

For personal use only

ARUMA RESOURCES LIMITED

(ABN 77 141 335 364)

Annual Report 30 June 2024

Contents

3	Corporate information
4	Chairman's letter to shareholders
5	Review of operations
26	Directors' report
35	Auditor's independence declaration
36	Consolidated statement of comprehensive income
37	Consolidated statement of financial position
38	Consolidated statement of cash flows
39	Consolidated statement of changes in equity
40	Notes to the consolidated financial statements
73	Consolidated entity disclosure statement
74	Directors' declaration
75	Independent auditor's report
78	Shareholder information

Corporate information

Directors

James Moses (Chairman)
Glenn Grayson (Managing director)
Brett Smith

Company secretary

Phillip MacLeod

Registered office

Units 8-9, 88 Forrest Street
Cottesloe, Western Australia, 6011

Principal place of business

Level 1, 2 Richardson Street
West Perth, Western Australia, 6005
T: +61 8 9321 0177
F: +61 8 9226 3764

Postal address

PO Box 152,
West Perth, Western Australia 6872

Share registry

Automic Group
Level 5, 126 Phillips Street
Sydney NSW 2000
T: 1300 288 664

Auditors

Elderton Audit Pty Ltd
Level 32, 152 St George's Terrace
Perth, Western Australia, 6000

Securities exchange listing

ASX Limited
ASX Code: AAJ

www.arumaresources.com

Letter from the Board to Shareholders

Dear Shareholders,

I am pleased to present Aruma Resources Limited's Annual Report for the year ending 30 June 2024

The highlight of which was the Company's acquisition of a portfolio of copper and uranium exploration assets in world-class mineral belts in South Australia and Queensland, while we also continued the systematic exploration of our existing projects.

The Company sees the acquisition of this new asset portfolio in high-demand commodities, located in active tier-1 mineral belts in progressive mining jurisdictions as an exciting opportunity for Aruma and our shareholders.

The new project portfolio consists of the Wilan IOCG-Uranium Project in the Olympic Dam precinct in South Australia, the Fiery Creek Copper Project and the Bortala Copper Project, both in the Mt Isa region of Queensland.

All three projects are assessed as having copper-gold (stratiform and IOCG) discovery potential, and the Wilan Project also hosts a priority uranium target.

High-grade copper assays – up to 36% Cu – have been reported from historical exploration at the Fiery Creek Project, and a review of historical exploration results from the Bortala Project has identified initial exploration targets for Aruma.

The Company plans to implement targeted field work programs across the new asset portfolio in the year ahead, with a view to defining priority targets and systematically drilling these projects to unlock and maximise their potential.

At our existing Western Australian projects, exploration during the year focused on the Salmon Gums Project in the Goldfields region and the Saltwater Project in Pilbara region.

Further drilling was undertaken at Salmon Gums which confirmed the presence of a high-grade gold-bearing structure typical of Norseman-style gold mineralisation.

Aruma also investigated the rare earth elements (REE) potential at Salmon Gums with a first-pass REE-focused drilling program. This returned multiple intersections of high-grade clay REE's of significant thickness. Unlocking the REE potential of the Project will be a focus in the year ahead.

Aruma continued its systematic soil sampling at the Saltwater Project, as a first-step towards unlocking the Project's value. Multiple results were reported during the year, which provided confirmation of the Project's multi-commodity potential. This work remains ongoing.

The year ahead represents an exciting time for Aruma and our shareholders.

Having acquired a new asset portfolio and appraised opportunities to deliver shareholder value from our existing projects, the Company is committed to the systematic, targeted exploration of these assets with the aim of maximising the value of the projects and delivering value for shareholders.

On behalf of the Board, I would like to thank shareholders for their continued support, and acknowledge all staff, contractors and consultants for their contribution during the year.

We look forward to 2025 with a strong sense of purpose and excitement.

James Moses
Chairman

For personal use only

Review of operations

Exploration

Highlights

- Acquisition of copper and uranium exploration project portfolio in tier-1 mineral belts;
 - The Wilan IOCG-Uranium Project in the Olympic Dam precinct in South Australia; and
 - The Fiery Creek Copper and Bortala Copper Projects in the Mt Isa region, Queensland;
 - High-grade copper assays – up to 36% Cu – reported from historical exploration at Fiery Creek Project (reported subsequent to year-end)
 - Priority targets identified at Bortala Project from review of historical exploration (reported subsequent to year-end)
 - All three projects have copper-gold (stratiform and IOCG) discovery potential – with additional playa lake and paleochannel uranium targets at the Wilan Project
 - Acquisition completed with Aruma shareholder approval at an EGM on 1 August 2024 – projects are the Company's core focus moving forward
- Salmon Gums Gold Project, Goldfields region of Western Australia
 - 7-hole diamond drilling program completed - confirmed presence of a high-grade gold-bearing structure. Highlight results included;
 - 5.90m @ 10.5g/t Au from 38.4m in SG23DD007, including 2.60m @ 9.85g/t Au from 38.4m and 0.85m @ 40.9g/t Au from 43.4m
 - Maiden REE-focused drilling program also completed with multiple high-grade clay REE's of significant thickness reported
 - REE drilling confirmed a northern extension of REE discoveries by Meeka Metals and OD6 Metals in the region
 - Surface sampling of exposed clays returned very high REE result; 8,700ppm TREO with high-value Nd + Pr oxides representing 22.5% of TREO grade
- Saltwater Project, Pilbara region of Western Australia
 - Systematic surface sampling program continued and remains ongoing – provided confirmation of Project's multi-commodity potential including REE. Results included;
 - 1777.5ppm TREO (including 752.2ppm NdPr) and 1025.7ppm TREO in surface rock sample; and
 - 1092.5ppm TREO (including 242.2ppm NdPr) and 572.0ppm TREO (in two areas) in soil sample
- Carter Well Gold Project, Mid-West region of Western Australia
 - First-pass auger drilling completed testing greenfields gold potential
- Corporate
 - R&D Tax Refund of \$1,147,598.02 received

Review of operations

Aruma Resources Limited (ASX: AAJ) (**Aruma or the Company**) is pleased to provide the following report on its activities for the year ending 30 June 2024.

Aruma has a portfolio of strategically located exploration projects in high-demand commodities, in world-class mineral belts in Australia. The year was highlighted by the acquisition of a portfolio of copper and uranium assets in South Australia and Queensland.

The Company's asset portfolio also includes gold, lithium and REE prospective projects in Western Australia, and during the year it continued to progress appraisal and exploration of these projects. This included multiple drilling programs at the Salmon Gums Project in the Eastern Goldfields, a maiden drilling program at the Carter Well Gold Project in the Mid-West region and systematic soil sampling programs at the multi-commodity Saltwater Project in the Pilbara region.

Projects' Overview

See Figure 1 for Aruma's project location map and Table 1 for details of the Company's Licence holdings.



Figure 1: Aruma projects location map

For personal use only

Review of operations

Tenements	Location	Interest
Wilan (IOCG-Uranium)		
EL6819 EL6870	Gawler Craton, South Australia	100%
Fiery Creek (Copper)		
EPM27879	Mt Isa Copper Belt, Queensland	100%
Bortala (Copper)		
EPM28271	Mt Isa Copper Belt, Queensland	100%
Salmon Gums (Gold and Rare Earth Elements)		
EL63/2037 EL63/2122 EL63/2354	Norseman Belt, Goldfields, Western Australia	100%
Saltwater (Gold)		
EL52/3818 EL52/3846 EL52/3857 EL52/3966	Pilbara Region Western Australia	100%
Melrose (Gold)		
EL08/3183 EL08/3184 EL08/3188 EL08/3210 EL08/3219 EL08/3244 EL47/4362 EL47/4414 EL47/4529 EL08/3280 EL08/3351 ELA08/3499 PL47/1985	Pilbara Region Western Australia	100%
Mt Deans (Lithium)		
P63/2063	Lithium corridor, Goldfields, Western Australia	100%

Table 1: Aruma's licence details.

Copper and Uranium Exploration Projects Acquisition

Aruma announced the acquisition of a portfolio of copper and uranium exploration assets in tier-1 mineral precincts in South Australia and Queensland during the year (ASX announcement 27 May 2024).

The Company executed a share acquisition agreement to acquire the Wilan IOCG-Uranium Project in the Olympic Dam precinct in South Australia, and the Fiery Creek Copper Project and the Bortala Copper Project in the Mt Isa region of Queensland from NHM Holdings (Australia) Pty Ltd (NMHA). The acquisition was completed after Aruma shareholder approval for the acquisition was granted at a shareholder meeting on 1 August 2024.

Review of operations

The Company plans to commence targeted, systematic field work programs across the new projects to define priority drill targets, with the aim of progressively drill testing priority targets to unlock each project's full value proposition.

Acquisition Consideration

As consideration for the Acquisition, Aruma is to issue the following to NHMHA shareholders:

- 26.5 million fully paid Aruma ordinary shares (Shares), which will be subject to a voluntary escrow period of 6 months from the date of issue. These shares have been issued to NHMHA shareholders;
- 24.5 million options each non-transferable and exercisable into one Share for a nil exercise price upon Aruma securing environment protection and rehabilitation (PEPR) approval for drilling at
- the Wilan Project in South Australia, and obtaining any other necessary approvals to conduct drilling at the Wilan Project; and
- 28 million options each non-transferable and exercisable into one Share for a nil exercise price upon AAJ reporting an aggregate drilling intercept (in one drill-hole) of 3m at >600ppm U308, or at least 20m at >0.8% Cu or metals equivalent at one of the new projects.

Aruma will also pay a 2% net smelter royalty to NHMHA shareholders over any minerals extracted and sold from the tenements.

New Projects Portfolio Commentary

Wilan IOCG-Uranium Project

The Wilan Project (EL6819, EL6870) is located on the eastern side of the Gawler Craton in South Australia, and covers a total area of 1,993km² (Figure 2). The Gawler Craton is a prolific minerals belt, which hosts multiple world-class mining and exploration operations. These include BHP's Olympic Dam Deposit, the world's largest single source of copper-gold-REE and uranium located just 140 km south-west of Wilan, and its Prominent Hill Copper Project.

The Wilan Project hosts a priority IOCG target and separate Playa Lake Uranium target. These will both be key initial exploration targets for Aruma.

In the Gawler Craton, IOCG deposits have been identified with magnetic anomalies coincident gravity anomalies. The IOCG target at Wilan is interpreted as having this signature. It is located in the south-east of the Project and has never been drill tested. Aruma plans to explore for IOCG mineralisation in the Paleoproterozoic basement rocks at this target – as well as potential sedimentary-hosted copper mineralisation in the basin rocks above the basement.

The Playa Lake Uranium target is located in the west of the Project area. Playa-type uranium deposits are acknowledged as typically being relatively easy to explore and exploit, as they tend to be shallow and laterally continuous.

The uranium target has been identified through a radiometric anomaly with a co-incident helium hyperspectral response. The radiometric and helium anomalies cover an area of approximately 4km x 1.5km. Aruma plans to drill test these areas for uranium anomalism. There are also other elevated areas, which the Company plans to further evaluate for their exploration potential.

Review of operations

For personal use only

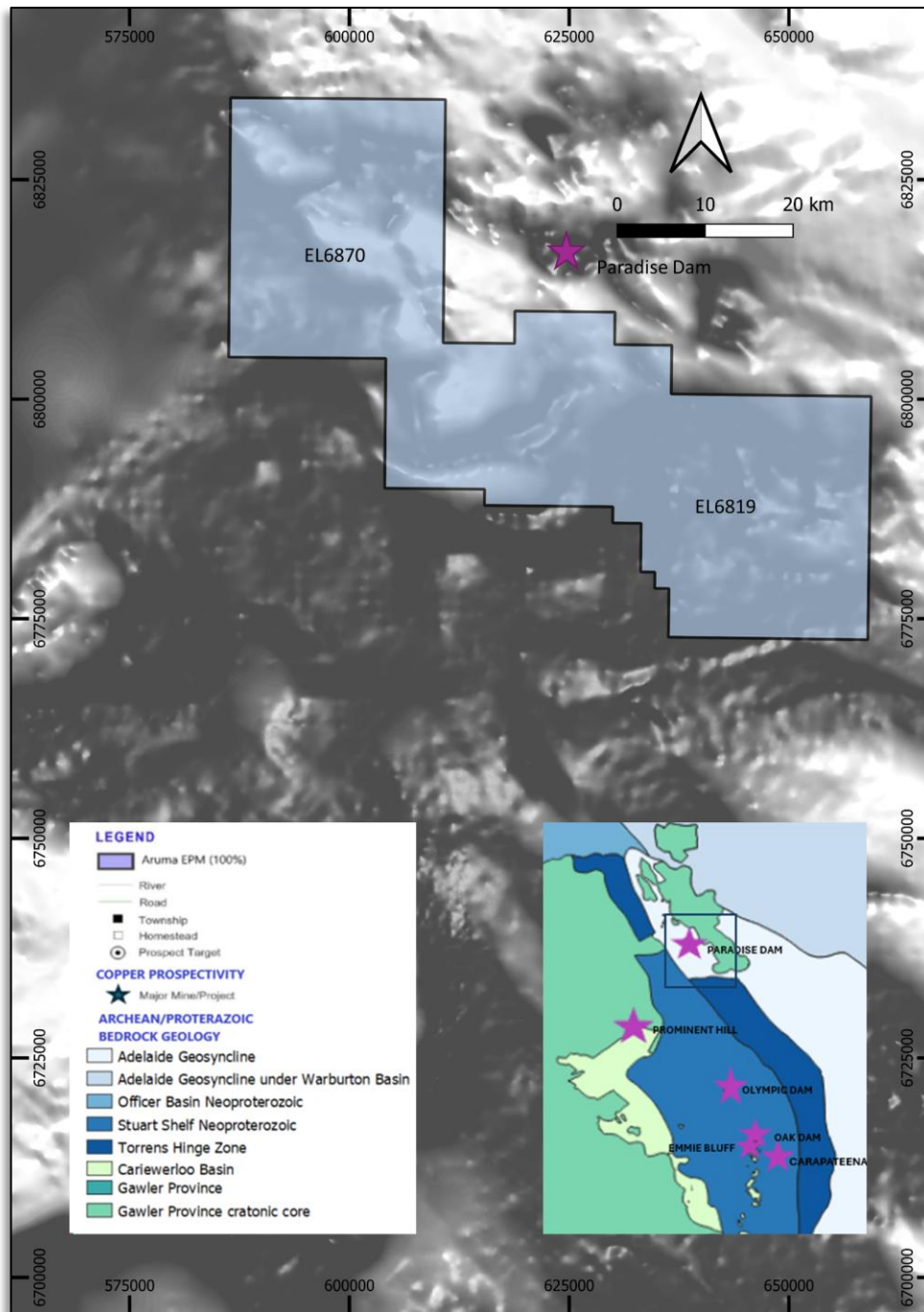


Figure 2: Geology of the Wilan Project area.

The Fiery Creek Copper Project

The Fiery Creek and Bortala Projects are located in the northern area of the world-class Mt Isa copper-belt. Both projects are located in an under-explored region, which hosts multiple significant copper mines. In addition, global tier-1 mining houses such as Rio Tinto, Anglo American and Teck have substantial landholdings in the region.

Review of operations

Anglo American own the majority of the tenure neighbouring Fiery Creek and the ground has been previously held by MIM Holdings (now Glencore), BHP, RIO Tinto and Sumitomo. Minimal work has been done at the Project area to date, including limited drilling by Sumitomo¹ and MIM Holdings². The geology of the Fiery Creek Project (EPM27879) (Figure 3) is interpreted as analogous to the units that host copper deposits within the western fold belt of the Mount Isa Inlier. Aruma plans to explore for a stratiform copper deposit within the Project area, and will also assess its IOCG potential.

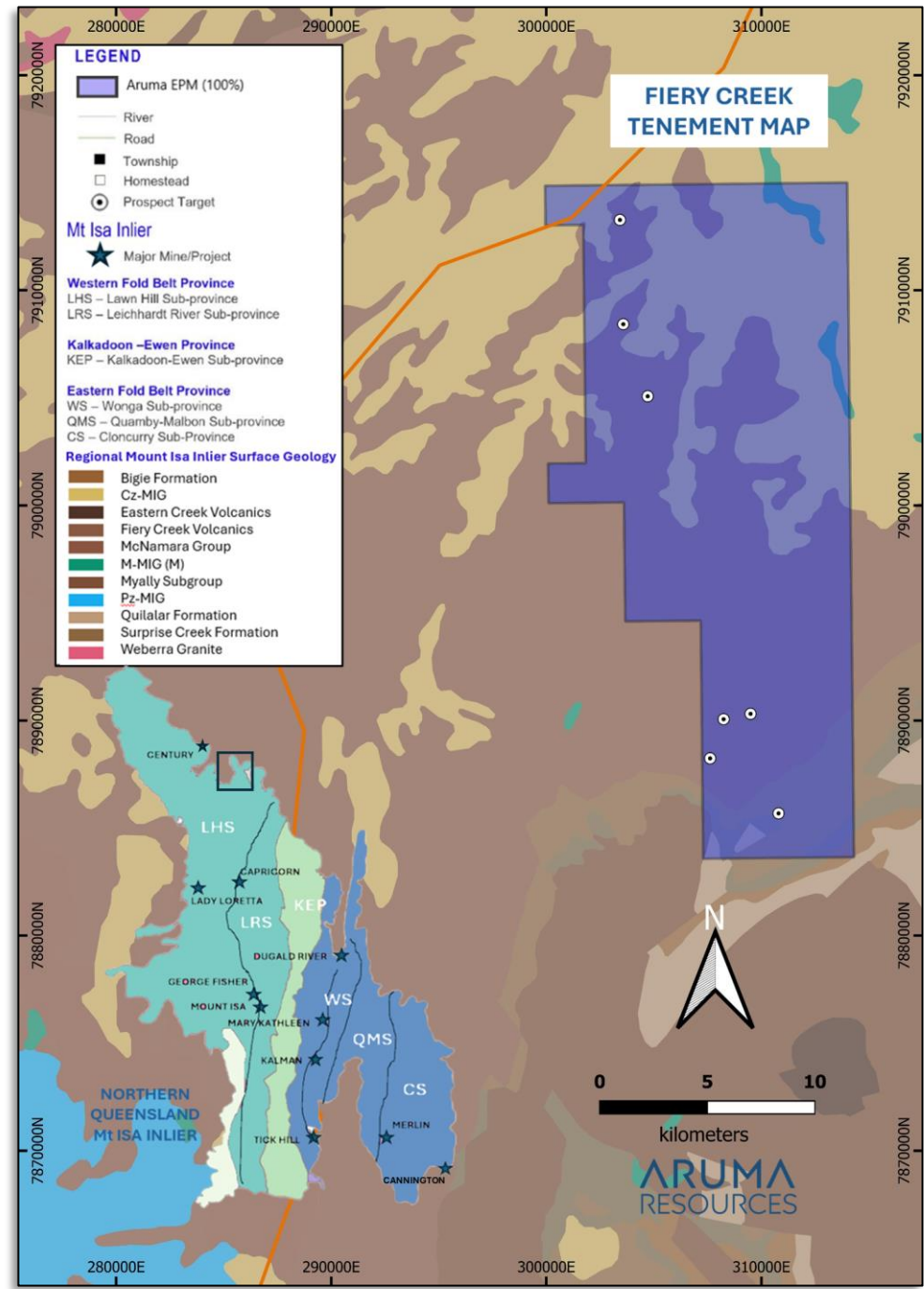


Figure 3: Geology of the Fiery Creek Project

Review of operations

The Bortala Copper Project

The Bortala Project (EPM28271) (Figure 4) is located in the northern area of the Mt Isa region, immediately south of 29Metals' (ASX: 29M) Capricorn Copper Project. The Bortala Project is interpreted as being prospective for Mount Isa/Mammoth-style breccia copper deposits and epigenetic uranium mineralisation within the reactive sediments of the western Mt Isa succession.

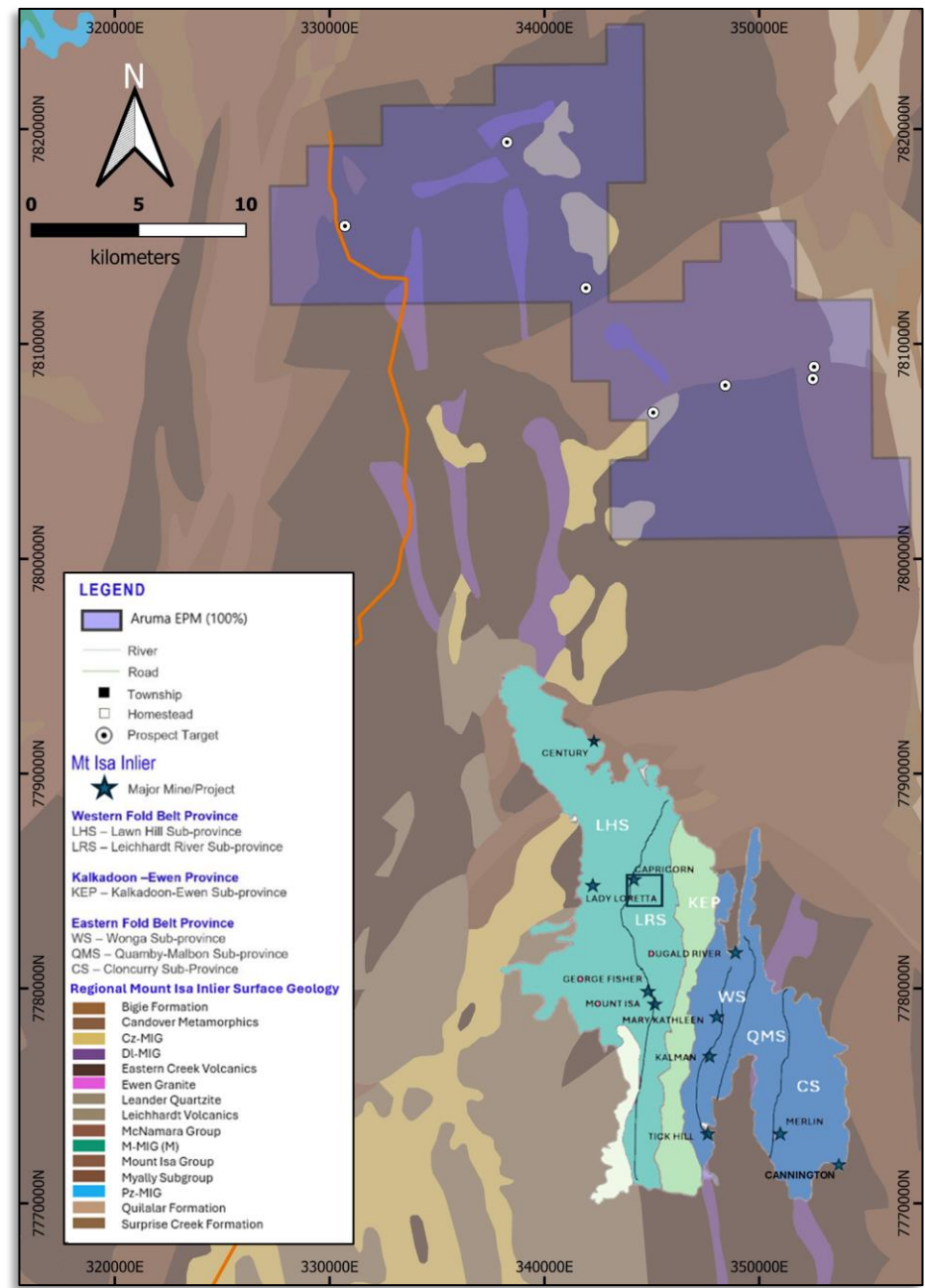


Figure 4: Geology of the Bortala Project area

An east-north-east trending linear fault in the south of the Project area has copper-gold mineral occurrences and historic workings identified by Ashton Mining in 1989. The Bortala Project also hosts members of the Mount Isa Group, which exhibit widespread lead-zinc anomalism, and strong copper potential along bounding faults.

Review of operations

Several magnetic lineations and magnetic high zones have been identified within the Project area by previous explorers, which may indicate the presence of enhanced iron oxide occurrences. The geophysical features on the Project offer key exploration target areas and are proximal and adjacent to these magnetic high zones, particularly in the eastern area of the Project. Aruma plans to explore the Bortala Project for an IOCG system, similar to those in the Cloncurry district in Queensland and the Gawler Craton in South Australia.

Salmon Gums Gold Project

The Salmon Gums Project (EL63/2037, EL63/2122, ELA63/2303) covers a total area of 360km². The Project is a high-grade gold exploration asset located 300km south of Kalgoorlie, and 80km south of the mining town of Norseman. It is situated 30km south and directly along strike, in the same stratigraphy, as Pantoro Limited's (ASX: PNR) high grade Scotia Gold Project (Figure 5).

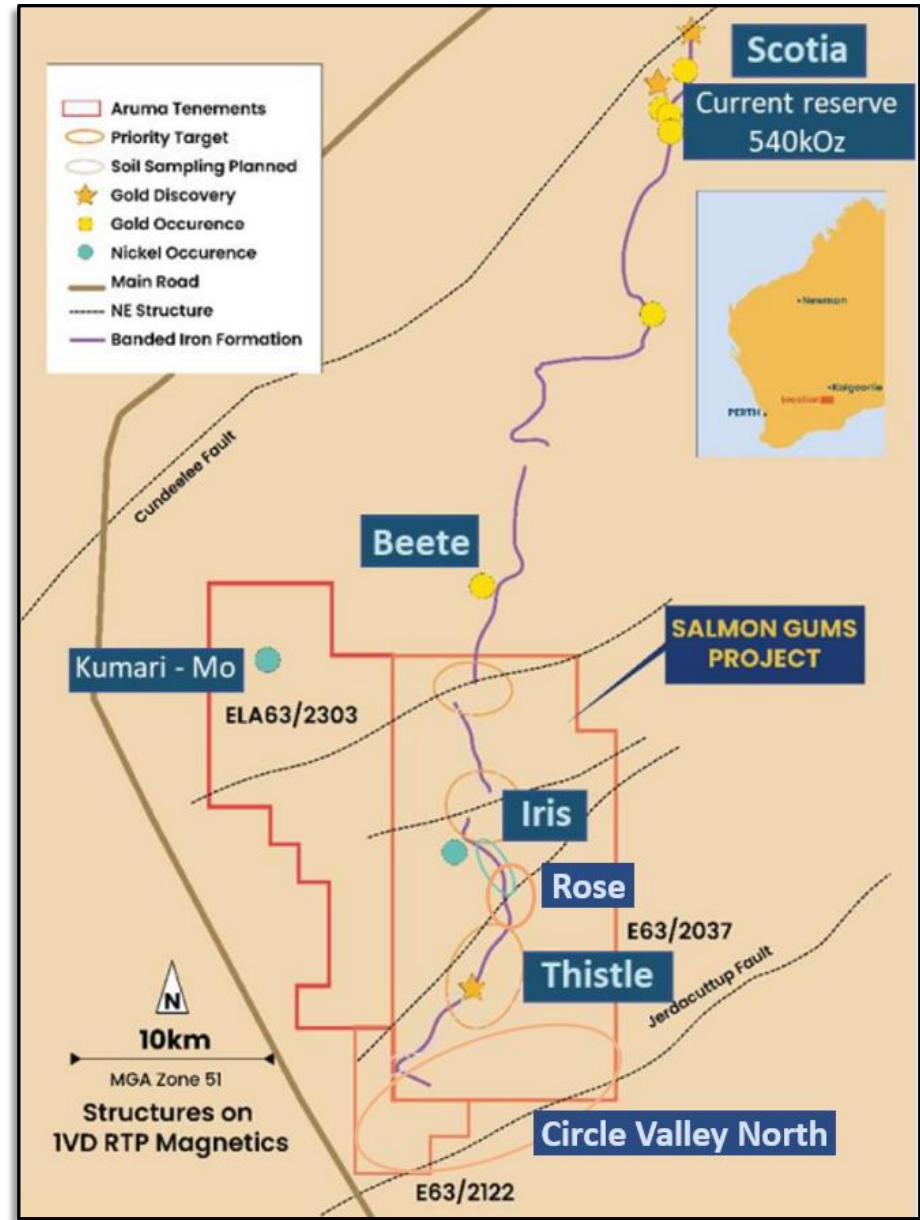


Figure 5: Salmon Gums Gold Project location map.

Review of operations

During the year, Aruma undertook its latest phase of drilling at the Salmon Gums Project (ASX announcement 11 September 2023). Drilling was designed to follow up and extend bonanza-grade gold intersected at the priority Thistle prospect in the Company's 2022 drilling campaign, which included an intersection of; **5m at 50.2g/t Au** in drill hole SGRC039.

Aruma's drilling at Salmon Gums in the 2024 year comprised a targeted seven-hole diamond core program. The program was successful in intersecting and extending the targeted very high-grade structure and also delivered a more complete understanding of the controlling geology and structures.

Gold mineralisation was intersected in six of the seven completed holes, and highlight results included;

- **5.90m @ 10.5g/t Au from 38.4m in SG23DD007**
 - including 2.60m @ 9.85g/t Au from 38.4m
 - and 0.85m @ 40.9g/t Au from 43.4m
- **3.65m @ 1.25g/t Au from 42m in SG23DD003**
 - including 0.95m @ 3.66g/t Au from 42.7m

See Figure 6 and Table 2 for significant gold intersections from this drilling.

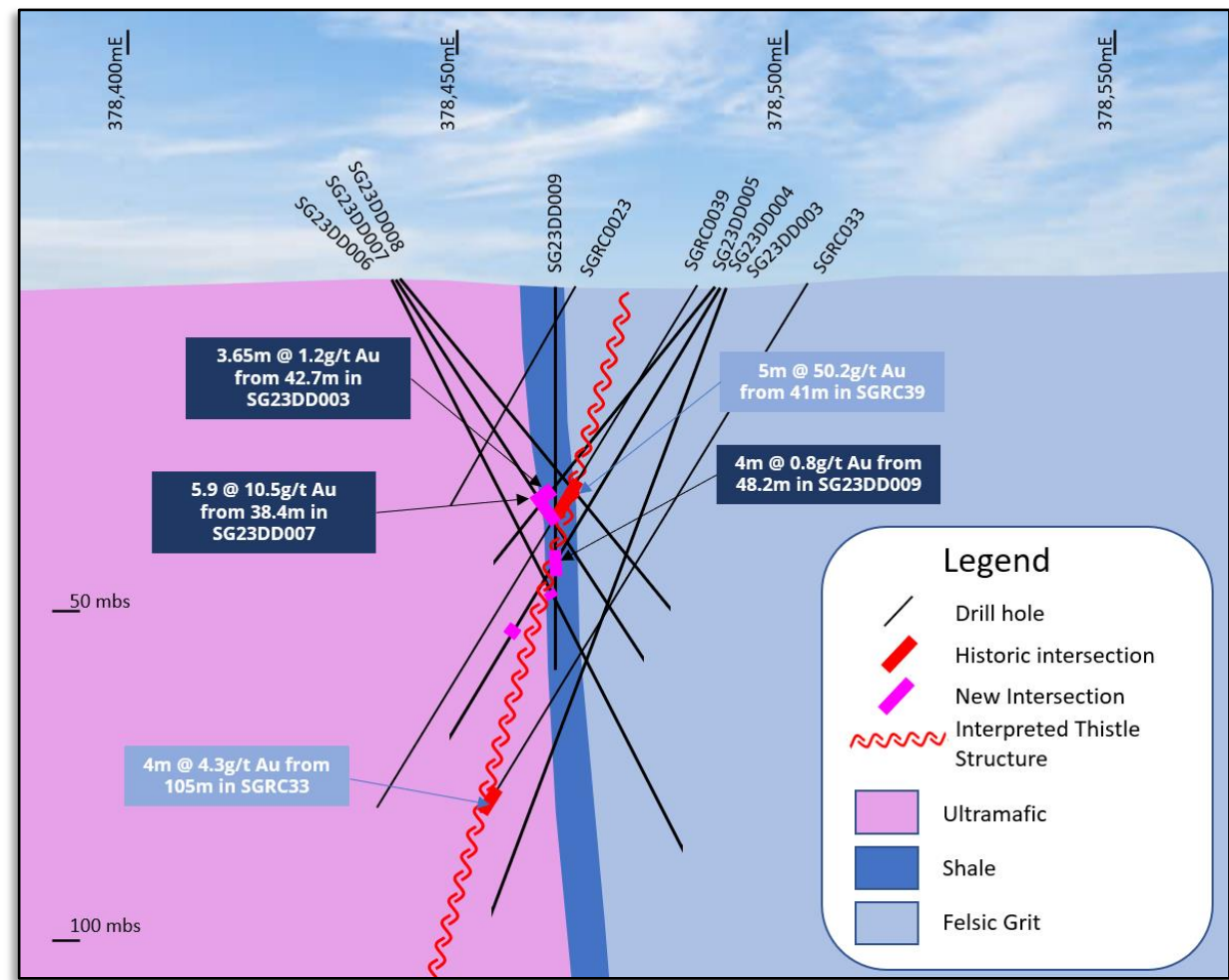


Figure 6: Cross section 6361620mN showing recently completed diamond drilling (SG23DD003-009 inclusive) expanding previous high-grade gold intersection with 5.9m @ 10.5g/t Au in SG23DD007.

Review of operations

Results Commentary

Assay results from the 2024 drilling further indicated the presence of a significant pyrrhotite-pyrite arsenopyrite bearing quartz vein, which aligns closely with the characteristics of typical Norseman-style gold mineralisation.

These veins are hosted within the rheological contrasting sequence of mafic to shale geology, demonstrating the prominent structural controls typically associated with such deposits.

The presence of pyrrhotite, pyrite and arsenopyrite sulphides, both within and proximal to the primary quartz vein was seen as further indication of the potential for the Thistle prospect to host a significant gold-bearing structure. The intersection of **5.9m @ 10.5g/t Au in hole SG23DD007** (Figure 6), in particular, shows evidence of Norseman-style quartz lode mineralisation.

See Figures 7 and 8 for images of core from the 2024 drilling at Salmon Gums.

Further details on this phase of drilling are provided in ASX announcements of 11 September, 4 October and 21 November 2023.

Prospect	Hole ID	From (m)	To (m)	Width	Grade (g/t Au)
Thistle	SG23DD003	42.70	46.35	3.65	1.25
	<i>incl</i>	42.70	43.65	0.95	3.66
	SG23DD004	66.00	67.00	1.00	1.00
	SG23DD007	38.40	44.30	5.90	10.5
	<i>incl</i>	38.40	41.00	2.60	9.85
	also incl.	43.45	44.30	0.85	40.9
	SG23DD008	44.00	46.00	2.00	0.48
		48.80	49.00	0.20	0.60
	SG23DD009	48.20	52.20	4.00	0.78
	<i>incl</i>	48.20	49.00	0.80	1.97
	<i>also incl.</i>	51.20	52.20	1.00	1.14

Note: all intervals that returned greater than 0.4g/t Au.

Table 2: Significant Intercepts from diamond core drilling program.

Review of operations

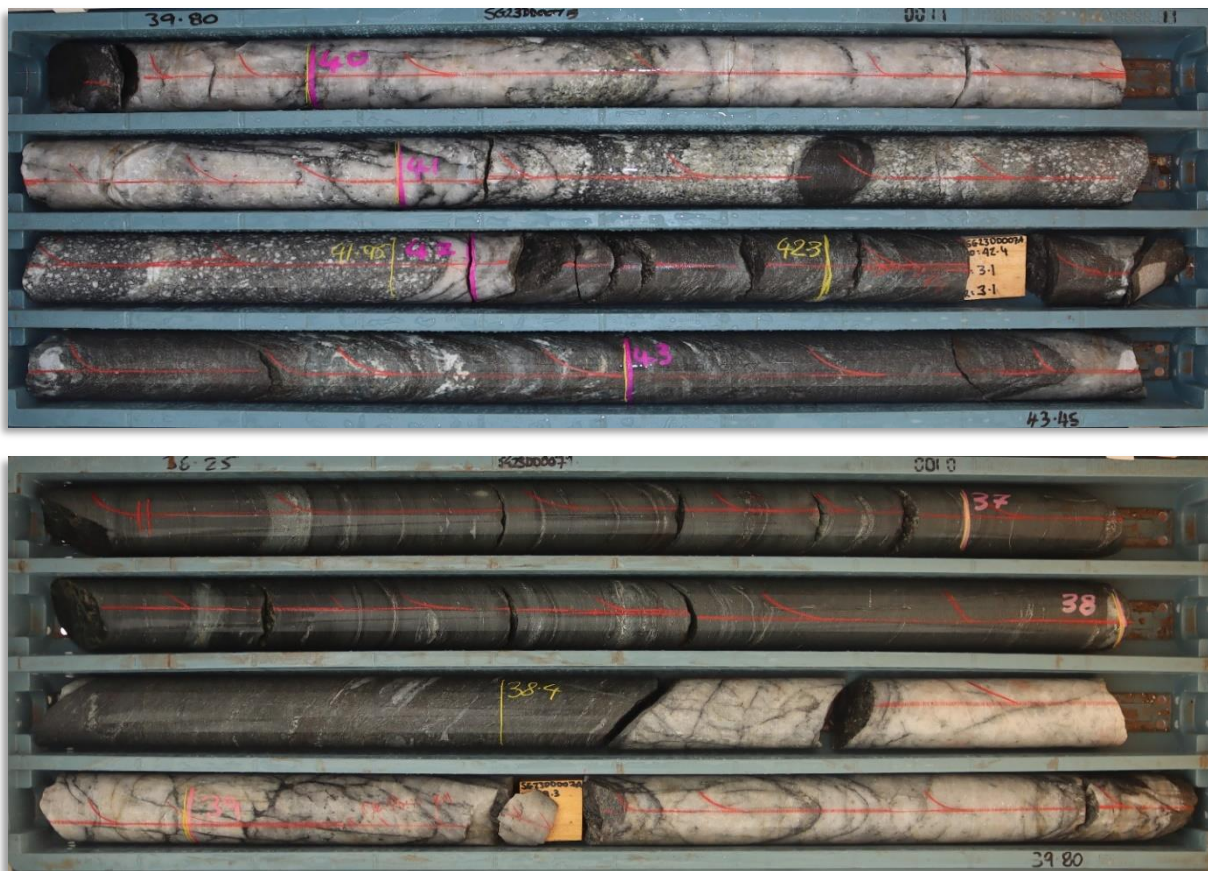


Figure 7: Drill core from **SG23DD007** from **36.25m** to **43.45m** showing Norseman-style quartz lode mineralisation with disseminated sulphide between **38.4m** to **41m** @ **9.85g/t Au**.

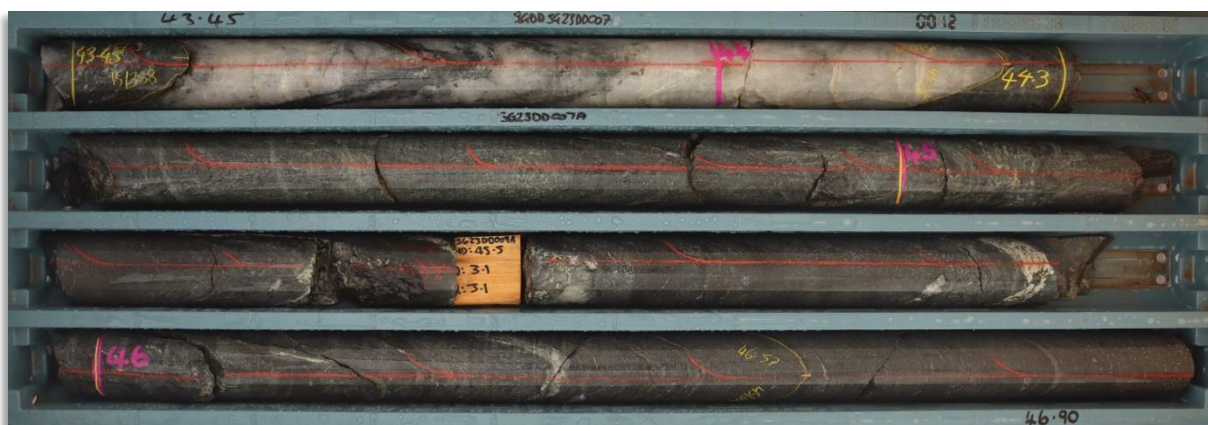


Figure 8: Drill core from **SG23DD007** from **43.45m** to **46.9** showing Norseman-style quartz lode mineralisation with disseminated sulphide between **43.45m** to **44.3m** @ **40.9g/t Au**.

REE drilling at Salmon Gums

Aruma's assessment of the Salmon Gums Project also highlighted potential REE prospectivity in the southern extent of the Project area, at the Circle Valley North prospect (Figure 5). An extensive first-pass, drilling program was completed during the year (ASX announcement 7 February 2024).

Review of operations

Drilling consisted of a 39-hole air-core drilling program, which successfully tested for REE-enriched clays, as extensions to Meeka Metals' (ASX: MEK) nearby Circle Valley REE Resource of 98Mt @ 890ppm TREO (MEK: ASX announcement 14 June 2023), and OD6 Metals' (ASX: OD6) REE discovery in the same area (OD6: ASX announcement 24 March 2023) (Figure 9).

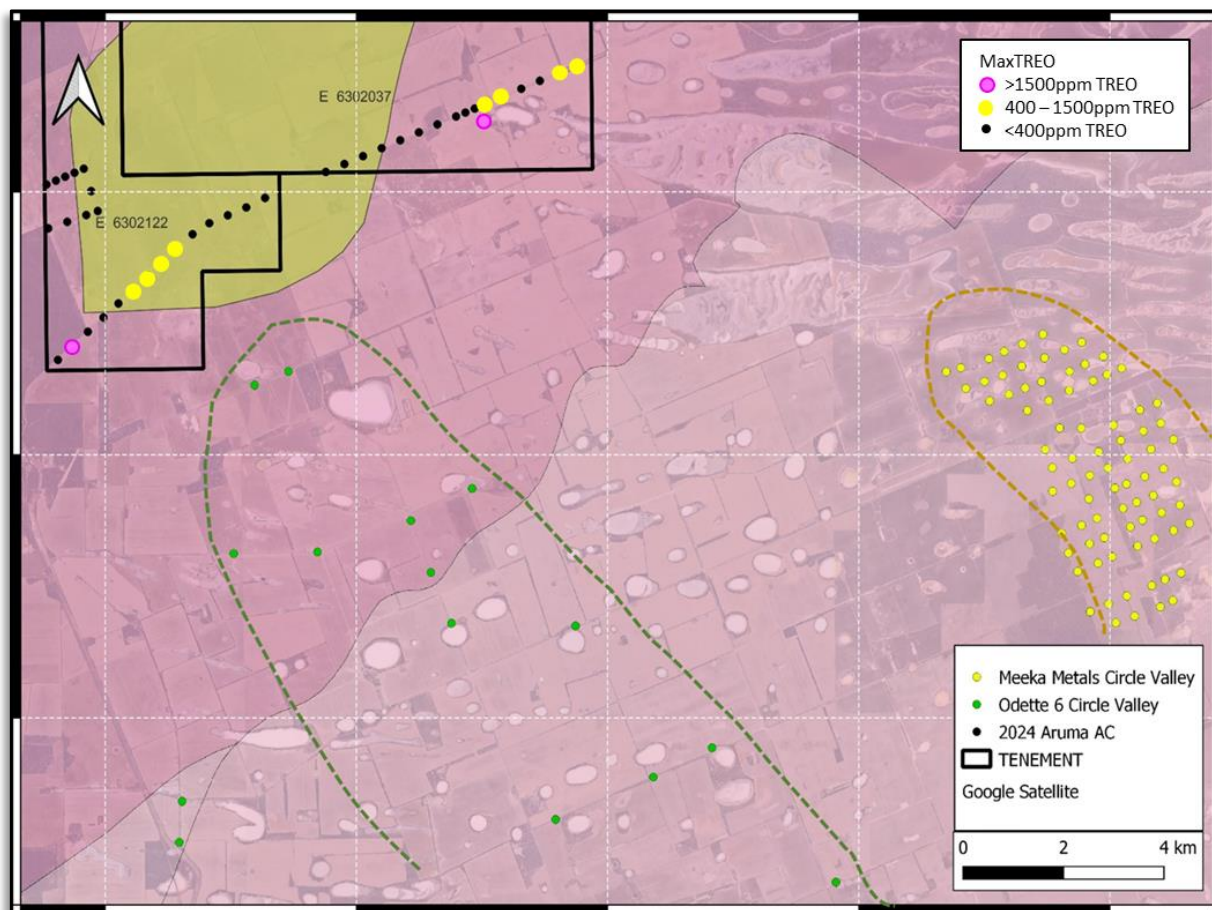


Figure 9: Plan showing Aruma's REE-focused drilling at the Salmon Gums Project (black dots); yellow dots show MEK drilling and green dots show OD6 drilling. Recent results highlighted in pink and yellow as the legend shows in the top right. Pink is the high grade TREO results above 1500ppm TREO.

Commentary on REE Drilling Results

Aruma's maiden REE-focused drilling program at the Salmon Gums Project returned three zones of high-grade clay REE's, and also delivered the highest grade clay REEs recorded in the region to date, in surface sample (AR33002). Initial surface sampling revealed an **impressive 8,700ppm TREO, with neodymium (Nd) and praseodymium (Pr) oxides constituting 22.5% of this total**, providing a further indicator of the quality of these results (Figure 10).

The drilling program delivered multiple clay-hosted REE zones, of various depths and thicknesses. Highlight results included; **11 metres at 904ppm TREO** and **18 metres at 638ppm TREO**, among others. See Table 3 for TREO results above 600ppm, and Figure 3 for drill hole locations and results.

Review of operations

Site ID	Easting	Northing	From	To	TREO (ppm)
AR33002	382764	6356432	Surface	Surface	8702
SG24AC024	374057	6351806	18	29	904
SG24AC053	382909	6356810	21	24	933
SG24AC030	375860	6353410	24	30	770
SG24AC048	382538	6356660	15	21	727
SG24AC031	376139	6353663	12	30	638

Table 3: Total Rare Earth Oxides Significant Intercepts >600ppm

The results extend the northern reach of the recent REE discoveries by OD6 and MEK, further enhancing the clay-hosted REE prospectivity of the greater Esperance-Salmon Gums region, and also underscoring the Salmon Gums Project's potential to host a significant ionic clay deposit.

Based on the positive results from the first pass REE-focused air core drilling program, Aruma plans to undertake a targeted second phase of REE-focused air core drilling at Salmon Gums to better define the anomalism and assess the Project's REE resource potential.



Figure 10: Outcropping high grade REE Clay from Circle Valley, AR33002

Gold Results

This phase of drilling also targeted gold pathfinder mineralisation at the Thistle prospect with the aim of extending the gold mineralised footprint at the Salmon Gums Project.

Drilling at the Thistle prospect intersected 3 metres of anomalous gold mineralisation from surface in hole SG24AC001. This result continued to highlight the gold prospectivity of structural controls on points of rheological contrast and their capacity for gold saturation.

Saltwater Project

The Saltwater Project consists of four Exploration Licences (EL52/3818, EL52/3846, and EL52/3857) over a total area of 450km². It is situated approximately 120 kilometres south-west of the regional mining centre of Newman, in the Pilbara region of WA.

Review of operations

The Project is interpreted by Aruma to have multi-commodity potential. Dreadnought Resources (ASX: DRE) holds a significant landholding with its Bresnahan REE-U Project, which surrounds Aruma's Project area (Figure 11).

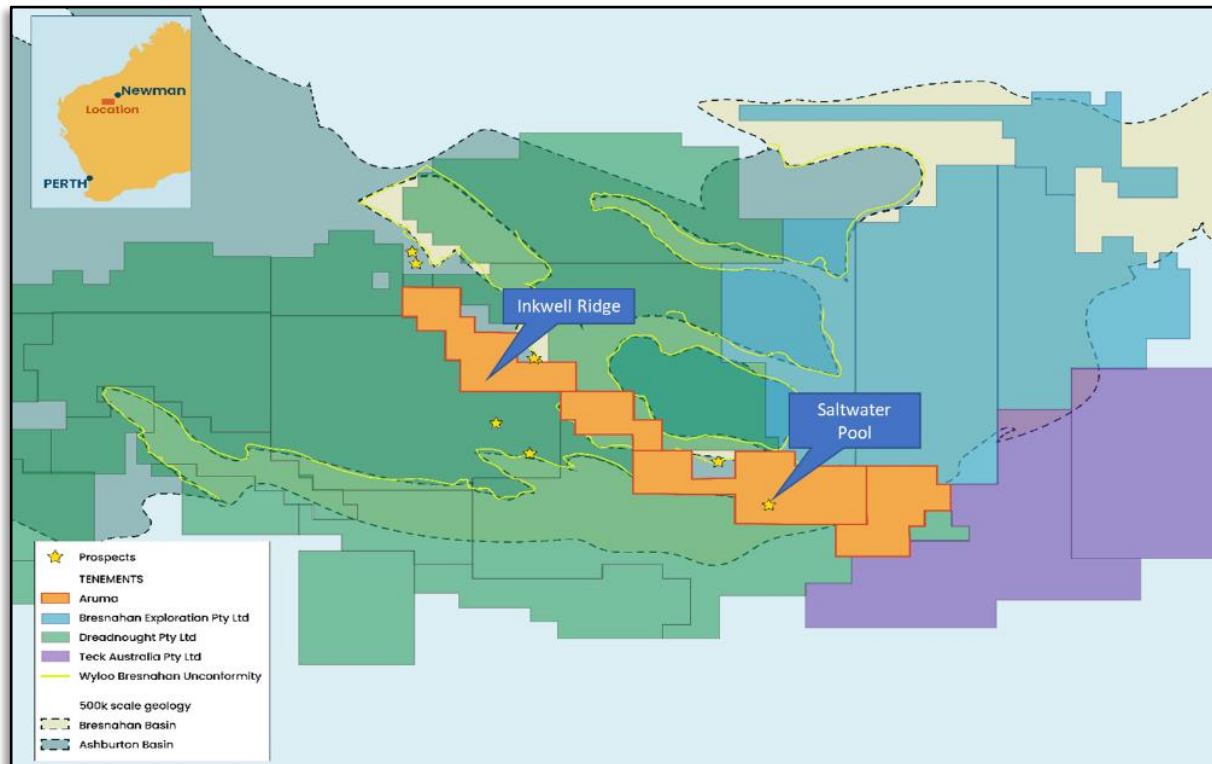


Figure 11: Saltwater Project location relative to other companies ground positions in the region.

Aruma pegged the Project in 2020 for its gold prospectivity. Subsequent assessment of historic exploration within the Project area revealed REE, base metals, gold and uranium results from previous explorers in the Saltwater region.

Aruma is undertaking a systematic soil sampling program of an interpreted 80km strike length as a first-step towards unlocking the Project's value potential. This work continued during the year, and is ongoing.

REE Mineralisation Discovered

Aruma reported the first results from its initial surface sampling program during the year (ASX announcement 12 July 2023). This sampling was successful, and significant REE and Cobalt-Copper enriched soil samples were reported. Highlight results included;

- **AR12232: 1158ppm TREO; 25% NdPr/TREO and 21% HREO/TREO**
- **AR12291: 1022ppm TREO; 25% NdPr/TREO and 27% HREO/TREO**
- **AR12298: 0.30% Co, 0.23% Cu, 0.21% Zn and 4.0% Ba**
- **AR12299: 0.27% Co, 0.21% Cu, 0.2% Zn and 3.9% Ba**

This sampling confirmed REE enrichment across multiple structures, alongside significantly elevated pathfinder values of phosphorus (P), strontium (Sr) and thorium (Th). Significant base metals were also detected.

The program collected samples from radiometric, geophysical, and structural targets at a high-priority radiometric target with a strike length of up to 15km. Further details and commentary on results are provided in ASX announcement of 12 July 2023.

Review of operations

Sample ID	Easting	Northing	TREO%	Nd ₂ O ₃ (kg/t)	Pr ₆ O ₁₁ (kg/t)	Dy ₂ O ₃ (kg/t)	Tb ₂ O ₃ (kg/t)	NdPr/TREO Ratio (%)	HREO/TREO Ratio (%)
AR12291	669573	7351337	0.102	0.21	0.05	0.03	0.01	25.16	27.2
AR12232	654239	7356565	0.116	0.23	0.06	0.02	0.004	24.82	21.1

Table 4: Significant (>0.1% TREO) rare earth rock chip results (GDA94 MGAz50)

Sample ID	Easting	Northing	Co (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Ba (ppm)
AR12240	676373	7350730	71	117	2681	906	1036
AR12271	669415	7352084	1011	707	9	275	3097
AR12295	669786	7351278	33	36	38	1082	1383
AR12297	669375	7351613	311	1117	2	931	3533
AR12298	669378	7351614	3041	2282	2	2161	39653
AR12299	669377	7351614	2737	2170	2	2002	38954

Table 5: Significant (>0.1%) Base Metals Rock Chip results (GDA94 MGAz50)

Soil Samples Enhance Multi-Commodity Potential

Further results from the Company's surface sampling program were reported in October. These results confirmed the presence of multiple mineralised systems, indicative of a rich seafloor and extensional basin geological setting and confirmed the presence of economic grades of manganese and cobalt (ASX announcement, 18 October 2023). Results also verified the existence of large-scale Volcanogenic Massive Sulphide (VMS) systems with elements such as iron, barium, copper, lead, zinc, and arsenic. They also identified a series of sandstone-hosted uranium and vanadium anomalies.



Figure 12 : Aruma managing director viewing potential enriched outcrop at Saltwater Project

Gold Target Identified

Further results were reported in November, and resulted in the identification of an anomalous greenfield gold target at the Terceira prospect within the Saltwater Project area (ASX announcement 28 November 2024). Highlight results included;

Review of operations

- SWS0180 containing 0.38g/t Au and 356ppm As
- SWS0179 containing 0.14g/t Au and 371ppm As
- SWS0181 containing 0.14g/t Au and 204ppm As
- SWS0178 containing 0.12g/t Au and 443ppm As

The sampling program and mapping generated multiple new targets across the Saltwater Project. These included the Inkwell Ridge prospect, which hosts in excess of 7km of anomalous iron, copper, lithium and REE rock chips (Figure 13).



Figure 13: Inkwell Ridge Prospect

Very high-grade REE results

Selected samples from the sampling program were subjected to further assessment, and were re-analysed using the sodium peroxide fusion method.

Results of this work were reported in December, and returned very high-grade REE results, as high as; **1777.5ppm Total Rare Earth Oxide (TREO), including 752.2ppm NdPr (Neodymium-Praseodymium)**. See Table 6 for results.

NdPr is a key REE utilised in the production of permanent NdFeB magnets, which are core components in the production of electric vehicles (EVs).

Further details are provided in ASX announcement of 18 December 2023.

Review of operations

Sample Id	Easting	Northing	TREO ppm	Nd ₂ O ₃ (kg/t)	Pr ₆ O ₁₁ (kg/t)	Dy ₂ O ₃ (kg/t)	Tb ₂ O ₃ (kg/t)	HREO	LREO	NdPr	NdPr:TREO	HRE:TREO
AR14079	633009	7368066	1777	0.61	0.14	0.03	0.01	228	1544	752	42%	13%
AR14096	634748	7367195	1026	0.09	0.02	0.03	0.01	169	844	114	11%	16%
SWS0094	669676	7350928	1092	0.19	0.05	0.01	0.00	99	1014	242	22%	9%
SWS0100	669776	7350928	572	0.11	0.03	0.01	0.00	75	512	135	24%	13%
SWS0102	670811	7351041	592	0.08	0.02	0.01	0.00	116	477	94	16%	20%

Table 6: Significant REE Sample results (GDA94 MGAz50)

Aruma's soil sampling programs at the Saltwater Project to date have proved successful in providing vectors towards defining targets for further exploration.

It is noted that Aruma's ongoing sampling programs at Saltwater represent early-stage, first-phase exploration, and further targeted exploration is required to further validate and unlock the potential of the Project.

Carter Well Gold Project

The Carter Well Project (E58/590) is located approximately 75km east of Mt Magnet in the Murchison region, in WA, and covers a total area of 294km² (Figure 14). The geology of the area was historically mapped as granite, but Aruma assessed the Project area as a potential new greenfields gold opportunity.

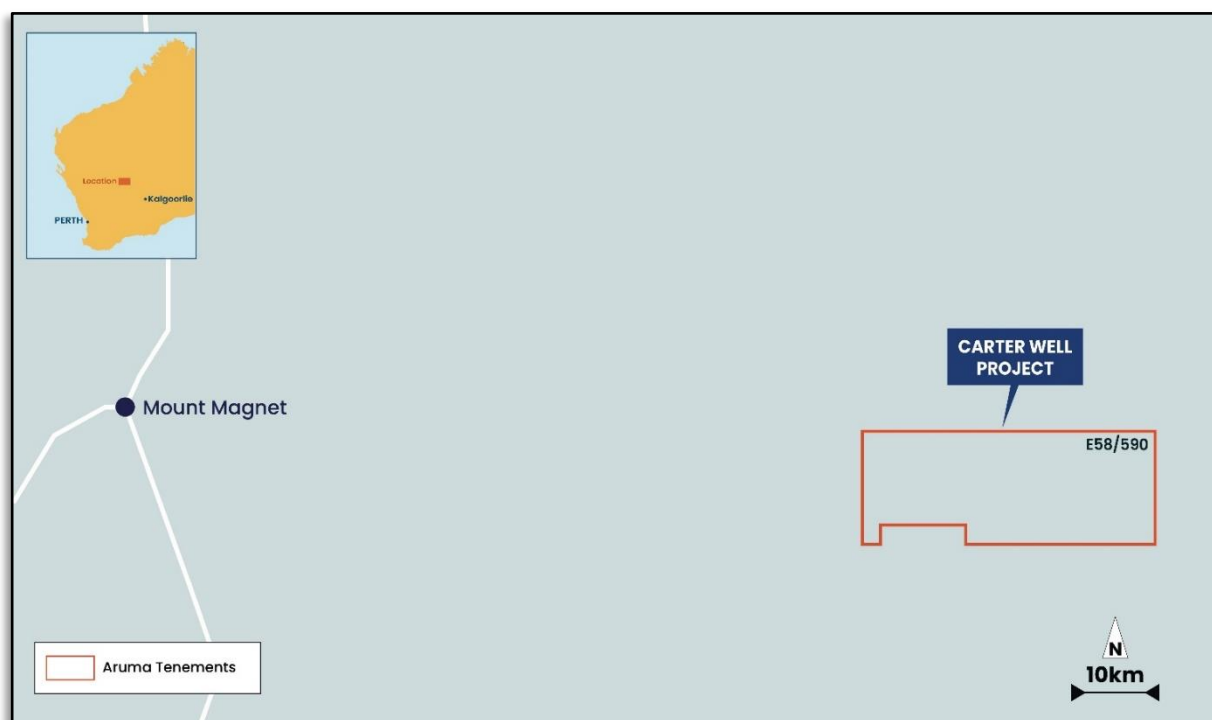


Figure 14: Carter Well Project location map.

The Project was interpreted by Aruma as being located on a major East-West trending dolerite dyke, with intruding Greenstones. Additionally, magnetics suggested the presence of folded volcanics under laterite cover. This interpretation was supported by regional geophysical magnetic survey, which suggested that the area may not be granite, and field mapping indicated that mafic stratigraphy may exist at Carter Well.

Review of operations

Aruma undertook a first-pass drilling program at Carter Well to test its exploration model for the Project (ASX announcement 21 December 2023). Drilling comprised an extensive auger drilling program of approximately 1,300 auger holes, of variable spacings (Figure 15).

Drilling was designed to target gold and nickel-copper pathfinder mineralisation, and provide an effective, cost-effective means of helping delineate potential anomalies within the previously unexplored Project area. Results were received, and no anomalous results were returned. The Carter Well Project was subsequently relinquished by Aruma.

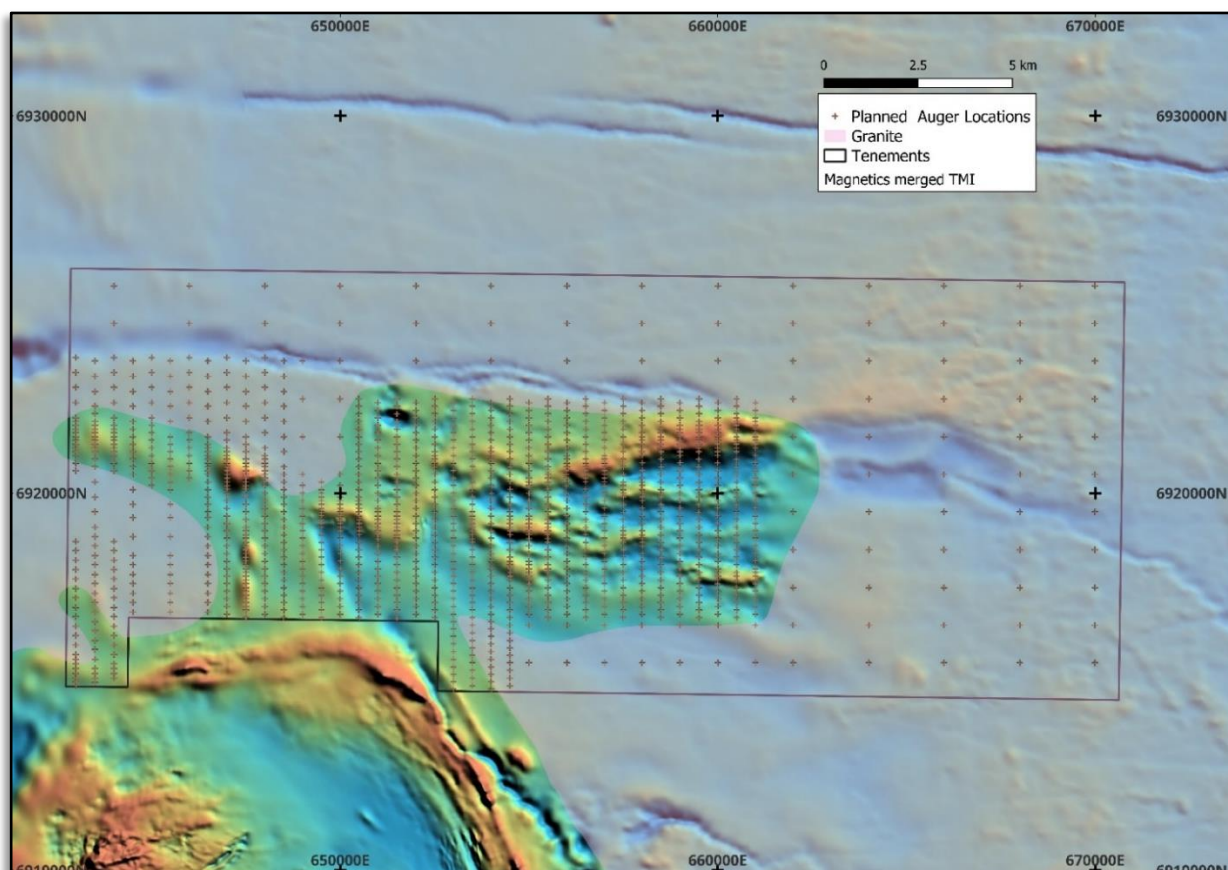


Figure 15: Auger sample location at Carter Well Project over magnetic imagery showing the targeted mafic stratigraphy (granite in transparent pink shading). Magnetic imagery is the WA_20m_Mag_Merge_v1_" Total magnetic intensity (TMI) 20m merged grid of Western Australia 2023 version 1 compiled by and sourced from Geological Survey of Western Australia. (No additional survey was conducted by the Company).

Mt Deans Lithium Project, Norseman WA

The 100%-owned Mt Deans Project (P63/2063) is situated in the Mt Deans pegmatite field, within the Eastern Goldfields Terrane of the Yilgarn Craton, approximately 200 kilometres south of the major regional centre of Kalgoorlie and approximately 10 kilometres south of the mining town of Norseman (Figure 16).

The Project sits within the lithium corridor in south-east WA, which hosts multiple significant hard-rock lithium projects. It is interpreted to sit within the same host rocks and structures as the significant nearby Mt Marion, Bald Hill and Buldania Lithium Projects.

Review of operations

During the year, Aruma continued to assess plans and opportunities to unlock the value of the project. A Programme of Work (PoW) was submitted for a planned next phase of drilling. This is proposed to be a diamond drilling program, with the primary purpose to provide core for more detailed metallurgical test-work. The Conservation Management Plan was updated to align with the addition of diamond drilling.

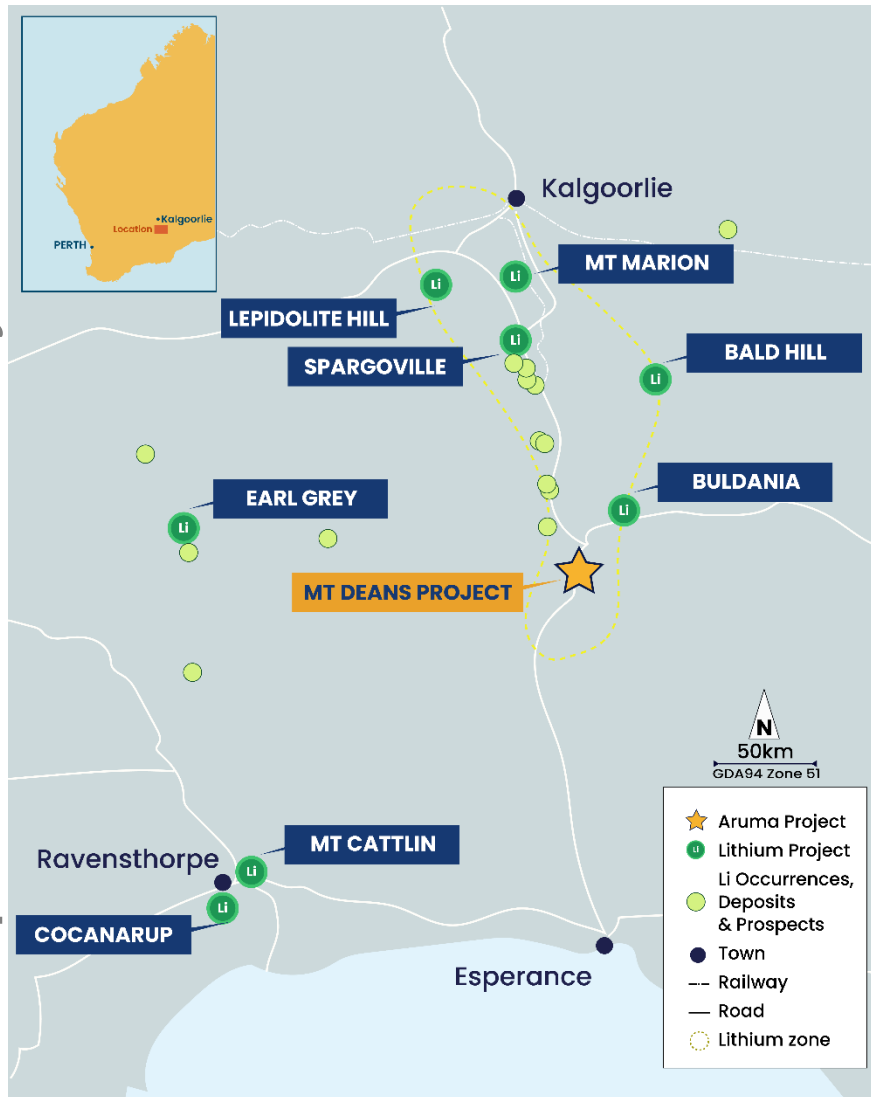


Figure 16: Mt Deans Project location in the Eastern Goldfields Lithium corridor

An initial phase of metallurgical test work was conducted in 2023, with results confirming that a lithium concentrate may be produced from the Mt Deans pegmatites via simple flotation. This test work also highlighted the potential value of tin and tantalum at Mt Deans, with both being able to be separated in the flotation process. Further details were reported in ASX announcement of 3 May 2023.

Melrose Gold Project

The Melrose Project is located immediately adjacent to the Paulsens Gold Project, which was acquired by Black Cat Syndicate (ASX: BC8) from Northern Star Resources (ASX: NST), in the Pilbara region of WA.

No on-ground exploration was undertaken at this project during the year.

Review of operations

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 Glenn Grayson who is a Member of the Australian Institute of Geoscience (AIG). Mr Grayson is Managing Director and a full-time employee of the Company. Mr Grayson 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 Grayson 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. 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.

Corporate

The Group incurred an after-tax loss for the year of \$1,125,944 (2023: \$3,045,244). The Group had a cash balance at 30 June 2024 of \$2,143,785 (2023: \$3,154,923).

Aruma received an R&D tax incentive offset of \$1,146,363 (2023: \$837,176) before costs during the year.

Board and Management

At a general meeting held on 18 August 2023 shareholders approved the issue of 9,000,000 incentive options to Directors. The options, which are not listed, have an exercise price of \$0.10 and an expiry date of 30 June 2026. 15,000,000 options were also issued to GBA Capital on the same terms as part of a share placement which was completed in June 2023 raising \$2,275,940 before issue costs.

Annual General Meeting

The Company held its annual general meeting on 22 November 2023 at 2 Richardson Street, West Perth, Western Australia, and all resolutions were carried by the required majority by poll.

Directors' report

Your directors present their report together with the financial statements of the Group consisting of Aruma Resources Limited ("the Company") and the entities it controlled (together the "Group") for the financial year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

1. INFORMATION ABOUT THE OFFICERS OF THE COMPANY

The names and particulars of the officers of the Company during or since the end of the year are:

Mr. James Moses

B Bus, Grad Dip Journalism – Non-executive Chairman

Appointed Non-executive Director 1st August 2022, appointed Non-executive Chairman 9th November 2022

Mr Moses has an extensive background in investment markets in a career spanning 33 years. He is the founder and Managing Director of a leading Australian bespoke investor relations and corporate communications practice for public companies.

Prior to this, he was Investor Relations Manager for a major national public relations firm. He also previously worked as a business and finance journalist.

His career began in the investment markets, where he held multiple business development roles with leading global fund managers over a period of 15 years and was also a private client adviser for a high net worth investment advisory firm.

Mr Moses is currently a Non-executive Director of Power Minerals Limited.

Mr. Brett Smith

BSc (Hons), FAIG, MAICD – Non-executive Director

Appointed 1st August 2022

Mr Smith is a geologist with more than 30 years' experience in the mining and exploration industries, where he has held numerous senior executive and management positions, and consulting roles.

He has extensive, specific expertise in exploration and resource definition and has overseen resource projects across a diverse range of commodities in Australia and international jurisdictions.

He has a BSc (Honours) in Geology from the James Cook University of North Queensland and is a member of the Australian Institute of Geoscientists and a Member of the Australian Institute of Company Directors.

Mr Smith is currently Managing Director of nickel-focused exploration and development company Corozon Mining Limited (ASX: CZN) and a Non-executive Director of diversified exploration company TG Metals Limited (ASX: TG6).

Directors' report

Mr. Glenn Grayson

BSc APPGEOL, Grad Dip Geospatial Information (RMIT) MAUSIMM – Managing Director

Appointed 20th January 2023

Mr Grayson is a geologist with deep exploration experience in the goldfields of Western Australia. He has held senior roles with Kin Mining NL, Northern Star Resources and Barrick Gold. Mr Grayson has a successful track record of evaluating and generating gold resources through exploration success and brings a wealth of Knowledge to the Aruma team.

He has a BSc in Geology from Ballarat University, a Diploma in Project Management (NSWTafe), Graduate Diploma in Geospatial Information (RMIT) and is a member of the Australian Institute of Geoscientists and AUSIMM

Mr Grayson has not held a directorship in any public listed companies in the last 3 years.

Mr. Phillip MacLeod

B Bus, FGIA, MAICD – Company secretary

Appointed 5th January 2010

Mr MacLeod has over 30 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 public and private companies involved in the resource, technology, property and healthcare industries.

2. FINANCIAL AND OPERATING REVIEW

The Group made an after-tax loss for the year of \$1,125,944 (2023: \$3,045,244). The Group had cash and term deposit balances at 30 June 2024 of \$2,143,785 (2023: \$3,225,653).

Aruma received an R&D tax incentive offset of \$1,146,363 (2023: \$837,176) before costs during the year.

Share-based payments expenses of \$101,966 (2023: \$nil) were incurred during the year as a result of 9,000,000 incentive options issued to Directors during the year. Full details of the options issued are disclosed in the notes to the consolidated financial statements.

A review of operations is on pages 5 to 25.

Directors' report

3. DIRECTOR'S 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
James Moses	4	4
Glenn Grayson	4	4
Brett Smith	4	4

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.

4. REMUNERATION REPORT (AUDITED)

4.1 Principles of compensation

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 Group, 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. The non-executive director receives a fixed fee of \$48,000 per annum. The Chairman receives a fixed fee of \$72,000 per annum plus superannuation or GST as applicable. Performance rights issued to KMP subsequent to the reporting date are dependent on the satisfaction of various performance conditions.

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

Directors' report

4. REMUNERATION REPORT (AUDITED)

4.2 Remuneration of directors and senior management (audited)

Key management personnel remuneration for the years ended 30 June 2024 and 30 June 2023.

	Year	Salary & Fees \$	Cash Bonus \$	Short-term Non-monetary Benefits \$	Total \$	Post-employment Superannuation Benefits \$	Other long term \$	Termination Benefit \$	Share-based Payments Options \$	Total \$	Proportion of remuneration performance related %	Value of options as proportion of remuneration
Non-Executive Directors												
Mr J Moses	2024	72,000	-	-	72,000	-	-	-	22,659	94,659	-	23.94%
	2023	56,200	-	-	56,200	-	-	-	-	56,200	-	-
Mr B Smith	2024	45,622	-	-	45,622	2,378	-	-	11,330	59,330	-	19.10%
	2023	36,719	-	-	36,719	3,856	-	-	-	40,575	-	-
Mr P Boyatzis ⁽¹⁾	2023	36,000	-	-	36,000	-	-	-	-	36,000	-	-
Dr Mark Elliott ⁽²⁾	2023	3,000	-	-	3,000	-	-	-	-	3,000	-	-
Executive Director												
Mr G Grayson	2024	275,000	-	-	275,000	30,250	-	-	67,977	373,227	-	18.21%
	2023	189,263	-	-	189,263	19,873	-	-	-	209,136	-	-
Mr P Schwann ⁽³⁾	2023	321,049	-	-	321,049	20,458	-	-	-	341,508	-	-
Total	2024	392,622	-	-	392,622	32,628	-	-	101,966	527,216	-	19.34%
	2023	642,231	-	-	642,231	44,187	-	-	-	686,418	-	-

⁽¹⁾ retired 9 November 2022

⁽²⁾retired 1 August 2022

⁽³⁾ resigned 30 June 2023

Directors' report

4. REMUNERATION REPORT (AUDITED)

4.3 Share-based payments granted as compensation for the current year

Options

During the year there were 9,000,000 (2023: none) options over unissued shares granted to key management personnel (KMP) as part of their remuneration.

The options have an exercise price of \$0.10 and an expiry date of 30 June 2026. The expense recognised during the year was \$101,966 (2023: \$nil).

No options granted to KMP were exercised during the year. No options granted to current KMP lapsed unexercised during the year. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Director	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$
J Moses	22,659	-	-
B Smith	11,330	-	-
G Grayson	67,977	-	-

4.4 Service agreement

Managing Director, Mr Glenn Grayson's remuneration commencing 20 January 2023 consists of \$275,000 per annum base salary plus statutory superannuation and provision of a laptop computer and mobile phone.

Mr Grayson is engaged with a three month notice period for cessation to be given in writing by either party.

The Company has no other service agreements with any other key management personnel.

END OF REMUNERATION REPORT (AUDITED)

5. SHARE OPTIONS

Unissued shares under option

There are 85,930,003 options (2023: 9,066,669) over unissued shares in Aruma at the reporting date.

Share options lapsed

2,066,669 options lapsed unexercised the year (2023: 19,444,472).

Share options issued

There were 9,000,000 options over unissued shares in Aruma issued during the year as share-based compensation to directors (2023: none).

Directors' report

Shares issued on exercise of options

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

6. PRINCIPAL ACTIVITY

The principal activity of the Group during the year was mineral exploration in Australia.

7. REVIEW OF OPERATIONS

The Group made a loss after tax for the year of \$1,125,944 (2023: \$3,045,244). The Group had cash and cash equivalent balances at 30 June 2024 of \$2,143,785, a decrease of \$1,011,138 on the prior year.

On 27 May 2024 the Company announced the acquisition of a portfolio of copper and uranium exploration assets in tier 1 mineral precincts in South Australia and Queensland.

Consideration for the acquisition by Aruma consisted of the following:

- 26,500,000 ordinary shares which will be subject to a 6 month voluntary escrow from the date of issue
- 24,500,000 options exercisable at nil exercise price subject to Aruma securing all required approvals for drilling at the Wilan project.
- 28,000,000 options exercisable at nil exercise price subject to Aruma reporting a drill intercept of at least 3 metres at >600ppm U3O8 or at least 20m at >0.8% Cu or metals equivalent at one of the new projects: and
- Aruma will also pay a 2% NSR to the shareholders for the vendors NHM Holdings (Australia) Pty Ltd over any minerals extracted and sold from the new projects

The acquisition was subject to shareholder approval which was granted at an extraordinary general meeting held on 1 August 2024.

Information on the operations of the Group and its business strategies are set out on pages 5 to 25 of the annual report.

8. DIVIDENDS

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

9. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 August 2024 an extraordinary general meeting of shareholders of the Company was held. Resolutions which were approved at the meeting included the following:

- Issue of 26,500,000 settlement shares and 52,500,000 milestone options to the shareholders of NHM Holdings (Australia) Pty Ltd (refer ASX announcement 29 May 2024)
- Approval of the terms of a buy-back of 1,333,334 shares from Acuity Capital
- Approval to issue 19,700,000 Performance Rights to Directors with an exercise price of nil with vesting conditions related to milestones associated with exploration projects acquired from NHM Holdings (Australia) Pty Ltd as outlined in the Notice of EGM dated 28 June 2024

Directors' report

The Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital in January 2018. The facility matured and was not extended for a further term. The 1,333,334 shares held by Acuity as security for the CPA facility were returned to the Company for nil consideration in accordance with the terms of the agreement ("Buyback") and were cancelled on 7 August 2024. The Buyback was subject to shareholder approval, which was granted at an Extraordinary General Meeting held on 1 August 2024.

Other than the above no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

10. 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.

11. 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:

Director	Ordinary shares	Options over shares	Performance rights
Mr. J Moses	1,639,655	2,000,000	6,402,500
Mr G Grayson	-	6,000,000	8,865,000
Mr. B Smith	-	1,000,000	4,432,500

12. ENVIRONMENTAL REGULATIONS

During its normal exploration and evaluation 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.

13. INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has entered into Director and Officer Protection Deeds (Deed) with each Director and the Company Secretary (officers). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Directors’ report

Also pursuant to the Deed, the Company must insure the officers against liability and provide access to all board papers relevant to defending any claim brought against the officers in their capacity as officers of the Company.

The Company has paid insurance premiums during the year in respect of liability for any past, present or future directors, secretary, officers and employees of the Company or related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

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

14. NON-AUDIT SERVICES

Details of the amounts paid to the auditor of the Group, Elderton Audit Pty Ltd and its related practices for audit and non-audit services provided are set out below:

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Audit and review of financial reports	22,900	22,200
Non-audit services		
Taxation services	-	-
	22,900	22,200

15. 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 out on the following page.

Directors' report

16. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

This report is made with a resolution of the directors.



Glenn Grayson
Managing Director
Perth, Western Australia
Dated 20th September 2024

For personal use only

Auditor's Independence Declaration

To those charged with governance of Aruma Resources Limited;

As auditor for the audit of Aruma Resources Limited for the year ended 30 June 2024, 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 audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aruma Resources Limited and the entities it controlled during the year.

Elderton Audit Pty Ltd.
Elderton Audit Pty Ltd



Rafay Nabeel

Director

Perth

20th September 2024

Consolidated statement of comprehensive income

For the year ended 30 June 2024

		CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
	Note		
Revenue		-	-
Other income	3	1,146,363	837,176
Exploration and evaluation expenditure expensed as incurred		(941,301)	(2,511,789)
Depreciation	4	(35,340)	(30,568)
Directors' remuneration	26,27	(527,216)	(686,418)
Employee benefits		(262,407)	(91,909)
Legal and professional fees		(272,940)	(176,143)
Occupancy expenses		(31,811)	(30,413)
Marketing and promotion		(153,633)	(239,297)
Other expenses		(158,595)	(180,574)
Loss from operating activities		(1,236,880)	(3,119,935)
Financial income		113,128	77,992
Financial expense		(2,192)	(3,301)
Net financing income	5	110,936	74,691
Loss before income tax expense		(1,125,944)	(3,045,244)
Income tax expense	8	-	-
Other comprehensive income/(expense)			
<i>Items that may not be classified to profit and loss</i>			
Net change in the fair value of financial assets	13	(15,000)	(18,000)
Other comprehensive income/(expense) for the year, net of tax		(15,000)	(18,000)
Total comprehensive loss for the year		(1,140,944)	(3,063,244)
Loss per share			
Basic and diluted loss per share (cents per share)	7	(0.57) cents	(1.92) cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

For the year ended 30 June 2024

		CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents	10	2,143,785	3,154,923
Trade and other receivables	11	35,116	108,075
Term deposit investments	12	73,640	70,730
Other financial assets	13	18,000	33,000
Other current assets	14	83,975	43,085
Total current assets		2,354,516	3,409,813
Non-current assets			
Plant and equipment	15	47,610	53,260
ROU asset	16	5,300	26,492
Total non-current assets		52,910	79,752
Total assets		2,407,426	3,489,565
LIABILITIES			
Current liabilities			
Trade and other payables	17	127,992	125,762
ROU lease liability	18	5,879	21,807
Provisions	19	23,473	49,881
Total current liabilities		157,344	197,450
Non-current liabilities			
ROU lease liability	20	-	5,880
Total non-current liabilities		-	5,880
Total liabilities		157,344	203,330
Net assets		2,250,082	3,286,235
Equity			
Issued capital	22	22,582,145	22,749,263
Reserves	23	749,054	760,907
Accumulated losses	24	(21,081,117)	(20,223,935)
Total equity		2,250,082	3,286,235

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2024

		CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
	Note		
Cash flows from operating activities			
Receipts from exploration activities		-	-
Receipts from R&D tax incentive		1,146,363	837,176
Interest received		108,176	77,992
Interest paid		(2,192)	(3,301)
Exploration expenditure		(991,063)	(2,809,252)
Payments to suppliers and employees		(1,244,941)	(1,624,415)
Net cash used in operating activities	30(b)	(983,657)	(3,521,801)
Cash flows from investing activities			
Transfer to term deposit		-	(70,730)
Payments for purchase of plant and equipment		(8,498)	(29,407)
Net cash used in investing activities		(8,498)	(100,137)
Cash flows from financing activities			
Proceeds from issue of securities		40,000	2,275,940
Costs of issue		(37,175)	(185,788)
Repayments of ROU lease		(21,808)	(14,699)
Net cash provided by/(used in) financing activities		(18,983)	2,075,453
Net decrease in cash and cash equivalents		(1,011,138)	(1,546,485)
Cash and cash equivalents at beginning of the year		3,154,923	4,701,408
Cash and cash equivalents at end of the year	30(a)	2,143,785	3,154,923

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the Year Ended 30 June 2024

	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Fair value reserve \$	Total equity \$
Balance at 1 July 2022	20,659,111	(17,178,691)	774,782	4,125	4,259,327
Loss for the year	-	(3,045,244)	-	-	(3,045,244)
Net change in value of financial assets	-	-	-	(18,000)	(18,000)
Total comprehensive loss for the year	-	(3,045,244)	-	(18,000)	(3,063,244)
Shares issued for cash	2,275,940	-	-	-	2,275,940
Share issue costs	(185,788)	-	-	-	(185,788)
Balance at 30 June 2023	22,749,263	(20,223,935)	774,782	(13,875)	3,286,235
Balance at 1 July 2023	22,749,263	(20,223,935)	774,782	(13,875)	3,286,235
Loss for the year	-	(1,125,944)	-	-	(1,125,944)
Net change in value of financial assets	-	-	-	(15,000)	(15,000)
Total comprehensive loss for the year	-	(1,125,944)	-	(15,000)	(1,140,944)
Share-based payments - Directors	-	-	101,966	-	101,966
Share-based payments – Lead manager	(169,943)	-	169,943	-	-
Expiry of options	-	268,762	(268,762)	-	-
Shares issued for cash	40,000	-	-	-	40,000
Share issue costs	(37,175)	-	-	-	(37,175)
Balance at 30 June 2024	22,582,145	(21,081,117)	777,929	(28,875)	2,250,082

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2024

1. General information

The consolidated financial statements cover Aruma Resources Limited as a consolidated entity and the entities it controlled at the end of or during the financial year ended 30 June 2024. The financial statements are presented in Australian dollars, which is Aruma Resources' functional and presentation currency.

Aruma Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Units 8-9

88 Forrest Street

COTTESLOE WA 6011

The financial statements were authorised for issue in accordance with a resolution of directors, on 20th September 2024. The directors have the power to amend and reissue the financial statements.

2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

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

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 report has been prepared based on 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.

Going concern

The financial report is prepared the basis that the entity is a going concern, which contemplates the continuity of normal business activity.

The Directors consider the going concern basis of accounting to be appropriate based on forecast cash flows.

Adoption of new and revised standards

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Standards and interpretations in issue not yet adopted

The Group has reviewed the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2023. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group; therefore, no change is necessary to Group accounting policies.

Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of Aruma Resources Limited ("Company" or "Parent") and its subsidiary as at 30 June each year (the "Group"). Control is achieved where the Company has exposure to variable returns from its involvement with the entity and the power to affect those returns.

The financial statements of the subsidiary 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 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.

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 asset's net carrying amount on initial recognition.

Research & Development

Research and development ("R&D") tax incentive claims are recognised when the Company is notified that its R&D claim has been accepted.

Grant funding

Exploration Incentive Scheme grants are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Plant & equipment

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

Depreciation is charged to the statement of profit or loss and other comprehensive income on a diminishing value 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:

(i) Computer software	2.5 years
(ii) Computer hardware	4 years
(iii) Office equipment	5-7 years
(iv) Field equipment	5 years

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

Cash and cash equivalents

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.

Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than 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").

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Impairment

Non-financial assets

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.

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.

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.

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Income tax

Income tax on the consolidated statement of profit or loss and other comprehensive income for the periods presented comprises current payable and deferred tax. Income tax is recognised in the consolidated statement of profit or loss and other 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 profit or loss and other 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 reporting 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 substantially enacted at the reporting 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.

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 consolidated statement of financial position when the Group 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.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Goods and services and 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.

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.

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. Diluted 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 potentially dilutive ordinary shares, which comprise convertible notes and share options granted to employees.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

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.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Financial instruments (continued)

- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies
- held for trading; or
- initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Ordinary shares

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

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Financial instruments (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has been expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e., it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Financial instruments (continued)

Impairment of financial assets

For trade receivables, material expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary does not have sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, an expected credit loss is calculated. This is calculated based on the expected cash flows arising from the subsidiary and weighted for probability likelihood variations in cash flows.

Share-based payment transactions

(i) 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.

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

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Share-based payment transactions (continued)

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.

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.

Right of use assets

A right-of-use asset is recognised at the commencement of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at, or before, the commencement date of any lease incentives received, any indirect costs incurred and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low value assets. Lease payments for these assets are expensed to profit and loss as incurred.

Critical accounting estimates

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.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Critical accounting estimates

Share-based payment transaction:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model, using the assumptions detailed in note 23.

Mine closure and rehabilitation obligations

Provision is made for the anticipated costs of future closure and rehabilitation of mining areas. These future cost estimates are discounted to their present value. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies, engineering cost estimates and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine closure and rehabilitation obligations.

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 the acquisition of licence costs to be capitalised. All other exploration and evaluation costs are expensed during the period in which they are incurred.

Recovery of deferred tax assets

Significant management judgement has been effected to determine that no deferred tax assets be recognised.

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.

Notes to the consolidated financial statements

For the year ended 30 June 2024

2. Material accounting policy information (continued)

Critical accounting estimates

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 interest 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.

3. REVENUE

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Other income		
R & D tax incentive	1,146,363	837,176
Total	1,146,363	837,176

4. LOSS BEFORE INCOME TAX

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Loss before income tax		
Loss before income tax expense has been arrived at after charging the following item:		
Depreciation	35,340	30,568

5. FINANCING INCOME

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Financing Income		
Interest income	113,128	77,992
Interest expense	(2,192)	(3,301)
Total	74,691	861

Notes to the consolidated financial statements

For the year ended 30 June 2024

6. AUDITOR'S REMUNERATION

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
During the year the following fees were paid or payable for services provided by auditors of the Group, Elderton Audit Pty Ltd, their related practices and non-related audit firms		
Audit and review services:		
- Auditors of the Group	22,900	22,200
Other Professional services:		
- Tax services	-	-

7. LOSS PER SHARE

As the Group incurred a loss for the year the options on issue have an anti-dilutive effect therefore the diluted loss per share is fixed at the value of the basic loss per share.

	CONSOLIDATED 2024	CONSOLIDATED 2023
Loss per share		
Basic loss per share	0.57 cents	1.92 cents
a) Weighted average number of shares used in calculation of basic loss per share	196,426,083	158,896,643
b) Loss used in calculating basic loss per share	\$1,125,944	\$3,045,244

Notes to the consolidated financial statements

For the year ended 30 June 2024

8. INCOME TAX EXPENSE

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
a. Recognised in the statement of profit or loss and other comprehensive income		
The major components of the tax expense/(income) are:		
Current tax expense	-	-
Deferred tax income relating to the origination and reversal of temporary timing differences	-	-
Total tax income attributable to continuing operations	-	-
b. Amounts charged or credited directly to equity		
Deferred income tax related to items (credited) directly to equity	-	-
Income tax expense/(benefit) reported in equity	-	-
The prima facie income tax expense/(benefit) on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:		
c. Numerical reconciliation between aggregate income tax expense recognised in the statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate		
Loss before income tax expense from operations	(1,125,944)	(3,045,244)
Income tax expense calculated at 25.00% (2023: 25.00%)	(281,486)	(761,311)
Impact from reduction in tax rate	-	-
Over provision of tax in prior year	667,395	823,171
Non-assessable income	(286,591)	(209,294)
Temporary differences not recognised	(58,865)	(87,641)
Non-deductible expenses	26,011	1,692
Share issue costs recognised directly in equity	(51,779)	(46,447)
Tax losses not recognised/(utilised)	(14,685)	279,830
Income tax expense/(benefit)	-	-

Notes to the consolidated financial statements

For the year ended 30 June 2024

8. INCOME TAX EXPENSE

The tax rate used in the following reconciliation is the corporate tax rate of 25.00% (2023: 25.00%) payable by Australian corporate entities on taxable profits under Australian tax law.

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
d. The following deferred tax assets and (liabilities) have not been brought to account as assets:		
Tax losses - revenue	2,926,329	2,992,794
Temporary differences	138,681	130,575
	3,065,010	3,123,369
e. Deferred tax assets not recognised in respect of the following items:		
Trade and other receivables	(4,219)	(8,371)
Trade and other payables	31,998	31,440
Section 40-880 expenses	110,902	107,506
Tax losses carried forward	2,926,329	2,992,794
Income tax expense/(benefit) not recognised	3,065,010	3,123,369
f. Carry forward tax losses:		
Unused tax losses, for which no deferred tax asset has been recognised (as recovery is currently not probable)	11,705,317	11,971,176
At 25.00% (2023: 25.00%)	2,926,329	2,992,794

The deferred tax assets have not been brought into account at balance date as the realisation of these is not probable. This benefit (which has been calculated as 25.00% (2023: 25.00%) of losses and deductions available) will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Company continues to comply with the conditions for deductibility imposed by the tax legislation; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

Notes to the consolidated financial statements

For the year ended 30 June 2024

9. FINANCIAL INSTRUMENTS

Overview

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group'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 Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash at bank.

Cash

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Notes to the consolidated financial statements

For the year ended 30 June 2024

9. FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Exposure to credit risk

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

		CARRYING AMOUNT	
	NOTE	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Cash and bank balances	10	2,143,785	3,154,923
Trade and other receivables	11	-	-
Term deposit investments	12	73,640	70,730
Other financial assets	13	18,000	33,000

Impairment losses

None of the Group's trade and other receivables is past due.

Notes to the consolidated financial statements

For the year ended 30 June 2024

9. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

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

Consolidated	Carrying amount (\$)	Contractual cash flows (\$)	6 months or less (\$)	6 months or more (\$)
30 June 2024				
Trade and other payables	110,302	(110,302)	(110,302)	-
	110,302	(110,302)	(110,302)	-
30 June 2023				
Trade and other payables	113,945	(113,945)	(113,945)	-
	113,945	(113,945)	(113,945)	-

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

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 Group'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 Group is not exposed to any currency risk. All investments and purchases are denominated in Australian dollars.

Interest rate risk

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

The Group has no borrowings.

Notes to the consolidated financial statements

For the year ended 30 June 2024

9. FINANCIAL INSTRUMENTS (CONTINUED)

Profile

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

	CONSOLIDATED 2024		CONSOLIDATED 2023	
	Carrying amount \$	Interest rate %	Carrying amount \$	Interest rate %
Fixed rate instruments				
Cash and bank balances	73,640	4.50	70,730	2.65
Variable rate instruments				
Cash and bank balances	2,143,785	3.90	3,154,923	1.27

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 2024				
Variable rate instruments	21,438	(21,438)	21,438	(21,438)
30 June 2023				
Variable rate instruments	31,549	(31,549)	31,459	(31,459)

Fair value of financial instruments

The Group is disclosing the fair value of financial assets and financial liabilities 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).

Notes to the consolidated financial statements

For the year ended 30 June 2024

9. FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2024 and 30 June 2023.

Consolidated 30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets	18,000	-	-	18,000
Consolidated 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets	33,000	-	-	33,000

The fair value of financial instruments traded in active markets (such as equity 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 listed securities that are traded in an active market.

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.

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

10. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Cash and cash equivalents		
Cash at hand	1	1
Cash at bank	2,143,784	3,154,922
	2,143,785	3,154,923
Weighted average interest rate	3.90%	1.27%

Notes to the consolidated financial statements

For the year ended 30 June 2024

11. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Current		
GST receivables	33,071	108,175
Interest receivables	2,043	-
	35,114	108,175

Trade and other receivables are non-interest bearing.

12. TERM DEPOSIT INVESTMENT

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Term deposit investment	73,640	70,730
	73,640	70,730

The term deposit investment has a maturity date of 19 November 2024 and earns interest at a rate of 4.50% per annum.

13. OTHER FINANCIAL ASSETS – FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Current		
Fair value at beginning of year	33,000	51,000
Revaluation of listed shares taken to reserve	(15,000)	(18,000)
Fair value at end of year	18,000	33,000

Notes to the consolidated financial statements

For the year ended 30 June 2024

14. OTHER CURRENT ASSETS

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Other current assets		
Prepayments	16,875	33,485
Deposits	67,100	9,600
Prepayments	83,975	43,085

15. PLANT & EQUIPMENT

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Office equipment at cost	20,738	20,738
Accumulated depreciation	(8,674)	(5,827)
Office equipment	12,064	14,911
Field equipment at cost	17,511	11,512
Accumulated depreciation	(6,856)	(3,373)
Field equipment	10,655	8,139
Computer equipment at cost	89,707	87,208
Accumulated depreciation	(64,816)	(56,998)
Computer equipment	24,891	30,210
Total carrying value	47,610	53,260

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

15. PLANT & EQUIPMENT (continued)

Movement in the carrying amounts for each class of plant and equipment.

Consolidated: 30 June 2024	Office equipment \$	Computer equipment \$	Field equipment \$	Total \$
At 1 July 2023 net of accumulated depreciation	14,911	30,210	8,139	53,260
Additions	-	2,499	5,999	8,498
Depreciation charge for the year	(2,847)	(7,818)	(3,483)	(14,148)
At 30 June 2024 net of accumulated depreciation	12,064	24,891	10,655	47,610

Consolidated: 30 June 2023	Office equipment \$	Computer equipment \$	Field equipment \$	Total \$
At 1 July 2022 net of accumulated depreciation	10,483	18,287	9,757	38,527
Additions	8,397	20,438	572	29,407
Depreciation charge for the year	(3,969)	(8,515)	(2,190)	(14,674)
At 30 June 2023 net of accumulated depreciation	14,911	30,210	8,139	53,260

16. RIGHT OF USE ASSETS

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Other current assets		
Land and buildings – right-of-use	42,386	42,386
Less: Accumulated depreciation	(37,086)	(15,894)
	5,300	26,492

Right-of-use assets comprise a 2 year lease on office premises expiring 31 October 2024. The lease has an option to renew for a 2 year period. The incremental borrowing cost is 13.0%.

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

17. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Trade creditors and accruals	127,992	125,762
Balance at end of the year	127,992	125,762

All trade creditors and accruals are non-interest bearing.

18. LEASE LIABILITIES - CURRENT

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Right-of-use lease	5,879	21,807
	5,879	21,807

19. PROVISIONS - CURRENT

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Mining rehab levy	-	31,820
Employee leave entitlements	23,473	18,061
	23,473	49,881

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

20. LEASE LIABILITIES – NON CURRENT

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Right-of-use lease	-	5,880
	-	5,880

21. SHARE CAPITAL

	COMPANY 2024 \$	COMPANY 2023 \$
Ordinary shares 196,891,506 (2023: 196,201,851) fully paid ordinary shares	22,582,145	22,749,263

Movement during the year	2023 Number	2023 \$	2022 Number	2022 \$
Balance at beginning of year	196,201,851	22,749,263	156,961,503	20,659,111
Shares issued for cash	689,655	40,000	39,240,348	2,275,940
Transaction costs arising on share issues		(207,118)		(185,788)
Balance at end of year	196,891,506	22,582,145	196,201,851	22,749,263

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

Options

The movement of the unlisted options on issue during the financial year is set out below:

Exercise price (cents)	Expiry date	Balance at beginning of year	Issued	Exercised	Lapsed	Balance at end of year
17.55	30/9/23	2,066,669	-	-	(2,066,669)	-
10.80	29/11/24	7,000,000	-	-	-	7,000,000
10.00	30/6/26	-	54,930,003	-	-	54,930,003
10.00	30/6/26	-	9,000,000	-	-	9,000,000
10.00	30/6/26	-	15,000,000	-	-	15,000,000
		9,066,669	78,930,003	-	(2,066,669)	85,930,003

22. RESERVES

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Fair value reserve	(28,875)	(13,875)
Share-based payment reserve	777,929	774,782
Movement during the year		
<i>Fair value reserve</i>		
Balance at beginning of year	(13,875)	4,125
Movement in fair value of financial assets through OCI	(15,000)	(18,000)
Balance at end of year	(28,875)	(13,875)
<i>Share-based payment reserve</i>		
Balance at beginning of year	774,782	774,782
Issue of options during the year	271,909	-
Lapse of options during the year	(268,762)	-
Balance at end of year	777,929	774,782

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

Fair value reserve

This reserve 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 are recognised 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.

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.

23. ACCUMULATED LOSSES

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Movement during the year		
Balance at beginning of year	(20,223,935)	(17,178,691)
Lapse of options	268,761	
Loss for the year	(1,125,944)	(3,045,244)
Balance at end of year	(21,081,118)	(20,223,935)

24. COMMITMENTS

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
Exploration expenditure commitments		
No later than 1 year	1,200,560	605,260
Later than 1 year but not later than 5 years	4,603,340	2,421,040
	5,803,900	3,026,300

There are no operating lease commitments at the date of this report.

25. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at the date of this report.

For personal use only

Notes to the consolidated financial statements

For the year ended 30 June 2024

26. SHARE-BASED PAYMENTS

Options

During the year there were 9,000,000 options granted as share-based compensation to directors and staff by Aruma (2023: nil).

A further 15,000,000 options were granted to the Lead Manager for services performed in a capital raising in August 2023.

2,066,669 options lapsed unexercised during the year (2023: 19,444,442).

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

Aruma Resources Limited	Number	Grant date	Expiry date	Exercise price cents	Fair value at grant date \$
Option series no.6	2,066,667	29 Sept' 2020	30 Sept' 2023	17.55	268,762
Option series no.7	7,000,000	30 Nov' 2021	29 Nov' 2024	10.80	506,020
Option series no.8	9,000,000	18 Aug' 2023	30 June 2026	10.00	101,966
Option series no.9	15,000,000	18 Aug' 2023	30 June 2026	10.00	169,943

The following table illustrates the number and weighted average exercise prices of and movements in, share options on issue:

	2024		2023	
	Number	Weighted average exercise price cents	Number	Weighted average exercise price cents
Outstanding at the beginning of the year	9,066,667	12.34	28,511,109	14.15
Issued during the year	24,000,000	10.00	-	-
Lapsed during the year	(2,066,669)	17.55	(19,444,442)	15.00
Outstanding at the end of the year	31,000,000	10.18	9,066,667	12.34
Exercisable at the end of the year	31,000,000	10.18	9,066,667	12.34

The outstanding balance as of 30 June 2024 is represented by 7,000,000 options over ordinary shares with an exercise price of 10.80 cents and an expiry date of 30 November 2024 and 24,000,000 options over ordinary shares with an exercise price of 10.00 cents and a maturity date of 30 June 2026.

Notes to the consolidated financial statements

For the year ended 30 June 2024

27. KEY MANAGEMENT PERSONNEL

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

Executive director

Mr. G Grayson, Managing Director

Non-executive directors

Mr. J Moses Chairman

Mr. B Smith

Key management personnel compensation

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

	CONSOLIDATED		CONSOLIDATED	
	2024		2023	
	\$		\$	
Short-term employee benefits	392,622		642,231	
Post-employment benefits	32,628		44,187	
Share-based payments	101,966		-	
Total	527,216		686,418	

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 executive's compensation disclosures as required by *Corporations Regulations* 2M.3.03 and 2M.6.04 is provided in the remuneration report section of the Directors' Report.

Notes to the consolidated financial statements

For the year ended 30 June 2024

28. RELATED PARTIES

	OWNERSHIP INTERESTS	
	2024	2023
Controlled entities		
Augustus Mining Pty Ltd	100%	100%
Aruma Exploration Pty Ltd	100%	100%

Key management personnel

Disclosures relating to key management personnel are set out in note 28.

During the year Mandate Corporate, a company related to Chairman, James Moses, provided investor relations and corporate communications services to Aruma. A total of \$54,877 plus GST (2023: \$66,240 plus GST) was charged by the company during the year. There is \$18,714 plus GST (2023: \$3,000) included under trade and other payables at 30 June 2024.

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 consolidated financial statements

For the year ended 30 June 2024

29. NOTES TO STATEMENT OF CASH FLOWS

	CONSOLIDATED 2024 \$	CONSOLIDATED 2023 \$
a. Reconciliation of cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at hand	1	1
Cash at bank	2,143,784	3,154,922
	2,143,785	3,154,923
b. Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Loss for the year	(1,125,944)	(3,045,244)
<i>Adjustments for:</i>		
Depreciation	35,340	30,568
Share-based payment	101,966	-
Change in assets/liabilities:		
(Increase)/decrease in trade and other receivables	72,961	(51,063)
(Increase)/decrease in other current assets	(43,800)	(36,572)
Increase/(decrease) in trade and other payables	2,230	(299,774)
Increase/(decrease) in provisions	(26,408)	(119,716)
Net cash used in operating activities	(983,654)	(3,521,801)

30. 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.

Notes to the consolidated financial statements

For the year ended 30 June 2024

31. SEGMENT INFORMATION

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.

32. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 August 2024 an extraordinary general meeting of shareholders of the Company was held. Resolutions which were approved at the meeting included the following:

- Issue of 26,500,000 settlement shares and 52,500,000 milestone options to the shareholders of NHM Holdings (Australia) Pty Ltd (refer ASX announcement 29 May 2024)
- Approval of the terms of a buy-back of 1,333,334 shares from Acuity Capital
- Approval to issue 19,700,000 Performance Rights to Directors with an exercise price of nil with vesting conditions related to milestones associated with exploration projects acquired from NHM Holdings (Australia) Pty Ltd as outlined in the Notice of EGM dated 28 June 2024

The Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital in January 2018. The facility matured and was not extended for a further term. The 1,333,334 shares held by Acuity as security for the CPA facility were returned to the Company for nil consideration in accordance with the terms of the agreement ("Buyback") and were cancelled on 7 August 2024. The Buyback was subject to shareholder approval, which was granted at an Extraordinary General Meeting held on 1 August 2024.

Other than the above no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

33. DIVIDENDS

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

Notes to the consolidated financial statements

For the year ended 30 June 2024

34. PARENT ENTITY INFORMATION

In the year ended 30 June 2024 the Parent company of the Group was Aruma Resources Limited.

	COMPANY 2024 \$	COMPANY 2023 \$
Financial performance of Parent entity for the year		
Loss for the year	(1,125,944)	(3,045,244)
Other comprehensive income/(expense)	(15,000)	(18,000)
Total comprehensive expense for the year	(1,140,944)	(3,063,244)
Financial position of Parent entity at year end		
Current assets	2,354,516	3,405,885
Non-current assets	52,910	83,680
Total assets	2,407,426	3,489,565
Current liabilities	157,344	197,450
Non-current liabilities	-	5,880
Total liabilities	157,344	203,330
Total equity of the Parent entity comprising:		
Share capital	22,582,145	22,749,263
Reserves	749,054	760,907
Accumulated losses	(21,081,117)	(20,223,935)
Total equity	2,250,082	3,286,235

For personal use only

Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement has been prepared in accordance with sub-section 295(3A)(a) of the Corporations Act 2001 (Cth). The entities listed in the statement are Aruma Resources Limited and all the entities it controls in accordance with AASB10 Consolidated Financial Statements.

The percentage of share capital disclosed for bodies corporate included in the statement represents the economic interest consolidated in the consolidated financial statements. In developing the disclosures in the statement, the Directors have relied on the advice provided by management and the Company's taxation advisor.

The Group's consolidated entity disclosure statement at 30 June 2024 is set out below.

Entity name	Entity type	Body corporates			Tax residency
		Place formed or incorporated	% of share capital held		
Aruma Exploration Pty Ltd	Body corporate	Australia	100%		Australia
Augustus Mining Pty Ltd	Body corporate	Australia	100%		Australia

Directors' Declaration

The Directors of Aruma Resources Limited (Company) declare that as at the date of this declaration:

- (a) in the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (b) the financial statements and the notes to the financial statements for the financial year ended 30 June 2024 set out on pages 35 to 72 are in accordance with the Corporations Act 2001 (Cth) (Corporations Act) including:
 - i. giving a true and fair view of the Company and the consolidated entity's financial position as at 30 June 2024 and of their performance for the year ended 30 June 2024.
 - ii. complying with the Australian Accounting Standards, the Corporations Regulations 2001 (Cth) and other mandatory professional reporting requirements; and
 - iii. complying with the international Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 2.
- (c) in the Director's opinion, the consolidated entity disclosure statement required by section 295 (3A) of the Corporations Act is true and correct; and
- (d) the Directors have been given the declarations required by section 295A of the Corporations Act by the Managing Director & Chief Financial Officer for the financial year ended 30 June 2024.

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



Glenn Grayson
Managing Director

Perth, Western Australia

Dated this 20th day of September 2024

Independent Audit Report to the members of Aruma Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aruma Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group 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 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit 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* (the code) that are relevant to our audit of the 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 Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Refer to consolidated statement of comprehensive income

Key Audit Matter	How our audit addressed the matter
Expenditures <p>Expenditures amounting to \$2,383,243 is a substantial figure in the financial statements of the Group, representing the majority of shareholder funds spent during the financial year.</p> <p>Given this represents a significant volume of transactions, we considered it necessary to assess whether the Group's expenses had been accurately recorded, whether the services provided had been delivered in the appropriate period, and whether all expenses related to activities undertaken by the Group.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none">• We completed a walkthrough test of the Group's expenses system and assessed related controls.• We selected a sample of expenses using systematic sampling methods, and vouched each item selected to invoices and other supporting documentation.• We reviewed post year end payments and invoices to ensure that all goods and services provided during the financial year were recognised in expenses for the same period.• For exploration expenses, we assessed which tenements the spending related to, to ensure funds were expended in relation to the Group's ongoing projects.

Refer to consolidated statement of comprehensive income and note 26 and 27

Key Audit Matter	How our audit addressed the matter
Directors remuneration and employee benefit expenses: <p>Directors remuneration and employee benefit expenses amounting to \$527,216 and \$262,407 respectively, are a substantial figure in the financial statements of the Group, representing a significant portion of shareholder equity spent during the financial year.</p> <p>We considered that the validity and accuracy of the recorded expenditures to be a key audit matter.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none">• We examined the Group's approval processes in relation to making payments to its employees.• We reviewed service agreements with the key management personnel's of the Group to verify the KMP remuneration.• We have obtained confirmations for KMP for the remuneration made during the year.• We reviewed Board minutes of meetings and annual general meeting held during the financial year.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and ii) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 27-29 of the Directors' report for the year ended 30 June 2024. The Directors of the Aruma Resources Limited 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 in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Aruma Resources Limited for the year ended 30 June 2024 complies with section 300A of the Corporations Act 2001.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd

Rafay

Rafay Nabeel

Director

Perth

20th September 2024

Shareholder information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 17 September 2024.

Voting rights

Ordinary shares

One vote for each ordinary fully paid share.

Options

There are no voting rights attached to options.

Distribution of equity security holders

	Quoted ordinary shares		Quoted options Exercisable at \$0.10 expiring 30 June 2026	
Category	Number of holders	%	Number of holders	%
1 - 1,000	167	0.03	2	0.00
1,001 - 5,000	183	0.26	1	0.00
5,001 - 10,000	273	0.95	-	-
10,000 - 100,000	777	14.09	17	0.89
100,000 and over	342	84.68	44	99.11
Total	1,742	100.00	64	100.00

917 shareholders hold less than a marketable parcel of ordinary shares.

	Unquoted options Exercisable at \$0.108 expiring 29 November 2024		Unquoted options Exercisable at \$0.10 expiring 30 June 2026		Unquoted options Exercisable at \$nil expiring 5 August 2029		Unquoted Performance rights	
Category	Number of holders	%	Number of holders	%	Number of holders	%	Number of holders	%
1 - 1,000	-	-	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-	-	-
5,001 - 10,000	-	-	-	-	-	-	-	-
10,000 - 100,000	-	-	-	-	-	-	-	-
100,000 and over	3	100.00	3	100.00	12	100.00	3	100.00
Total	3	100.00	3	100.00	12	100.00	3	100.00

Restricted securities

The Company has 222,058,172 ordinary shares and a total of 123,430,003 options over ordinary shares on issue. 26,500,000 shares are subject to voluntary escrow until 6 February 2025.

Shareholder information

Twenty Largest Shareholders

<u>Fully paid ordinary shares</u>		
Name	Number of ordinary shares held	Percentage
Eyeon Investments Pty Ltd	10,012,675	4.51
Mr Richard Elkington & Mrs Christine Elkington	7,793,055	3.51
Taka Custodians Pty Ltd	6,702,968	2.96
Reid Machine Pty Ltd	6,573,952	2.96
Power Metal Resources PLC	5,300,000	2.39
Northrock Capital Pty Ltd	4,000,000	1.80
Ms Stephanie Jane Herceg	3,515,167	1.58
Foucart Pty Ltd	2,977,784	1.34
Mr Jason Seit Kadir & Mrs Kate Helen Kadir	2,170,000	1.22
E Group Holdings Pty Ltd	2,564,139	1.15
Keypower Investments Pty Ltd	2,515,625	1.13
Mr Warren Kirk Michael Davey	2,500,000	1.13
Mr Frances Hitchcock	2,213,401	1.00
JD Squared Investments Pty Ltd	2,138,254	0.96
Citicorp Nominees Pty Limited	2,059,877	0.93
HSBC Custody Nominees (Australia) Limited	2,052,823	0.92
Mr Jeffery Jamoo	2,000,000	0.90
Mr Andrew William Mitchell	2,000,000	0.90
Mr Carlos Javier Walker	1,870,951	0.84
Resource Assets Pty Ltd	1,800,000	0.81
Total	72,760,671	32.94

Substantial Shareholders

Substantial holder notices have been received from the following:

Substantial holder	Number of shares	Percentage
Copulos Group	14,012,675	6.31

On-market buy-back

There is no current on-market buy-back.

For personal use only

Shareholder information

Twenty Largest Listed Option holders

<u>Options exercisable at \$0.10 expiring 30 June 2026</u>	Number of	Percentage
Name	options held	
Ivy Terrace Pty Ltd	9,111,111	15.59
Mr Denton Pulmano & Mrs Violeta Pulmano	5,000,000	9.10
Mr Alex Forster Evans	4,000,000	7.28
Mrs Frances Fazioli	3,483,333	6.34
Gazump Resources Pty Ltd	3,334,931	6.07
Mr Rory Brendan Docking	3,331,299	6.06
ABN Amro Clearing Sydney Nominees Pty Ltd	3,000,000	5.46
Bowden Minerals Pty Ltd	2,513,290	4.58
Mr Warrick Geoffrey Cannon & Mrs Lorna Hazel Cannon	2,000,000	3.64
Mr Mohammad Reza Ashrafinia	1,000,000	1.82
Mr Richard Elkington & Mrs Christine Elkington	1,000,000	1.82
E Group Holdings Pty Ltd	1,000,000	1.82
Mr Shane Anthony Matchett & Mrs Melita Angela Matchett	1,000,000	1.82
Mr Daryl Christian Bryon & Mrs Elizabeth Sue Bryon	1,000,000	1.82
Mr Simon F Froehlich & Mrs Elma De Mesa Froehlich	1,000,000	1.82
Mr George Kostopoulos	1,000,000	1.82
Vault 687 Pty Ltd	1,000,000	1.82
Netwealth Investments Limited	862,069	1.57
KJLA Pty Ltd	862,069	1.57
Mr Matthew David Rosenberg	689,656	1.26
Total	64,187,758	83.08

For personal use only

Shareholder information

Unquoted securities

Options exercisable at \$0.108 expiring 29 November 2024		
Number of options	7,000,000	
Number of holders	3	
Holders with more than 20%	Number of options held	%
Plasia Pty Ltd	4,000,000	57.14
Lesuer Pty Ltd	2,000,000	28.57

Options exercisable at \$0.10 expiring 30 June 2026		
Number of options	9,000,000	
Number of holders	3	
Holders with more than 20%	Number of options held	%
Glenn James Grayson	6,000,000	66.67
James Moses	2,000,000	22.22

Options exercisable at \$nil expiring 5 August 2029		
Number of options	52,500,000	
Number of holders	12	
Holders with more than 20%	Number of options held	%
Taka Custodians Pty Ltd	13,023,868	24.81
Reid Machine Pty Ltd	13,023,868	24.81
Power Metal Resources PLC	10,500,000	20.00

Performance rights expiring 1 August 2029		
Number of rights	19,700,000	
Number of holders	3	
Holders with more than 20%	Number of rights held	%
Glenn James Grayson	8,865,000	45.00
James Moses	6,402,500	32.50
New Generation Exploration Pty Ltd	4,432,500	22.50

For personal use only

For personal use only

Aruma Resources Limited
Level 1, 2 Richardson Street
West Perth WA 6005
T: +61 8 9321 0177
E: info@arumaresources.com
www.arumaresources.com.au