



ARUMA RESOURCES LIMITED

ABN 77 141 335 364

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2010**

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ARUMA RESOURCES LIMITED

Corporate Information

Directors

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

Company Secretary

Phillip MacLeod

Registered office

24 Colin Street
West Perth WA 6005
Australia

Auditors

MGI Perth Audit Services Pty Ltd
Level 7, The Quadrant
1 William Street
Perth WA 6000
Australia

Principal place of business

24 Colin Street
West Perth WA 6005
Australia

Solicitors

Fairweather Corporate Lawyers
Ground Floor
1 Havelock Street
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Share Register

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ASX Code

Ordinary shares - AAJ

ARUMA RESOURCES LIMITED

DIRECTORS' REPORT

The directors of Aruma Resources Limited submit herewith the financial report of Aruma Resources Limited and its subsidiaries ("Consolidated entity" or "Group") for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Name(s)	
Mr. P. Boyatzis	Chairman
Mr. P. Schwann	Managing Director
Mr. D. Costick	Non-Executive Director
Mr. K. K. Chong	Non-Executive Director (appointed 1 February 2011)

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

REVIEW OF OPERATIONS

(a) Overview

Aruma Resources Limited ("Aruma") was listed on the ASX on 23 July 2010 after successfully completing an IPO raising \$5m. Aruma is a focussed West Australian based gold exploration company which has 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 613 km².

The flagship **Glandore Project** is approximately 40km 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 drilling and Hyvista has added to the knowledge base and identified large anomalies. Since listing, the landholding has been significantly increased from 26 km² to 41 km².

Two programmes of reverse circulation drilling were completed during the half year at the **Glandore Project**. This drilling was conducted to examine the potential under soil anomalies as well as to investigate a large intersection on the Central Fault Zone. Ten new prospecting licences were acquired and pegged to extend the lease coverage over prospective areas.

An Exploration Licence over prospective ground at Carmella Dam (the **Gindalbie Project**) was applied for in the half year and will be explored after granting.

The adjacent projects at Gindalbie and Kurnalpi South are within 60km from the **Glandore Project** and are seen as possible alternative ore sources for a proposed gold treatment plant at Glandore. This plant is dependent on discovering a resource capable of feeding the plant for several years and would be similar to the current situation of our two neighbouring companies, Integra and Silver Lake.

ARUMA RESOURCES LIMITED

REVIEW OF OPERATIONS (continued)

(a) Overview Contd.

Several new Exploration Licences were applied for in the **Kurnalpi South Project** and all the granted areas were covered with the Hyvista Mineral Mapping remote sensing method which has been processed and interpreted and is defining prospective targets.

Another Exploration Licence over prospective ground at Paul Well (the **Laverton East Project**) was applied for and will be explored after granting.

(b) Financial

The Group incurred an after tax loss for the half-year ended 31 December 2010 of \$858,463.

The majority of the loss was incurred in drilling at Glandore with assays and on costs of approximately \$600,000. A cost of lease management and agreements of some \$50,000 was also incurred.

Hyvista and subsequent interpretation was carried out at a cost of \$100,000.

The remainder of the loss is attributable to other exploration and administration costs.

(c) Exploration

Glandore Leases Extended, Evaluated and Drilling Completed

The flagship **Glandore Project** was evaluated by two RC drilling programmes for 74 holes totalling 5920m to ascertain trends and evaluate the soil sampling undertaken by previous exploration. The subsequent drill defined anomalies were drilled in the latest program and only 5 initial holes were assayed by the end of the quarter. Of these 4 were anomalous and to date included AGR50 which intersected 1m at 1.07g/t from 15m and is located south of AGR28 which intersected 11m at 2.32g/t from surface.

Figure 1 below shows the high proportion of holes (33 of 48) that encountered anomalous gold mineralisation in Red (>1.0 g/t) and Yellow (>0.1 g/t). The Hyvista and ground mapping has confirmed the Central Fault Zone (also referred to as the Eastern Shear, but which differs from The East Lode) to be of interest and has numerous small historic workings along its 3km length.

ARUMA RESOURCES LIMITED

REVIEW OF OPERATIONS

(c) Exploration (continued)

Glandore Leases Extended, Evaluated and Drilling Completed Contd.

Hole	Easting*	Northing*	Azimuth	Dip	From	To	Intercept	Au g/t #
AGR13	391404	6594996	270	-60	37	38	1	1.04
AGR14	391483	6594998	270	-60	22	23	1	1.08
AGR23	391647	6594358	270	-60	77	78	1	1.07
AGR28	391664	6594194	270	-60	0	11	11	2.32
AGR28	391664	6594194	270	-60	13	15	2	1.01
AGR28	391664	6594194	270	-60	20	21	1	1.27
AGR28	391664	6594194	270	-60	33	36	3	1.56
AGR28	391664	6594194	270	-60	38	39	1	1.23
AGR50	391639	6594200	60	90	15	16	1	1.07

*GDA 94

#Assay By AR25

Table 1 Assay Results > 1.0 g/t au received in the Quarter

Inclusive of several tenements which are still under application, Aruma's tenement package now totals approximately 613km². The landholding has been significantly increased from 26 to 41 km².

REVIEW OF OPERATIONS

(c) Exploration (continued)

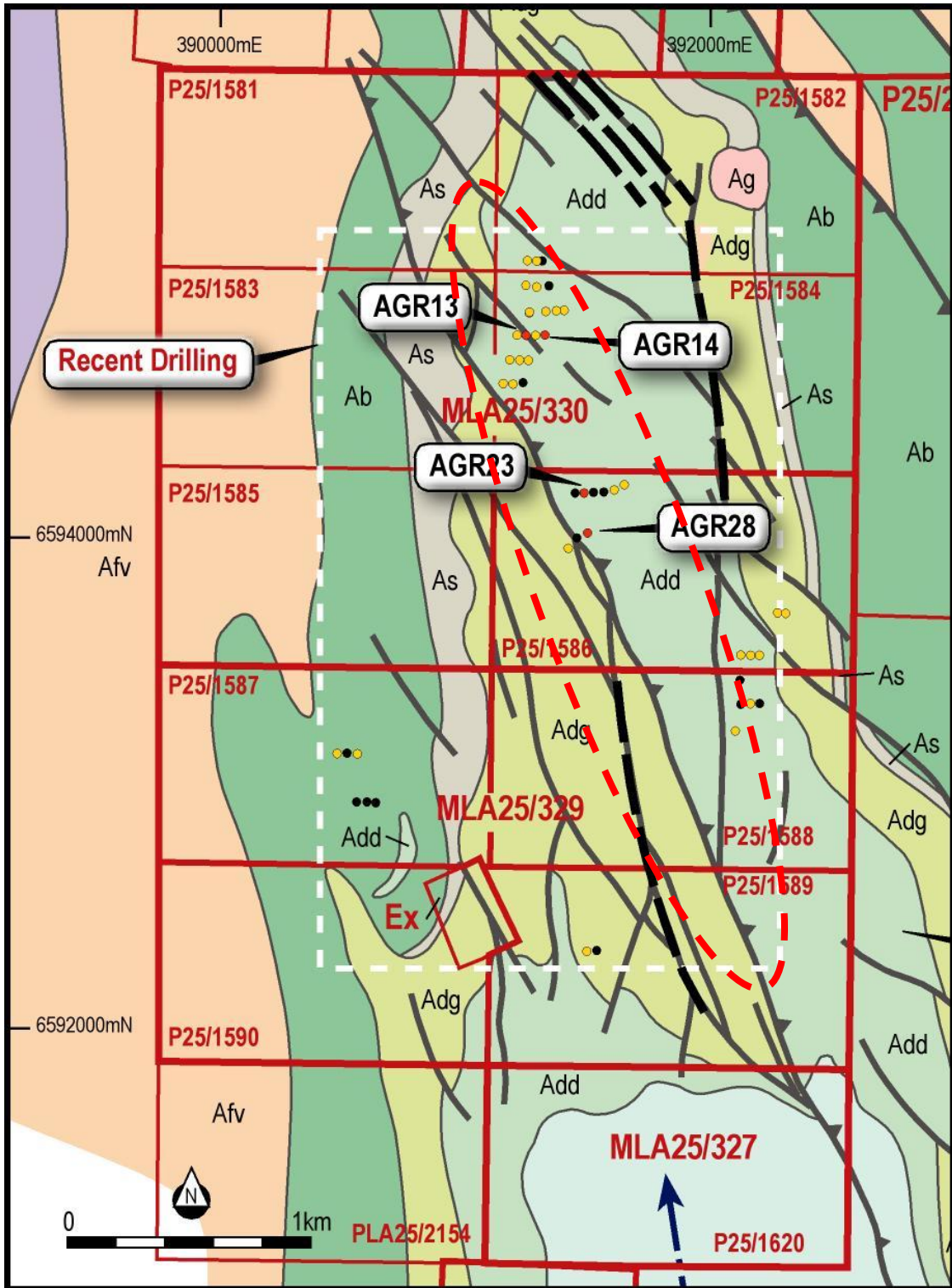


Figure 1 Drilling results (Yellow >0.1g/t and Red >1g/t). The Central Fault Zone is shown in the Red dashed ellipse

ARUMA RESOURCES LIMITED

REVIEW OF OPERATIONS

(c) Exploration (continued)

Eastern Goldfields Projects Progressing

Aruma has over 613 km² of prospective ground located in the Eastern Goldfields with several project areas as shown in Figure 2.

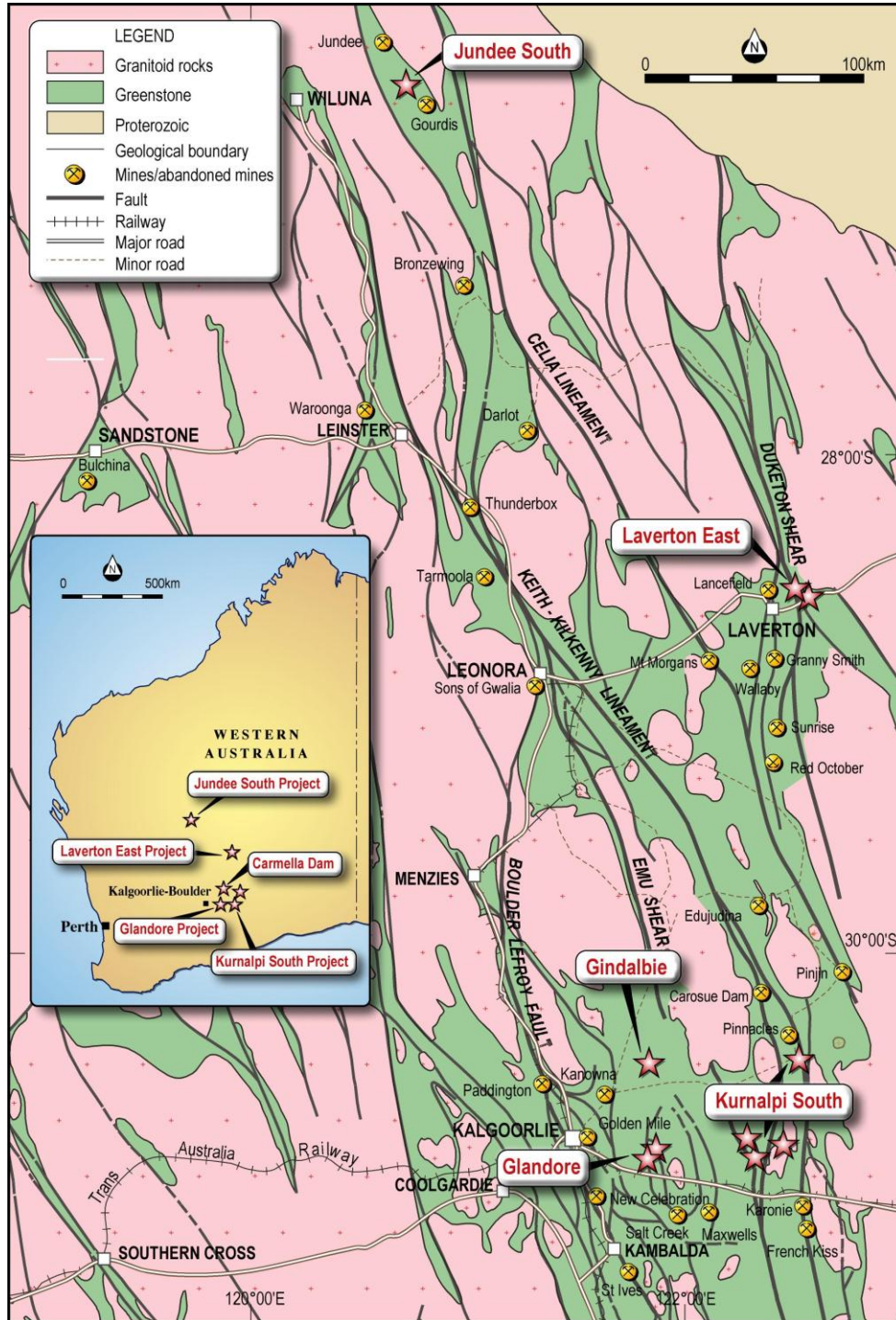


Figure 2 Aruma Projects in the Norseman-Wiluna Greenstone Belt

ARUMA RESOURCES LIMITED

REVIEW OF OPERATIONS

(c) Exploration (continued)

Eastern Goldfields Projects Progressing (continued).

The innovative Hyvista Mineral Mapping method has been used on all of the Projects. Initial studies have identified the alteration associated with gold in previously explored areas at Gindalbie and Glandore, with similar alteration evident in all the areas studied.

This interpretation and report was completed for the Glandore and Kurnalpi South areas during the quarter. The data interpretation for the remaining areas and site selection will happen early in the coming Quarter and evaluated by comparison with existing data and ground inspection. This was underway at the time of writing this report.

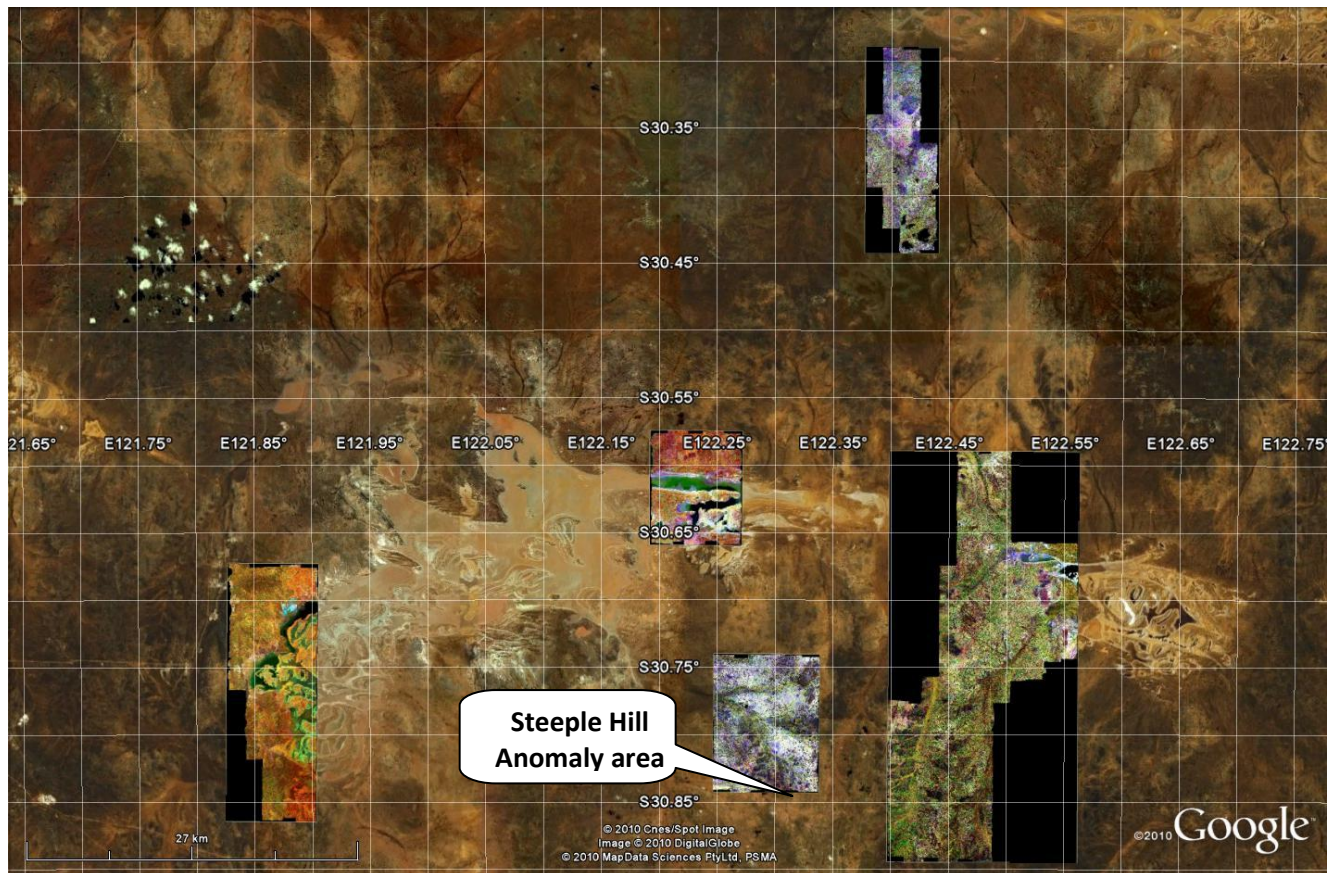


Figure 3 Aruma Glandore and Kurnalpi South Hyvista Survey Areas locations

Strong surface Goethite-Mica-Carbonate anomalies have been noted and targets are being identified and ranked by the Hyvista Corporation with input from the Aruma Exploration team. These will be investigated by soil and auger sampling in the next quarter. An example of one of the many Hyvista anomalies generated is shown overleaf at Steeple Hill.

REVIEW OF OPERATIONS

(c) Exploration (continued)

Eastern Goldfields Projects Progressing Contd.

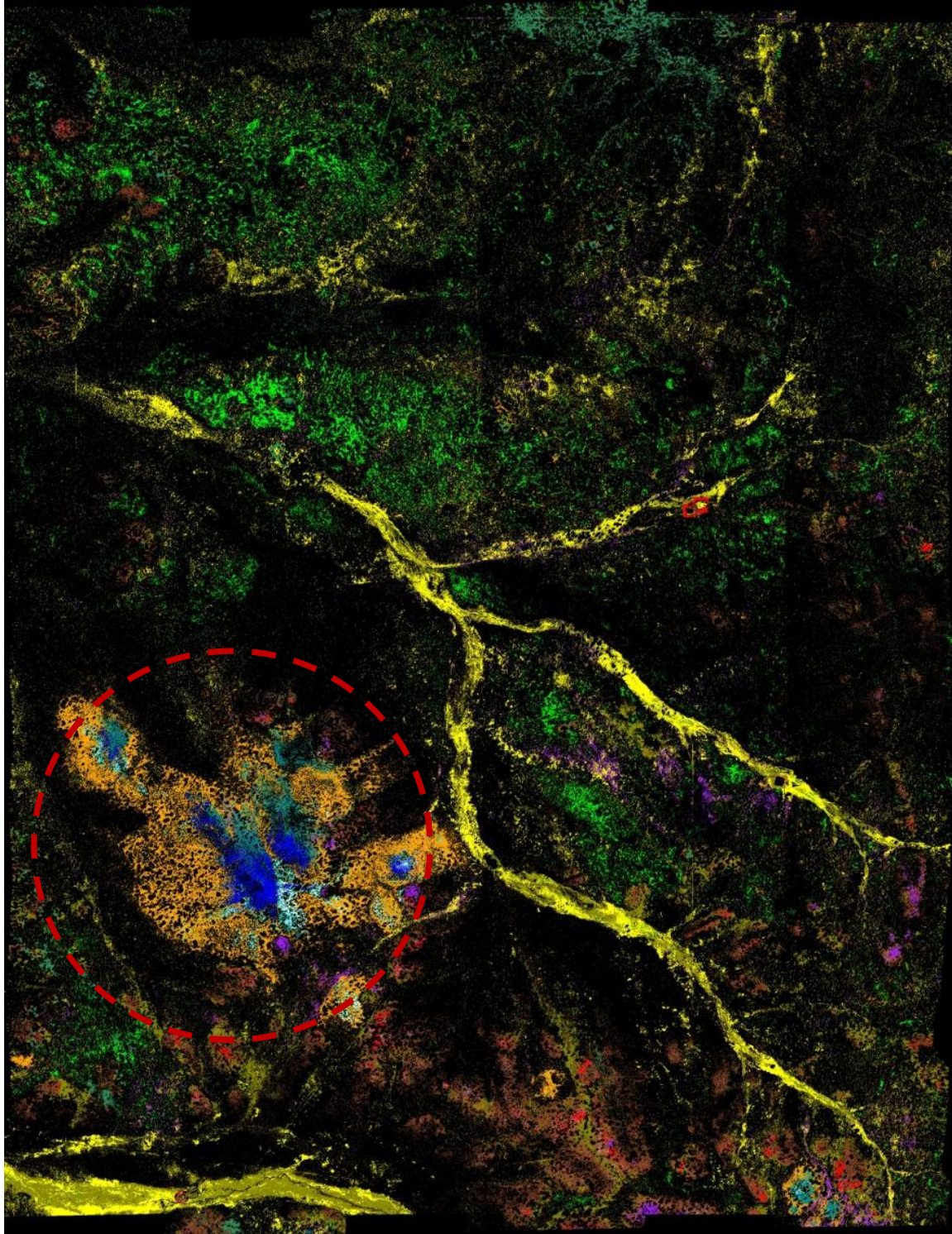


Figure 4 Steeple Hill Hyvista Survey anomalism in Red circle

ARUMA RESOURCES LIMITED

REVIEW OF OPERATIONS

(c) Exploration (continued)

Progress and Exploration Activities for the next year

GLANDORE

- Negotiations and involvement of Traditional owners
- Follow up drilling in the now extended Supergene-Axial lease area
- Follow up drilling in the Central Fault Zone
- Gravity Survey over covered areas
- Initial drilling on the extension of the Majestic Structure

KURNALPI SOUTH

- PoWs for drilling Au anomalies at Steeple Hill, Pinnacles South and Mt Quin and Steeple Hill, within a minimally explored area of a greenstone belt that hosts several major mines. These areas have been expanded with several new ELs
- Investigating Ni possibilities at Steeple Hill
- Initial data base delineation over new leases

LAVERTON EAST and JUNDEE SOUTH

- PoWs for RAB over anomalies in geochemistry and Hyvista
- Looking at new areas

The Directors of **Aruma** will ensure that the Company continues to explore its exciting Gold Prospects in the next year. This will be carried out in several stages, from advanced pre resource drilling at Glandore to following up the significant results received to date, as well as detailed evaluation of the regional project areas to the east and north.

This evaluation will utilise first pass geochemistry and bedrock sampling after Gravity has been used to locate the favourable rock types and structures in the northern extension of the Majestic Trend. The use of modern Gravity techniques has been invaluable in detailing rock and structural locations in the exciting finds to the south.

Statutory requirements will also see Aruma finalise negotiations with the Native Title Claimants for the three Mining Lease Applications over the main mineralised area at Glandore.

The **Laverton East Project** is located approximately 20km 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. An EL has been applied for to the north of the current anomalous area and has responded well to Hyvista with an anomalous area showing over the gold anomalism.

The **Jundee South Project** is approximately 50km 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.

ARUMA RESOURCES LIMITED

REVIEW OF OPERATIONS

(c) Exploration (continued)

Progress and Exploration Activities for the next year (continued).

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

The regional exploration will be advanced by Hyvista alteration targeting together with previous work on the exciting Steeple Hill, Pinnacles South, Laverton East and Mt Quin leases. This will result in all areas being sampled by auger or RAB drilling in the coming year.

The Native Title Party covering the eastern areas will be involved in a tour of all the Company's leases when the region dries out after heavy rain in the goldfields.

The company currently has submitted two Programmes of Work (PoW) lodged with forms to the Department of Mines and Petroleum for approval. These are for drilling coincident Hyvista and geochemical anomalies at both Steeple Hill and Laverton East.

Laverton East has a strong goethite anomaly, which indicates the presence of sulphides similar to a gossan, Hyvista coincident with the rock chip gold anomalism in the main lease area (see Figure 2 below) and this will be investigated in some 500 auger/RAB sites to sample below the hardpan surface material on a 100m by 100m spacing.

Steeple Hill will be RAB drilled in 65 sites to Blade Refusal to investigate the possibility of mineralisation for both gold and base metal sulphides over Hyvista and magnetic/geochemical anomalies as shown in Figure 1. The area is sulphur rich which is required in and the ultramafic and magnetic targets to make them prospective for base metals.

Mt Quin and Laverton East will be investigated by wide spaced RAB on Hyvista anomaly targets coincident with known anomalous Gold values.

All of the other areas will be the location of further work as they are granted and the data has been completely reviewed.

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Schwann who is a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology). Mr Schwann is an employee of the Company.

Mr Schwann has sufficient relevant experience to qualify as a Competent Person as defined in the JORC Code (2004) and consents to the inclusion of this information in the form and context in which it appears.

ARUMA RESOURCES LIMITED

EVENTS AFTER THE BALANCE DATE

After the balance date results from the remaining Glandore assays have been delayed due to laboratory capacity constraints.

Mr K. K. Chong, a Malaysian lawyer with over 20 years' experience in the legal aspects of corporate finance and banking was appointed as a Non-executive Director on 1 February 2011.

Two deferred production agreements that allow the granting of the three important mining leases at Glandore were successfully finalised in February 2011.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, MGI Perth Audit Services Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 13 and forms part of the directors' report for the half-year ended 31 December 2010.

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

On behalf of the Directors



P Schwann
Managing Director

Perth, 14 March 2011

Lead auditor's independent declaration under section 307C of the Corporations Act 2001

To the directors of Aruma Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2010, there have been:

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

MGIPAS

MGI Perth Audit Services Pty Ltd

Amar Nathwani

**Amar Nathwani CA
Director**

Perth
14 March 2011

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	<u>CONSOLIDATED</u> <u>Half-year ended</u> <u>31 Dec 2010</u> <u>\$</u>
Revenue from continuing operations	-
Exploration expenditure expensed as incurred	(787,715)
Depreciation	(1,412)
Directors fees	(49,247)
Employee expenses	(28,271)
Legal and professional fees	(20,631)
Other expenses	(81,912)
Loss from operating activities	<u>(969,188)</u>
Financial income	110,725
Financial expenses	-
Net financing income	<u>110,725</u>
Loss before income tax expense	(858,463)
Income tax expense	-
Loss for the period	<u>(858,463)</u>
Total comprehensive loss for the period	<u>(858,463)</u>
Basic and diluted loss per share (cents per share)	(1.38) cents

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

		<u>CONSOLIDATED</u> <u>31 Dec 2010</u> \$	<u>CONSOLIDATED</u> <u>30 Jun 2010</u> \$
Current assets			
Cash and cash equivalents		3,721,870	3,310,583
Trade and other receivables		163,528	22,840
Other assets		12,506	-
Total current assets		<u>3,897,904</u>	<u>3,333,423</u>
Non current assets			
Plant and equipment		10,372	5,071
Deferred exploration expenditure		340,169	224,945
Total non current assets		<u>350,541</u>	<u>230,016</u>
Total assets		<u>4,248,445</u>	<u>3,563,439</u>
Current liabilities			
Trade and other payables		280,004	232,097
Provisions		12,106	-
Other liabilities	2	-	3,309,300
Total current liabilities		<u>292,110</u>	<u>3,541,397</u>
Total liabilities		<u>292,110</u>	<u>3,541,397</u>
Net assets		<u><u>3,956,335</u></u>	<u><u>22,042</u></u>
Equity			
Issued capital	3	4,838,561	45,805
Reserves	4	373,066	373,066
Accumulated losses		(1,255,292)	(396,829)
Total equity		<u><u>3,956,335</u></u>	<u><u>22,042</u></u>

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	CONSOLIDATED
	Half-year ended
	31 Dec 2010
	\$
Cash flows from operating activities	
Interest received	22,172
Payments for exploration and evaluation	(595,764)
Payments to suppliers and employees	(169,890)
Net cash used in operating activities	(743,482)
Cash flows from investing activities	
Payments for acquisition of tenements	(50,000)
Repayment of loan	(211,157)
Payments for purchases of plant and equipment	(6,712)
Net cash used in investing activities	(267,869)
Cash flows from financing activities	
Proceeds from issue of shares and other equity securities	1,722,200
Costs of capital raising	(299,562)
Net cash provided by financing activities	1,422,638
Net increase in cash and cash equivalents	411,287
Cash and cash equivalents at the beginning of the period	3,310,583
Cash and cash equivalents at the end of the period	3,721,870

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Issued capital	Option premium reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2010	45,805	373,066	(396,829)	22,042
Loss for the period	-	-	(858,463)	(858,463)
Total comprehensive loss for the period	-	-	(858,463)	(858,463)
Issue of share capital on listing	5,031,500	-	-	5,031,500
Issue of shares for tenements	65,000	-	-	65,000
Costs of issue on listing	(303,744)	-	-	(303,744)
Balance at 31 December 2010	4,838,561	373,066	(1,255,292)	3,956,335

The accompanying notes form part of these financial statements.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 'Interim Financial Reporting', Accounting Interpretations and other pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

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

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2010.

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

Adoption of new and revised Accounting Standards

The Group has reviewed all new standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2010. The Group has decided against early adoption of any new Standards and Interpretations except amendments resulting from AASB 2009-5. As a result of this review the Directors have determined that there is no impact, material or otherwise of the new and revised standards and Interpretations on its business and, therefore, no change is necessary to group accounting policies.

Significant Accounting Judgements and Key Estimates

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

In preparing this half-year report the significant judgements made by management in applying the Consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2010.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as the consolidated entity in these financial statements). 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 accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the consolidated entity.

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

2. Other liabilities

	31 December 2010 \$	30 June 2010 \$
<i>Other liabilities</i>		
Share subscriptions held in trust	-	3,309,300

On 23 July 2010 Aruma successfully completed an ASX listing and share subscriptions previously held in trust were allocated to issued capital.

3. Issued capital

	31 December 2010 \$	30 June 2010 \$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	4,838,561	45,805
	31 December 2010 Number	31 December 2010 \$
<i>Movements in fully paid shares on issue</i>		
At beginning of period	40,000,000	45,805
Issued on listing	25,157,500	5,031,500
Issued on acquisition of tenements	125,000	25,000
Issued on acquisition of tenements	250,000	40,000
Less costs of issue	-	(303,744)
Balance at end of period	65,532,500	4,838,561

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Reserves

	31 December 2010
	\$
Option premium reserve	
Balance at beginning of period	373,066
Balance at end of period	373,066

5. Contingencies and Commitments

	31 December 2010
	\$
COMMITMENTS	
Exploration Expenditure Commitments	
Minimum exploration expenditure:	
not later than 1 year	321,800
Later than 1 year but not later than 5 years	1,287,200
	1,609,000

Under the Glandore project mineral rights agreement Hemisphere Resources (“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 Resources has covenanted to reimburse up to \$50,000 that Hemisphere is obliged to pay under the covenant.

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

6. Segment Information

The Company’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 Company’s operations and allocation of working capital.

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

The Company 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.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Segment Information (continued)

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 Consolidated entity 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.

7. Events after the balance date

After the balance date results from the remaining Glandore assays have been delayed due to laboratory capacity constraints.

Mr K. K. Chong, a Malaysian lawyer with over 20 years experience in the legal aspects of corporate finance and banking was appointed as a Non-executive Director on 1st February 2011.

Two deferred production agreements that allow the granting of the three important mining leases at Glandore were successfully finalised in February 2011.

8. Related Parties

During the reporting period Aruma repaid in full the balance of the loan owing to Hemisphere Resources Limited. The balance of the loan at the date of repayment was \$211,157. The loan was for the purpose of financing the transaction costs for the listing of Aruma on the ASX. Hemisphere is the holder of 61.04% of the share capital of Aruma.

Key management personnel continue to receive compensation in the form of short term employee benefits and post employment benefits.

9. Subsidiary

The Company has a 100% interest in Aruma Exploration Pty Ltd, a company incorporated in Australia on 27 January 2010 for \$1. During the half-year the subsidiary carried out exploration activities and submitted applications for exploration licences for properties in Western Australia. Aruma Resources Limited paid for the application fees and exploration expenses on behalf of the company.

10. Comparatives

The Company was formed in January 2010 and hence has not reported comparatives for the period to 31 December 2009.

ARUMA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Directors' declaration

In the opinion of the directors of Aruma Resources Limited ("the company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year then ended
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors



P. Schwann
Managing Director

Perth, 14 March 2011

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

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Aruma Resources Limited ('the Consolidated Entity'), which comprises the condensed consolidated statement of financial position as at 31 December 2010, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a statement of accounting policies, other explanatory notes 1 to 10, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Directors' Responsibility for the Interim Financial Report

The directors of the Consolidated Entity are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aruma Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2010 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

MGI PAS

MGI Perth Audit Services Pty Ltd

Amar Nathwani

**Amar Nathwani CA
Director**

Perth
14 March 2011