting period in the number of ordinary shares in Aruma held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

	Held on incorpor'n	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2010
Directors					
Mr. P Boyatzis	-	-	-	-	-
Mr P Schwann	-	-	-	-	-
Mr D Costick	-	-	-	-	-
Mr S Leithead*	-	-	-	-	-
Mr. P MacLeod**	-	-	-	-	-

** resigned 11 February 2010, ** resigned 13 January 2010*

No shares were issued as compensation to key management personnel during the period as compensation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) Equity instruments: disclosure relating to key management personnel (Continued)

Equity holdings and transactions (Continued)

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in Aruma held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

Aruma Resources Limited	Incorp. 6 Jan 2010	Granted as compen-sation	Options exercised	Other changes	Held at 30 June 2010	Vested during the period	Vested and unexercisa-ble at 30 June 2010
Directors							
Mr. P Boyatzis	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
Mr P Schwann	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Mr. D Costick	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
Mr S Leithead*	-	-	-	-	-	-	-
Mr P MacLeod**	-	-	-	-	-	-	-

** Resigned 11 February 2010, ** Resigned 13 January 2010*

All options are held in escrow until 23 July 2012.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. RELATED PARTIES

Name of entity

Parent entity

Hemisphere Resources Limited

	Ownership interest
	2010
Controlled entities	
Aruma Exploration Pty Ltd (incorporated 27 January 2010)	100%

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 20.

(b) Transactions with Hemisphere Resources Limited

(i) In April 2010 Aruma Exploration Pty Ltd, a wholly-owned subsidiary of Aruma, acquired its gold exploration assets, namely the Glandore project, from Hemisphere at fair value, being $224,945. In consideration Aruma made a loan to Aruma Exploration of $224,945 through the issue of 39,999,995 ordinary shares to Hemisphere.

(ii) In order to finance the transactions costs of Aruma listing on the ASX, Hemisphere and Aruma entered into a funding agreement whereby Hemisphere will provide up to $250,000 to Aruma. The amount due will be settled out of the proceeds from the capital raised. Hemisphere will pay the costs directly at the direction of Aruma. At 30 June 2010 Aruma owed Hemisphere $211,157.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2010 $
23. NOTES TO STATEMENT OF CASH FLOWS	
(a) Reconciliation of cash and bank balances	
For the purposes of the statement of cash flows, cash and bank balances comprise the following at 30 June	
Cash at hand	1
Cash at bank	3,310,582
	3,310,583
(b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:	
Loss for the period	(396,829)
Adjustments for:	
Depreciation	166
Share-based payments	373,066
Add/(less):	
(Increase)/decrease in trade and other receivables	(22,840)
Increase/(decrease) in trade and other payables	20,941
Net cash used in operating activities	(25,496)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. SEGMENT INFORMATION

AASB 8: *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all their segments into one reportable operating segment.

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.

25. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Group successfully completed the listing of Aruma on the Australian Securities Exchange.

Subsequent to the reporting date settlement of the tenement acquisition agreement entered into between Hemisphere and the Company and Plasia Pty Ltd ("Plasia"), a company controlled by Mr Peter Schwann, the managing director of Aruma, for the right, title and interest in the tenements to be acquired under the agreement. The consideration for the acquisition of the tenements is 125,000 fully paid ordinary shares in the capital of Aruma.

There have been no other events occurring subsequent to the reporting date.

26. DIVIDENDS

No dividends were paid or declared by the Company during the year or since the end of the year.

ARUMA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. PARENT ENTITY INFORMATION

In the period ending 30 June 2010 the Parent company of the Group was Aruma.

	COMPANY 2010 $
Result of the Parent entity	
Loss for the period	(396,829)
Other comprehensive income	-
Total comprehensive expense for the period	(396,829)
Financial position of Parent entity at period end	
Current assets	3,333,423
Total assets	3,563,439
Current liabilities	3,541,397
Total liabilities	3,541,397
Total equity of the Parent entity comprising of:	
Share capital	45,805
Revaluation reserve	373,066
Accumulated losses	(396,829)
Total equity	22,042

Under the Glandore project mineral rights agreement Hemisphere has provided a covenant to pay the sum of $50,000 to AngloGold Ashanti Australia Pty Ltd and Mario Epis upon submitting a notice of intent to mine in respect of the tenements. At the date of this report Hemisphere has no immediate intentions to submit such a notice. Aruma Exploration Pty Ltd has covenanted to reimburse up to $50,000 that Hemisphere is obliged to pay.

The Company entered into a loan agreement with Hemisphere to receive up to $250,000 to finance payment of expenses incurred in the listing of Aruma on the ASX. The agreement does not include a charge for interest and the loan is to be repaid from the share proceeds received on the listing of Aruma. The loan was repaid in full subsequent to year end.

ARUMA RESOURCES

DIRECTORS' DECLARATION

1. In the opinion of the directors of Aruma Resources Limited ("the Company"):

a. the financial statements, notes and the additional disclosures of the Company and of the Group are in accordance with the Corporations Act 2001 including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2010 and of it's performance for the period then ended; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board

d. the remuneration disclosures included in Section 3 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2010, comply with section 300A of the Corporations Act 2001.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the period ended 30 June 2010.

   This declaration is signed in accordance with a resolution of the Board of Directors

P. Schwann

Director

Perth

Dated this 30th day of September 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARUMA RESOURCES LIMITED

Report on the financial report

We have audited the accompanying financial report of Aruma Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 5 January 2010 to 30 June 2010, notes 1 to 27 comprising a summary of significant accounting policies, other explanatory information and the directors' declaration of the Group comprising the company and the entity it controlled at the year's end or from time to time during the financial period.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

O|R|D PARTNERS
CHARTERED ACCOUNTANTS

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Auditor's opinion

In our opinion:

(a) the financial report of Aruma Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the period from 5 January 2010 to 30 June 2010; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in paragraphs 3.1 to 3.4 of the directors' report for the period from 5 January 2010 to 30 June 2010. The directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Aruma Resources Limited for the period from 5 January 2010 to 30 June 2010, that are contained in paragraphs 3.1 to 3.4 of the directors' report complies with Section 300A of the *Corporations Act 2001*.

ORD PARTNERS
Chartered Accountants

Ian Macpherson
Partner

Perth, 30 September 2010