



ARUMA RESOURCES LIMITED

ABN 77 141 335 364

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2021

## ARUMA RESOURCES LIMITED

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## ARUMA RESOURCES LIMITED

### CORPORATE INFORMATION

#### Directors

Paul Boyatzis (Non-Executive Chairman)

Peter Schwann (Managing Director)

Dr Mark Elliott (Non-Executive Director)

#### Company secretary

Phillip MacLeod

#### Registered office

Unit 9, 88 Forrest Street

Cottesloe WA 6011

Australia

#### Principal place of business

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West Perth WA 6005

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Website: [www.arumaresources.com.au](http://www.arumaresources.com.au)

ABN: 77 141 335 364

#### ASX code

Ordinary shares - AAJ

#### Auditors

Elderton Audit Pty Ltd

Level 2, 267 St Georges Terrace

Perth WA 6000

Australia

#### Solicitors

Fairweather Corporate Lawyers

Unit 2, 589 Stirling Highway

Cottesloe WA 6011

Australia

#### Share register

Advanced Share Registry Services

110 Stirling Highway

Nedlands WA 6009

Australia

Telephone: +61 8 9389 8033

## **ARUMA RESOURCES LIMITED**

### **DIRECTORS' REPORT**

The directors of Aruma Resources Limited ("Aruma") submit herewith the interim financial report of Aruma Resources Limited and its subsidiaries ("Consolidated entity" or "Group") for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Mr. P. Boyatzis	Non-Executive Chairman
Mr. P. Schwann	Managing Director
Dr Mark Elliott	Non-Executive Director

Directors were in office for the entire period unless otherwise stated

### **REVIEW OF OPERATIONS**

#### **Exploration**

Aruma Resources Limited (ASX: AAJ) ("Aruma" or "the Company") is pleased to provide the following report on its activities for the half-year ending 31 December 2021 ("half-year").

Aruma is an Australian gold and lithium-focused exploration company. It has three strategically located gold projects in the WA's Pilbara and Norseman regions which cover an area of approximately 1,360km<sup>2</sup>, and one in the Lachlan Fold Belt, in NSW. Aruma is also focused on exploring the Mt Deans Lithium-Tantalum Project, in the lithium corridor of south-eastern WA.

#### **Highlights**

- First phase drilling completed at Mt Deans Lithium Project, subsequent to the half-year
- Drilling at Salmon Gums Gold Project with 2,298m in 33 holes completed
- Follow-up 1,892m RC drilling completed at Saltwater Gold Project
- Melrose Gold Project area Heritage agreement executed and PoW for drilling in place
- Capital Project Leases to be relinquished

During the half-year, Aruma made significant progress across its 100%-owned project portfolio, with drilling programs completed at the Salmon Gums Gold Project near Norseman in WA and the Saltwater Gold Project in the Pilbara region of WA, and approvals were granted for drilling at the Mt Deans Project. At the Melrose Gold Project, in the Pilbara, a program of works (PoW) for a first phase of drilling is in place and a Heritage Agreement with the PKKP Native Title Aboriginal Corporation for the Project was also executed.

# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)



**Figure 1:** Aruma's Australian Projects

# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

**Table 1:** Aruma's Gold project details (shaded areas are in the current half).

Tenement	State	Project	Status	Holders	Applied	Granted	km <sup>2</sup>
E08/3183	WA	Melrose	Granted	Aruma Exploration Pty Ltd	20/4/20	26/05/2021	23
E08/3184	WA	Melrose	Granted	Aruma Exploration Pty Ltd	20/4/20	26/05/2021	14
E08/3188	WA	Melrose	Granted	Aruma Exploration Pty Ltd	21/4/20	26/05/2021	40
E08/3210	WA	Melrose	Granted	Aruma Exploration Pty Ltd	27/5/20	28/05/2021	29
E08/3219	WA	Melrose	Granted	Aruma Exploration Pty Ltd	4/6/20	28/05/2021	61
E08/3244	WA	Melrose	Granted	Aruma Exploration Pty Ltd	10/8/20	28/05/2021	12
E08/3280	WA	Melrose	Granted	Aruma Exploration Pty Ltd	20/10/20	28/05/2021	61
ELA08/3334	WA	Melrose	Pending	Aruma Exploration Pty Ltd	19/2/21		98
E47/4362	WA	Melrose	Granted	Aruma Exploration Pty Ltd	21/4/20	27/05/2021	14
E47/4414	WA	Melrose	Granted	Aruma Exploration Pty Ltd	22/7/20	27/05/2021	6
E47/4529	WA	Melrose	Granted	Aruma Exploration Pty Ltd	30/3/21	172/22	6
E08/3351	WA	Melrose	Granted	Aruma Exploration Pty Ltd	15/4/21	15/02/2022	6
PLA47/1985	WA	Melrose	Granted	Aruma Exploration Pty Ltd	16/4/21		1
E52/3816	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	15/4/20	1/7/20	17
E52/3818	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	17/4/20	1/7/20	159
E52/3825	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	5/5/20	6/7/20	113
E52/3830	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	12/5/20	15/7/20	52
E52/3846	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	1/7/20	1/9/20	89
E52/3852	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	7/8/20	8/10/20	55
E52/3854	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	7/8/20	8/10/20	110
E52/3857	WA	Saltwater	Granted	Aruma Exploration Pty Ltd	14/8/20	14/10/20	52
E63/2037	WA	Salmon Gums	Granted	Aruma Exploration Pty Ltd	21/5/20	20/4/21	202
E63/2122	WA	Salmon Gums	Granted	Aruma Exploration Pty Ltd	18/6/21	18/6/21	202
P63/2063	WA	Mt Deans Li	Granted	Aruma Exploration Pty Ltd	23/6/16	5/9/19	1
EL9022	NSW	Capital	Granted	Augustus Mining Pty Ltd*	22/4/20	13/1/21	46
EL9023	NSW	Capital	Granted	Augustus Mining Pty Ltd*	22/4/20	13/1/21	150
EL9027	NSW	Capital	Granted	Aruma Exploration Pty Ltd	8/6/20	12/1/21	162
* Wholly owned subsidiary of AEPL						<b>Total Area</b>	<b>1,578km<sup>2</sup></b>

#### Mt Deans Lithium Project, Norseman, WA

The Mt Deans Project encompasses Prospecting Licence P63/2063 and covers an area of 1.44km<sup>2</sup> in the Mt Deans pegmatite field, which is part of the Eastern Goldfields Terrane of the Yilgarn Craton. The Project is located approximately 170 kilometres south of the major regional centre of Kalgoorlie, and approximately 10 kilometres south of the mining town of Norseman (Figure 2).

Aruma views the Mt Deans Project as being highly prospective for lithium minerals, as well as tantalum and rare earth element (REE) minerals. Previous exploration identified swarm pegmatites over a strike length of 1 kilometre.

During the half-year, the Company secured requisite approvals for its first phase of drilling. A drilling contractor was engaged and a drill rig confirmed. The drill rig is a track mounted unit that will meet the access requirements at the drill targets.

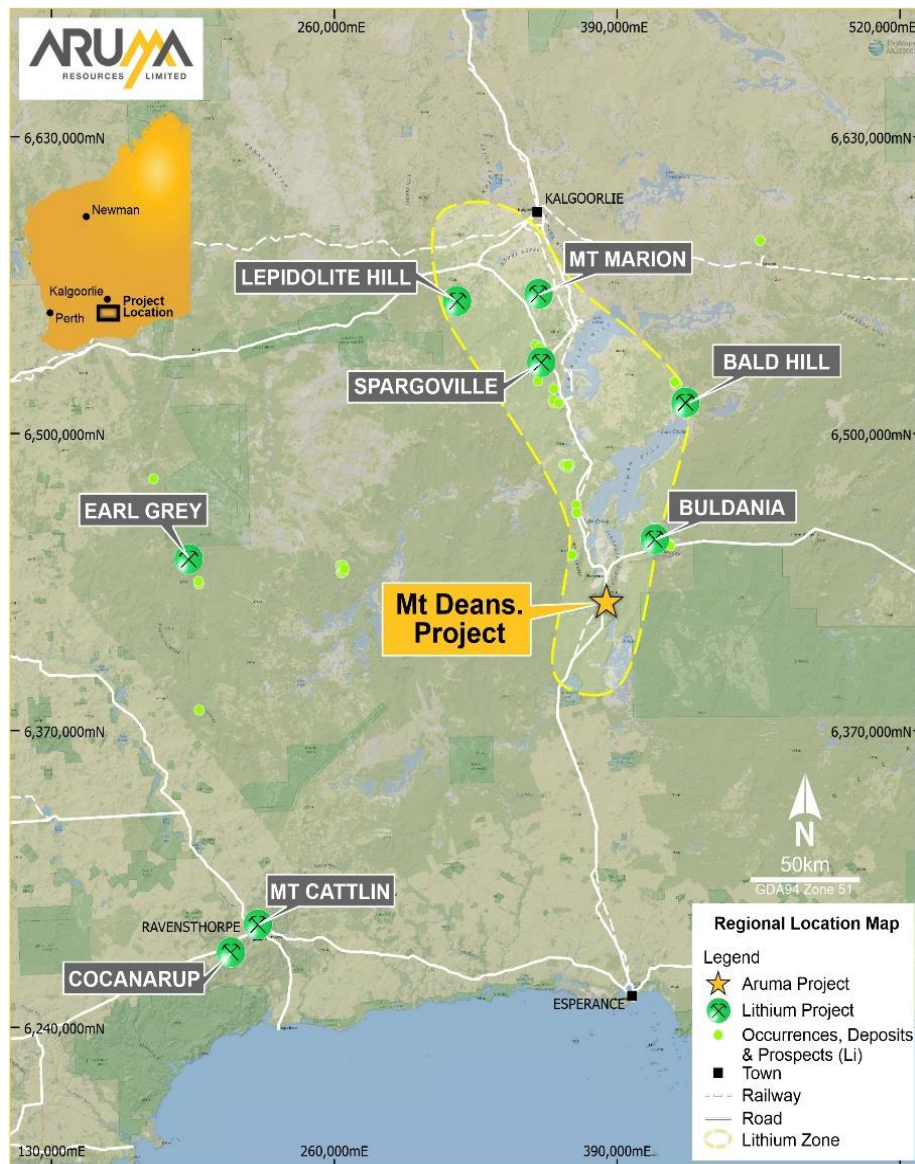
The first phase drilling program at Mt Deans is designed to confirm the presence of a thick pod of pegmatite interpreted from convergent dips seen in historic drilling, and to intersect an interpreted pegmatite chamber or 'cauldron'. Drilling is planned to consist of approximately 3,000m of reverse circulation (RC) drilling to a depth of up to 200m (in pegmatite), with holes spaced approximately 50 metres apart.

# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### Mt Deans Lithium Project, Norseman, WA (continued)



**Figure 2:** Mt Deans Project location plan in the eastern goldfields Lithium corridor

Subsequent to the reporting date, Aruma reported that the first phase of drilling at its maiden drilling program at Mt Deans had been completed. 1,156 metres of RC drilling was undertaken in eight holes, of the planned 3,000 metre drilling program (Figure 3).

Drilling delivered positive initial results. Pegmatite was intersected in every hole, with a highlight being a near-surface 25 metre thick, vertical body of solid pegmatite, from a depth of just 17 metres. Drilling indicated a strike length of up to 500 metres, which remains open at both ends. The targeted lithium mineral, spodumene was visually identified in the drill cuttings.

Assays were submitted for laboratory analysis, and results are currently pending. The remaining holes in the maiden drilling program are scheduled to be completed in April (ASX announcement, 2 March 2022).

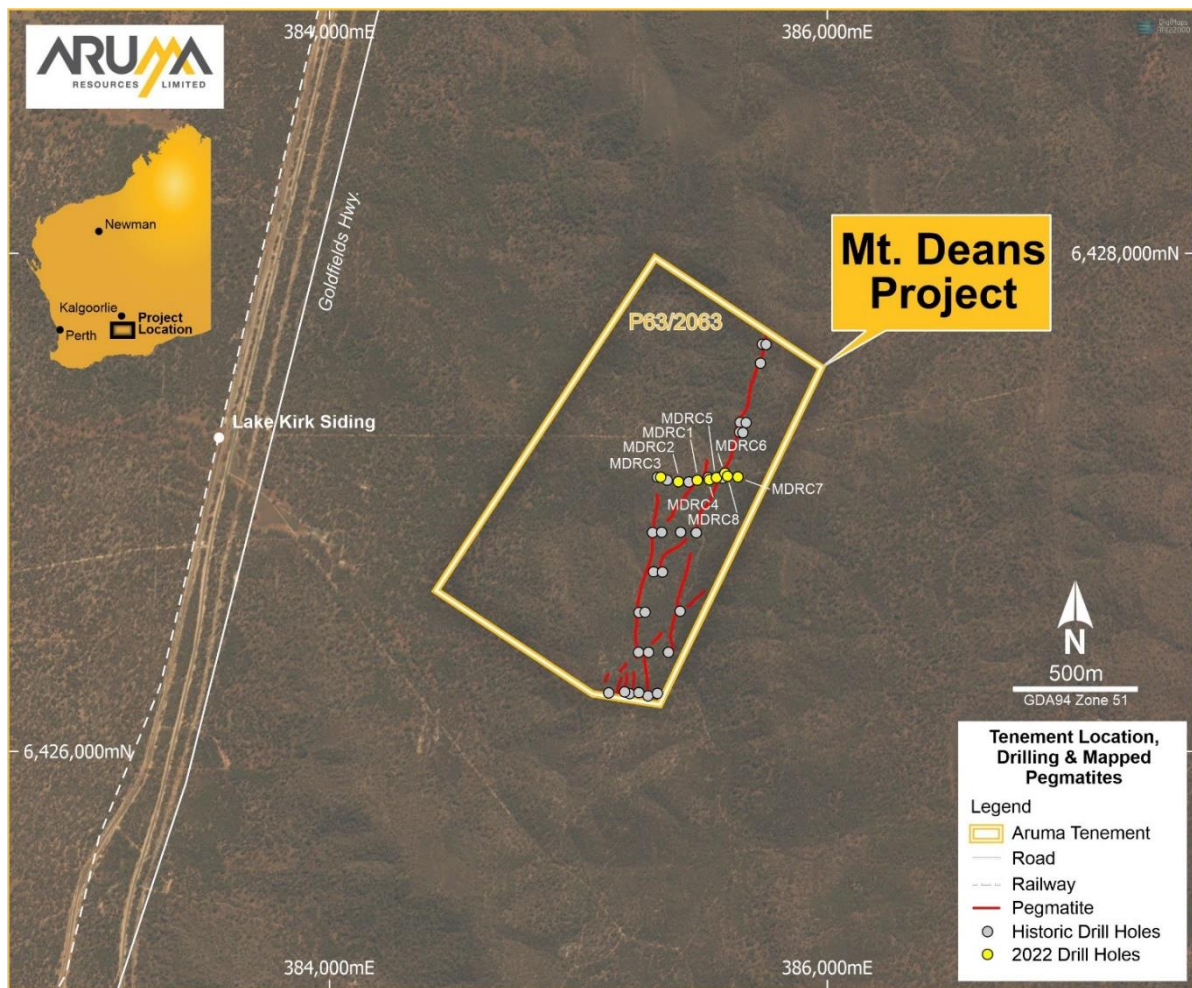


# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### Mt Deans Lithium Project, Norseman, WA (continued)



**Figure 3:** Mt Deans Project and drill hole location plan, immediately adjacent to the Esperance

#### Salmon Gums Gold Project, Norseman, WA

The Salmon Gums Gold Project encompasses two Exploration Licences, EL63/2037 and EL63/2122. The project covers an area of 221km<sup>2</sup>. It is located approximately 200 kilometres south of the major regional centre of Kalgoorlie, and approximately 60 kilometres south of the mining town of Norseman. The Project is situated 30km south and directly along strike in the same stratigraphy as Pantoro Limited's (ASX: PNR) high-grade Scotia Gold Project.

During the half-year, Aruma completed its first phase of drilling at Salmon Gums. This program consisted of 2,298m of RC drilling in a total of 33 holes on E63/2037.

Results were returned subsequent to the reporting date (ASX announcement, 7 February 2022). The program successfully validated the Company's exploration model for the Project; to potentially host a large gold system, and delivered highly encouraging high-grade results plus very broad zones of gold mineralisation, including;

- 1m at 13.35g/t Au at 108m (EOH) in hole SCRC33
  - within a broader section of 4m at 4.26g/t Au from 105m
- 94m at 0.11g/t Au from 6m to 100m (EOH) in hole SGRC26



## ARUMA RESOURCES LIMITED

### DIRECTORS' REPORT

#### REVIEW OF OPERATIONS (CONTINUED)

##### Salmon Gums Gold Project, Norseman, WA (continued)

The very high-grade intersection of 13.35g/t Au in SCR33 was reported at the end-of-hole depth of 108 metres and presented a high-priority target for follow-up drilling. The contiguous 94 metre intersection in SGRC26 commenced from a near-surface depth of just six metres below surface and continued to the end-of-hole depth of 100 metres, ending in mineralisation. It also presented an exciting target for follow up drilling.

A total of 26 of the 33 holes recorded a gold value of greater than 0.1g/t Au. (Table 1, ASX announcement, 7 February 2022).

##### The first phase of drilling confirmed that:

- Prospective greenstone stratigraphy is present in the area south of the Thistle Prospect (where there is no historic soil geochemistry). Drilling intersected granites and greenstone rocks including sediments, mafic and ultramafic rocks.
- Assay results returned high-grade gold mineralisation in one intersection as well as broad zones of anomalous gold in most holes.
- Highest grade of 13.35g/t Au in hole SGRC33 within a wider zone of 4.26g/t Au from 105 metres to EOH; and a
- Thickest zone of 94m at 0.11g/t Au from 6 metres to 100m (EOH) in SGRC26
- The drill-holes with >20m >0.1g/t Au defined extensive anomalous zones over a strike length of 2.3km, with a thickness >100 metres.
- The intersection of 4m at 4.26 g/t Au in SGRC33 was drilled 70m south of historic hole T26R002, which returned 7m at 2.71g/t Au.
- The mineralisation in SGRC33 occurred within a quartz vein with pyrite and pyrrhotite inclusions. Mineralisation was present to end-of-hole where the hole was terminated due to mechanical issues with the drill rig.

See Figures 4 and 5.

Aruma subsequently completed a second phase of drilling at the Salmon Gums Project, which comprised 39 RC holes for a total of 3,943 metres. Assay results are pending.

# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### Salmon Gums Gold Project, Norseman, WA (continued)



**Figure 4:** Drilling location Plan for Salmon Gums showing high grade gold on major gold trends, and close-up in Figure 5.

# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### Salmon Gums Gold Project, Norseman, WA (continued)



Figure 5: Drilling on the Thistle and Iris Lines at Salmon Gums

# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### Saltwater Gold Project, WA

Aruma has two gold exploration projects in the Pilbara region of WA; the Saltwater Project and the Melrose Project (Figure 6).

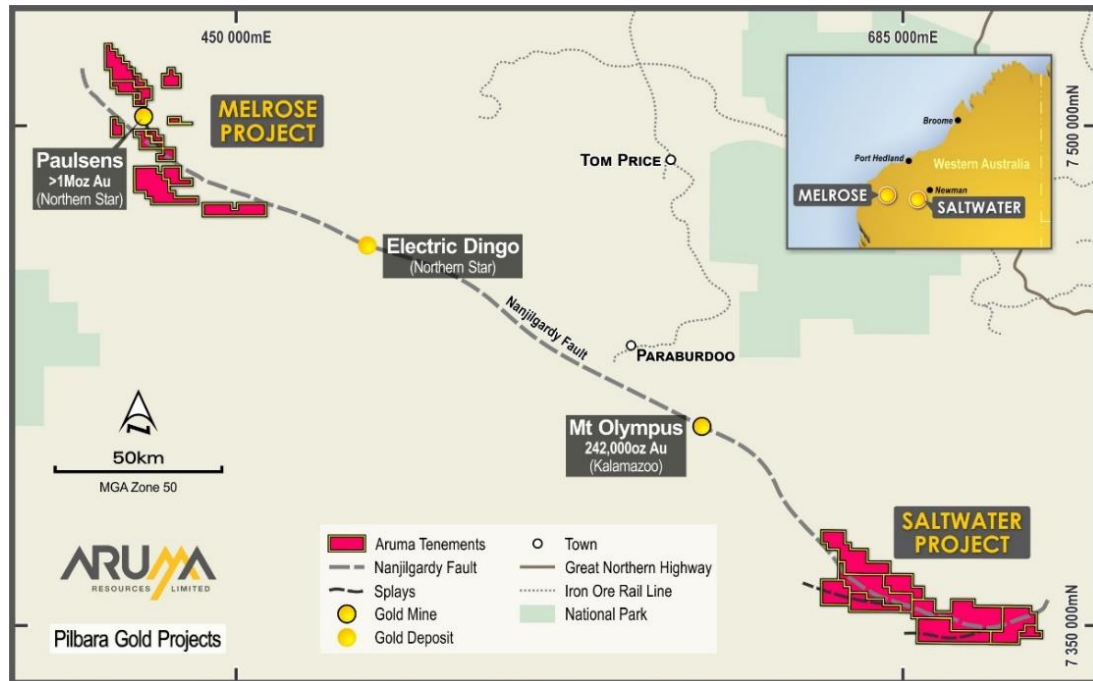


Figure 6: Aruma's Pilbara Gold Projects

During the half-year, the Company completed its second phase of drilling at the Saltwater Gold Project. The program consisted of 1,872m of RC drilling in a total of 20 holes (Figures 7 and 8). All assay results from this phase of drilling were reported subsequent to the reporting date (ASX announcement, 7 February 2022).

Drilling was designed to expand on the positive results at the eastern target zone in the successful first phase of drilling, which resulted in the identification of a potential new gold camp at Saltwater (ASX announcement, 17 February 2021).

The second phase of drilling tested the carbonate/shale fault boundary within the Nanjilgardy Fault at the Project area, which is interpreted as a similar structure to Kalamazoo Resources' (ASX: KZR) Mt Olympus Gold Project in the region. The results were low tenor but vindicated the targeting of the ring structures at the Project. These will be the subject of detailed geophysical modelling together with detailed mapping and sampling programs.

The Saltwater Project area was also expanded during the half-year, with the strategic addition of exploration licence, E52/3966. It covers an area of 94km<sup>2</sup> over a ring structure, referred to as the Spinifex Dome, which is interpreted to be analogous to the Saltwater Dome, on the eastern portion of the project. The new licence area is planned to be followed up with field inspection and sampling in the second quarter CY22.

The Spinifex Dome was identified as a result of a detailed review of available geophysical datasets over the Project area, conducted by the Company. The Spinifex Dome is a high-potential electro-magnetic (EM) domal structure, north of, and contiguous with, the Saltwater Project tenure. A close spaced aerial magnetic survey has been carried out to complete the coverage of the eastern end of the Saltwater dome - at 30m height and 50m line spacing on a north-south flight pattern.

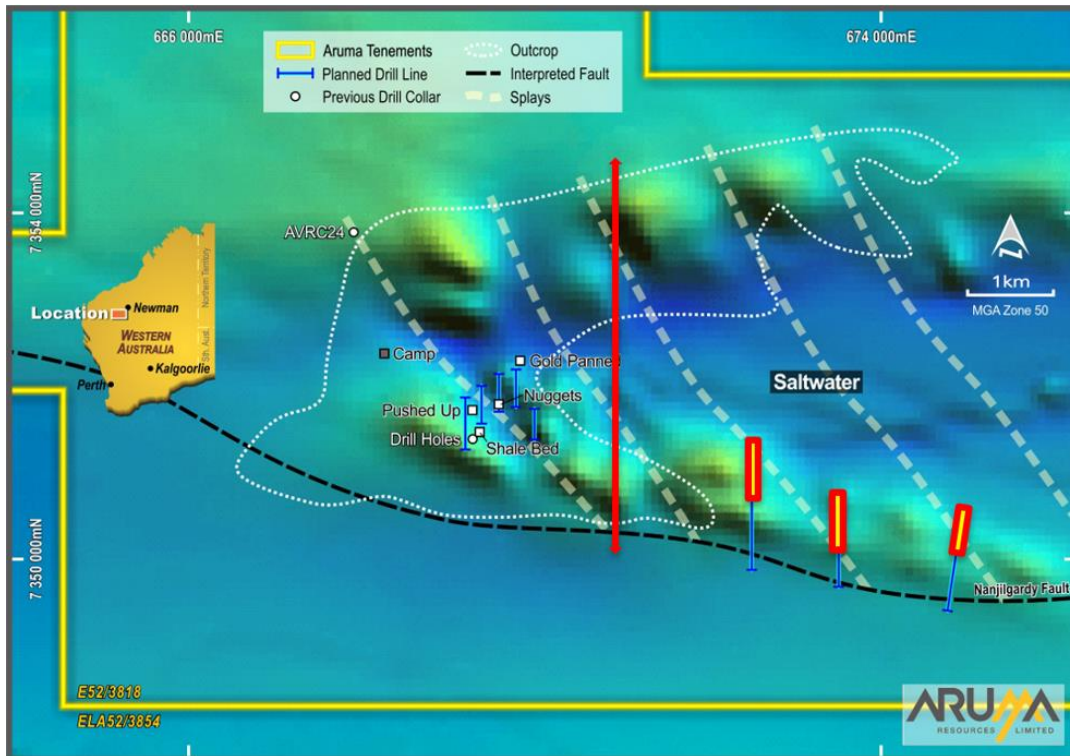


# ARUMA RESOURCES LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### Saltwater Gold Project, WA (continued)



**Figure 7:** The Saltwater Project showing the November 2021 drilling program in the southern area of the Dome.



**Figure 8:** The Saltwater Project drilling program

REVIEW OF OPERATIONS (CONTINUED)

Melrose Gold Project, WA

The Melrose Project is located north-west of the Saltwater Project, immediately adjacent to Northern Star Resources' (ASX: NST) Paulsens Project (Figure 6).

A PoW for a first phase of drilling is in place at Melrose, and a Heritage Agreement with the PKKP Native Title Aboriginal Corporation for the Project was also executed.

The first phase of drilling at the Melrose Project is proposed to be a 3,000m RC program at the priority Gossan Hill target (Figure 9). Drilling is planned to consist of five lines of six holes. RC drilling will be used due to the hard calcrete and silcrete in the area.

Drilling is planned to be carried out in the new year after the completion of the requisite heritage survey in the Gossan Hill area.

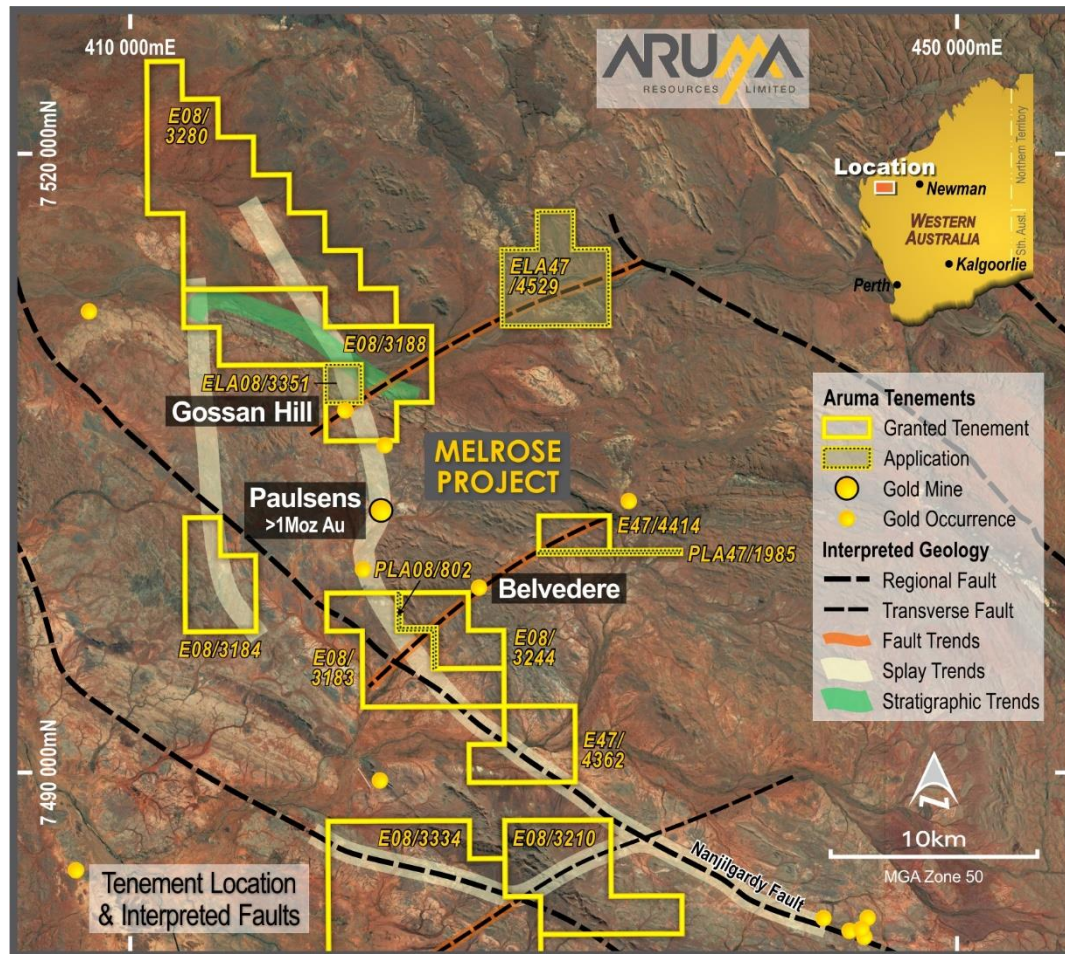


Figure 9: The Melrose Project area



## ARUMA RESOURCES LIMITED

### DIRECTORS' REPORT

#### REVIEW OF OPERATIONS (CONTINUED)

##### Capital Gold Project, NSW

The Capital Project consists of three Exploration Licences (EL9022, EL9023 and EL9027) totalling 372km<sup>2</sup> within the Lachlan Fold Belt in New South Wales, near the historic Bywong gold mines. No work was done on the Project in the half, and the project will be relinquished by the Company, as it is focused on advancing its core assets.

#### Projects Summary

**Table 2: Gold Project Status and Activity Table**

Region	Location	Project	Status
WA EASTERN GOLDFIELDS	Norseman Projects	<b>Mt Deans Lithium</b>	1,156m of RC drilling completed
		<b>Salmon Gums gold</b>	2,298m of RC drilling completed
WA PILBARA	Nanjilgardy Nanjilgardy	<b>Melrose Gold</b>	Awaiting Heritage survey
		<b>Saltwater Gold</b>	1,872m of RC drilling completed
NSW LACHLAN FOLD BELT	St George Fault	<b>Capital Gold</b>	To be relinquished

#### COMPETENT PERSON'S STATEMENT

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Schwann who is a Fellow of the AIG. Mr Schwann is Managing Director and a full time employee of the Company. Mr Schwann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Mr Schwann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. All exploration results reported have previously been released to ASX and are available to be viewed on the Company website [www.arumaresources.com.au](http://www.arumaresources.com.au). The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

#### FORWARD LOOKING STATEMENT

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. There can be no assurance that Aruma plans to develop exploration projects that will proceed with the current expectations. There can be no assurance that Aruma will be able to conform the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic and will be successfully developed on any of Aruma's mineral properties. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.

## **ARUMA RESOURCES LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS (CONTINUED)**

##### **Corporate**

The Group incurred an after-tax loss for the half-year ended 31 December 2021 of \$1,320,810 (31 December 2020: after tax loss \$810,128). The Group held a cash balance at 31 December 2021 of \$3,270,269 (30 June 2021: \$2,692,048).

On 13 September 2021 the Company completed the placement of 20 million shares to sophisticated and professional investors at 7.80 cents per share to raise \$1,560,000 before costs. The proceeds from the placement have been used to help fund drilling and exploration at the Mt Deans lithium project, Salmon Gums and Melrose gold projects as well as working capital and the costs of the issue.

On 29 December 2021, following shareholder approval, the Company issued 7 million options to directors. The options are unlisted and vest immediately upon issue. The options have an exercise price of 10.80 cents and expire on 29 November 2024.

On the same date, following shareholder approval, the Company issued 1 million Performance Rights to Pete Schwann, Managing Director as part of his executive service agreement. The rights vest on the attainment by the Company of a market capitalisation of \$50 million and expire on 30 June 2022.

The Company held its annual general meeting on 30 November 2021 at Unit 8-9, 88 Forrest Street, Cottesloe Western Australia, and all resolutions were passed by poll.

##### **Junior Minerals Exploration Incentive scheme**

Aruma received \$550,000 of exploration credits under the federal government's Junior Minerals Exploration Incentive (JMEI) scheme. This will apply to investors in the \$1.56m Placement, announced on the 6th of September 2021.

##### **Staffing**

Aruma expanded its geological team with the appointment of Ms Grace Jaravani as Exploration Geologist. Grace has gold and iron ore experience and as part of her responsibilities will be undertaking a research project on the Salmon Gums Gold Project.

#### **EVENTS SUBSEQUENT TO THE REPORTING DATE**

Subsequent to the reporting date Aruma completed a Placement which raised \$3.1m (before costs) via the issue of 31.0 million Shares at a price of 10 cents per Share (ASX announcement, 15 February 2022).

The Placement Shares were issued under the Company's current ASX Listing Rule 7.1 (18,500,000 Shares) and 7.1A (12,500,000) Placement capacity, pursuant to section 708 of the Corporations Act 2001. Settlement occurred on Tuesday, 22 February 2022 with quotation of the Shares on Wednesday, 23 February 2022. Funds raised are to be utilised to fund exploration programs at Aruma projects, plus working capital.

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

## ARUMA RESOURCES LIMITED

### DIRECTORS' REPORT

#### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Elderton Audit 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 17 and forms part of the directors' report for the half-year ended 31 December 2021.

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

On behalf of the Directors

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

P Schwann

Managing Director

Perth, 14th March 2022

## Auditor's Independence Declaration

To those charged with the governance of Aruma Resources Limited

As auditor for the review of Aruma Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of 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.

Elderton Audit Pty Ltd

**Elderton Audit Pty Ltd**

Nicholas Hollens

**Nicholas Hollens**  
Managing Director

14 March 2022

**ARUMA RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Note	CONSOLIDATED	
		Half-year ended	Half-year ended
		31 December 2021	31 December 2020
		\$	\$
<b>Revenue &amp; other income</b>	2	459,238	431,429
Exploration expenditure expensed as incurred		(636,951)	(414,008)
Depreciation		(4,490)	(2,632)
Non-executive directors' fees		(54,000)	(52,500)
Employee benefits		(336,188)	(199,963)
Legal and professional fees		(70,113)	(93,483)
Occupancy expenses		(20,014)	(18,400)
Share-based payments expenses	3	(506,420)	(268,762)
Travel expenses		(389)	(702)
Other expenses		(151,483)	(191,107)
<b>Loss from operating activities</b>		(1,320,810)	(810,128)
<b>Loss before income tax expense</b>		(1,320,810)	(810,128)
Income tax benefit/(expense)		-	-
<b>Loss after income tax for the period</b>		(1,320,810)	(810,128)
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of financial assets		15,000	32,000
<b>Other comprehensive income for the period</b>		15,000	32,000
<b>Total comprehensive loss for the period</b>		(1,305,810)	(778,128)
<b>Loss per share</b>			
Basic and diluted loss per share (cents per share)		(1.11) cents	(0.94) cents

The accompanying notes form part of these financial statements.

**ARUMA RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

		<b>CONSOLIDATED</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents		3,270,269	2,692,048
Trade and other receivables		77,790	18,978
Other financial assets		115,000	100,000
Other current assets		60,447	35,028
<b>Total current assets</b>		<b>3,523,506</b>	<b>2,846,054</b>
<b>Non-current assets</b>			
Plant and equipment		37,997	28,082
Capitalised exploration expenditure	4	-	20,000
<b>Total non-current assets</b>		<b>37,997</b>	<b>48,082</b>
<b>Total assets</b>		<b>3,561,503</b>	<b>2,894,136</b>
<b>Current liabilities</b>			
Trade and other payables		88,134	94,348
Provisions		118,764	59,911
<b>Total current liabilities</b>		<b>206,898</b>	<b>154,259</b>
<b>Non-current liabilities</b>			
Provisions		-	34,102
<b>Total non-current liabilities</b>		<b>-</b>	<b>34,102</b>
<b>Total liabilities</b>		<b>206,898</b>	<b>188,361</b>
<b>Net assets</b>		<b>3,354,605</b>	<b>2,705,775</b>
<b>Equity</b>			
Issued capital	5	17,769,115	16,320,895
Reserves	6	843,307	321,887
Accumulated losses		(15,257,817)	(13,937,007)
<b>Total equity</b>		<b>3,354,605</b>	<b>2,705,775</b>

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 2021**

	<b>CONSOLIDATED</b>	
	<b>Half-year ended</b>	<b>Half-year ended</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Proceeds from Government grants	458,677	182,829
Interest received	561	599
Payments for exploration and evaluation	(630,360)	(624,697)
Payments to suppliers and employees	(684,472)	(494,971)
<b>Net cash used in operating activities</b>	<b>(855,594)</b>	<b>(936,240)</b>
<b>Cash flows from investing activities</b>		
Proceeds from tenement sales		500,000
Acquisition of plant and equipment	(14,405)	(6,085)
<b>Net cash (paid)/from investing activities</b>	<b>(14,405)</b>	<b>493,915</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issues	1,560,000	3,038,800
Share issue costs	(111,780)	(165,110)
<b>Net cash from financing activities</b>	<b>1,448,220</b>	<b>2,873,690</b>
<b>Net increase in cash and cash equivalents</b>	<b>578,221</b>	<b>2,431,365</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>	<b>2,692,048</b>	<b>1,057,493</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>3,270,269</b>	<b>3,488,858</b>

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 2021**

<b>Consolidated</b>	<b>Issued capital</b>	<b>Share-based payment reserve</b>	<b>Fair value reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2020</b>	13,437,525	69,204	(1,400)	(12,409,772)	1,095,557
Profit/(loss) for the half-year	-	-	-	(810,128)	(810,128)
Other comprehensive income					
Movement in fair value of financial assets	-	-	32,000	-	32,000
Total comprehensive (loss)/profit for the half-year	-	-	32,000	(810,128)	(778,128)
Share-based payments		268,762			268,762
Issue of shares, net of transaction costs	2,883,370	-	-	-	2,883,370
Lapse of options during the half-year	-	(69,204)	-	69,204	-
<b>Balance at 31 December 2020</b>	<b>16,320,895</b>	<b>268,762</b>	<b>30,600</b>	<b>(13,150,696)</b>	<b>3,469,561</b>
<b>Balance at 1 July 2021</b>	<b>16,320,895</b>	<b>268,762</b>	<b>53,125</b>	<b>(13,937,007)</b>	<b>2,705,775</b>
Profit/(loss) for the half-year	-			(1,320,810)	(1,320,810)
Other comprehensive income					
Movement in fair value of financial assets	-	-	15,000	-	15,000
Total comprehensive (loss)/profit for the half-year	-	-	15,000	(1,320,810)	(1,305,810)
Share-based payments	-	506,420	-	-	506,420
Issue of shares, net of transaction costs	1,448,220	-	-	-	1,448,220
<b>Balance at 31 December 2021</b>	<b>17,769,115</b>	<b>775,182</b>	<b>68,125</b>	<b>(15,257,817)</b>	<b>3,354,605</b>

The accompanying notes form part of these financial statements.

## ARUMA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 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 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

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

##### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. The Company, Aruma Resources Limited and its subsidiaries, Aruma Exploration Pty Ltd and Augustus Mining 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 interim financial report are consistent with those adopted and disclosed in the Company's 30 June 2021 Annual Report.

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

##### Financial position

The interim financial report is prepared on a going concern basis.

At the balance date, the Group had an excess of current assets over current liabilities of \$3,316,608 (30 June 2021: \$3,326,557).

The Directors consider the going concern basis of accounting to be appropriate based on forecast cash flows and have confidence in the Group's ability to raise additional funds if required.

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

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

##### New Accounting Standards and Interpretations not yet mandatory or early adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

## ARUMA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 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 interim financial report the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the 30 June 2021 Annual Report.

##### (a) Research & development tax concession

The Company lodged a claim for a refund under the R&D tax concession scheme for 2021 and received \$458,677 during the half-year ended 31 December 2020 (31 December 2020: \$162,038).

##### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interest issued by the Group in exchange for control of the Acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 12 and AASB 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payments of the Group entered into to replace share-based payments of the acquiree are measured in accordance with AASB 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of a non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

## ARUMA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period. Which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

#### (b) Share-based payment transactions

##### *Equity settled transactions:*

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

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than 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 statement of profit and loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

## ARUMA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

#### (c) 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 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 is 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.

#### (d) 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.

#### 2. REVENUE & OTHER INCOME

	6 months to 31 December 2021 \$	6 months to 31 December 2020 \$
Sale of exploration project	-	298,000
Reversal of prior year accrual*	-	(50,000)
R&D tax incentive	458,677	162,038
Government cashflow boost	-	20,792
Interest received	561	599
	<u>459,238</u>	<u>431,429</u>

\*At 30 June 2020 Aruma accrued an instalment of \$50,000 due on the sale of a tenement. The purchaser withdrew from the agreement and Aruma retained the interest in the tenement.



## ARUMA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 3. SHARE-BASED PAYMENTS

On 30 November 2021 at the annual general meeting of the Company, shareholders approved the issue of 7,000,000 unlisted options to directors. The options have an exercise price of 10.8 cents and an expiry date of 29 November 2024. The expense recognised during the half-year is \$506,020 (31 December 2020: \$506,420).

The inputs to the valuation of options granted during the half-year were:

Dividend yield	0%
Expected volatility	224%
Risk-free interest rate	0.87%
Expected life of option	3 years
Exercise price	10.80 cents
Grant date share price	7.7 cents

The valuation of options granted was determined using the Black-Scholes model. 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 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.

Also, at the same meeting on 30 November 2021 shareholders approved the granting of 1,000,000 performance rights to Managing Director, Peter Schwann as part of his executive service agreement. The performance rights vest on the attainment by the Company of a market capitalisation of \$50,000,000 for a continuous period of 20 trading days or more on which the shares have actually traded prior to 30 June 2022. The expense recognised during the half-year is \$400. The performance rights were valued using a binomial tree option calculator.

The inputs to the valuation of performance rights granted during the half-year were:

Dividend yield	0%
Expected volatility	97%
Risk-free interest rate	0.53%
Expected life of option	213 days
Exercise price	40 cents
Grant date share price	7.7 cents

**ARUMA RESOURCES LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**4. EXPLORATION & EVALUATION EXPENDITURE**

	<b>6 months to 31 December 2021 \$</b>	<b>12 months to 30 June 2021 \$</b>
Balance at beginning of period	20,000	305,000
Sale of exploration assets	-	(305,000)
Acquisition of exploration assets by issue of shares	-	20,000
Impairment of exploration assets	(20,000)	-
Balance at end of period	-	20,000

**5. ISSUED CAPITAL**

	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	17,769,115	16,320,895

	<b>6 months to 31 December 2021 Number</b>	<b>12 months to 30 June 2021 Number</b>
<i>Movements in fully paid shares on issue</i>		
At beginning of period	105,960,927	54,760,927
Shares issued to acquire subsidiary	-	333,333
Shares issued for cash	20,000,000	50,866,667
Balance at end of period	125,960,927	105,960,927

<i>Movements in unlisted options on issue</i>		
At beginning of period	21,511,109	533,333
Issue of free attaching options during period	-	19,444,442
Issue of options to directors/consultants	7,000,000	2,066,667
Lapse of options during period	-	(533,333)
Balance at end of period	28,511,109	21,511,109

<i>Movements in performance rights on issue</i>		
At beginning of period	-	-
Issue of performance rights to director	1,000,000	-
Balance at end of period	1,000,000	-

# ARUMA RESOURCES LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### 6. RESERVES

	6 months to 31 December 2021 \$	12 months to 30 June 2021 \$
<i>Share-based payment reserve</i>		
Balance at beginning of period	268,762	69,204
Issue of options to directors/consultants	506,420	268,762
Lapse of options during the period	-	(69,204)
Balance at end of period	775,182	268,762
<i>Fair value reserve</i>		
Balance at beginning of period	53,125	(1,400)
Movement in fair value of available-for-sale financial assets	15,000	54,525
Balance at end of period	68,125	53,125

#### Share-based payment reserve

The share-based payment reserve is used to record the value of equity benefits provided as consideration for goods and services received.

#### Fair value reserve

This reserve is used to record equity instruments which are measured at fair value with changes in fair value recognised in other comprehensive income (OCI). The gains and losses on equity instruments in OCI are not recycled on disposal of the asset and there is no separate impairment accounting. If the fair value of the equity instrument declines, this decrease is recorded through OCI.

### 7. COMMITMENTS

The Group has no other commitments other than those disclosed at 30 June 2021.

### 8. CONTINGENT ASSETS & LIABILITIES

In the opinion of the directors there were no contingent assets or liabilities at the date of this report (30 June 2021: nil).

### 9. SEGMENT INFORMATION

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

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

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

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other 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.

## **ARUMA RESOURCES LIMITED**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

#### **10. EVENTS SUBSEQUENT TO THE REPORTING DATE**

Subsequent to the reporting date the Company issued 31 million shares to sophisticated and professional investors at 10 cents per share to raise \$3,100,000 before issue costs. The proceeds from the placement will be used to fund further exploration and drilling at the Mt Deans lithium project, Salmon Gums and Melrose gold projects and working capital.

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

#### **11. RELATED PARTIES**

Transactions with directors and director-related entities continue to be in place. For details on these arrangements, please refer to the 30 June 2021 annual report.

The Company paid Managing Director, Peter Schwann the sum of \$13,946 (31 December 2020: \$6,295) inclusive of GST for vehicle hire on commercial terms. No other related party transactions were entered into during the half year ended 31 December 2021.

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share based payments. Share-based payments to related parties during the period are disclosed in note 3.

## ARUMA RESOURCES LIMITED

### DIRECTORS' DECLARATION

For the half-year ended 31 December 2021

In the Directors' opinion:

1. The attached condensed consolidated interim financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2021 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the period from 1 July 2020 to 31 December 2021.
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.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors

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

P. Schwann

Managing Director

Perth, 14th March 2022

# ELDERTON

## AUDIT PTY LTD

### INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aruma Resources Limited

#### Report on the Half-Year Financial Report

##### *Conclusion*

We have reviewed the half-year financial report of Aruma Resources Limited (the 'Company') and its controlled entities (collectively referred as the 'Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the group financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the group, would be in the same terms if given to the directors as at the time of this auditor's review report.

##### *Responsibility of Management for the Financial Report*

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

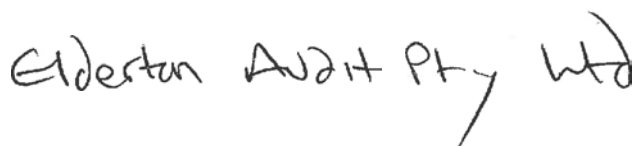
##### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

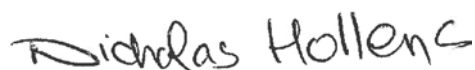


A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards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

Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads "Elderton Audit Pty Ltd". The signature is written in a cursive, slightly slanted style.

**Elderton Audit Pty Ltd**

A handwritten signature in black ink that reads "Nicholas Hollens". The signature is written in a cursive, slightly slanted style.

**Nicholas Hollens**

Managing Director

14 March 2022

Perth