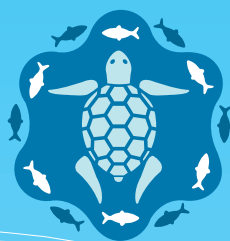


ANNUAL REPORT

2014



**Bora Bora
Resources Ltd**

ACN 150 173 032

Bora Bora Resources Limited
Corporate Directory

Directors	Patrick Ford Christopher Cowan Andrew Johnstone Nelson Reynolds Nathan Young	Non-Executive Chairman Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
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Company Secretary	Nelson Reynolds
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Registered and Administrative Office	Suite 1002, Level 10 131 Macquarie Street Sydney NSW 2000 PO Box R1912 Royal Exchange NSW 1225 Telephone: Facsimile:	 +61 2 9247 3202 +61 2 9251 7707
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Auditors	A D Danieli Audit Pty Ltd Level 14 275 George Street Sydney NSW 2000
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Share Registry	Security Transfer Registrars 770 Canning Highway Applecross WA 6153 Telephone: Facsimile:	 +61 8 9315 2333 +61 8 9315 2233
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Website: www.boraboraresources.com.au

Securities trade on the Australian Securities Exchange – BBR

Bora Bora Resources Limited
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For the year ended 30 June 2014

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Bora Bora Resources Limited
Letter from the Chairman
For the year ended 30 June 2014

Dear Shareholders,

Bora Bora Resources Limited (“BBR”) has in the past 12 months achieved a number of important milestones, on its pathway to becoming a significant producer of high grade Sri Lankan graphite. These milestones include:

- Announcing that an additional 156km² of Exploration Licenses were granted to the Company in Central and Southern Sri Lanka, giving it a significant ground position over and around several known historical high grade graphite regions.
- International geophysics experts Geotech Airborne Limited were commissioned to fly airborne Versatile Time Domain Electromagnetic (VTEM) surveys over the Matale/Kurunegala and Paragoda projects in Central Sri Lanka; the first such survey to be conducted in the country. Data released from this survey to date has identified a new ‘bullseye’ anomaly (the “Kingfisher” Prospect). The survey also demonstrated a strong visual anomaly extending into the Company’s Matale/Kurunegala Graphite Project.
- The commencement of ground exploration work at the Kingfisher Prospect, which will include ground geophysics, and drilling.
- An agreement was signed during the period with RS Mines (Pvt) Ltd to acquire up to a 50% interest in the Queens Mine adjoining BBR’s exploration licenses in Central Sri Lanka, which also includes access to RS Mine’s graphene oxide production facilities.
- In addition during the year, BBR has signed an exclusive Memorandum of Understanding (“MOU”) with Monash University (“Monash”) to collaborate to develop next generation graphene-based materials. This MOU also gives BBR the right to develop a commercialisation plan in conjunction with Monash with relation to patented technologies with potential applications in energy storage devices, membrane nano filtration, biomedical engineering, sensors, nanocomposites and other technologies.

The Company also commenced a small RC drilling program at the St Arnaud gold project in Victoria as part of its ongoing expenditure commitments.

With regard to the Company’s financial position, two placements were conducted during the period and up to the date of this Report to a range of Institutional and Sophisticated Investors, to raise a total of approximately \$4.2M (once completed), which will see BBR well-funded into early 2016.

On behalf of the board I would like to thank the Company’s shareholders for the support and enthusiasm they have displayed, as the company embarks on its next steps towards commercialising these exciting opportunities.



Patrick Ford
Non-Executive Chairman

Graphite Projects, Sri Lanka

The Company has a 75% interest through its subsidiary Plumbago Lanka (Pvt) Limited in a suite of high grade graphite projects in central and southern Sri Lanka including directly surrounding Sri Lanka's oldest operating mine, the Kahatagaha Graphite Mine ("KGM"). In total the Company has an interest in 6 graphite projects comprising 197km² of granted tenements and 109km² of tenements under application.

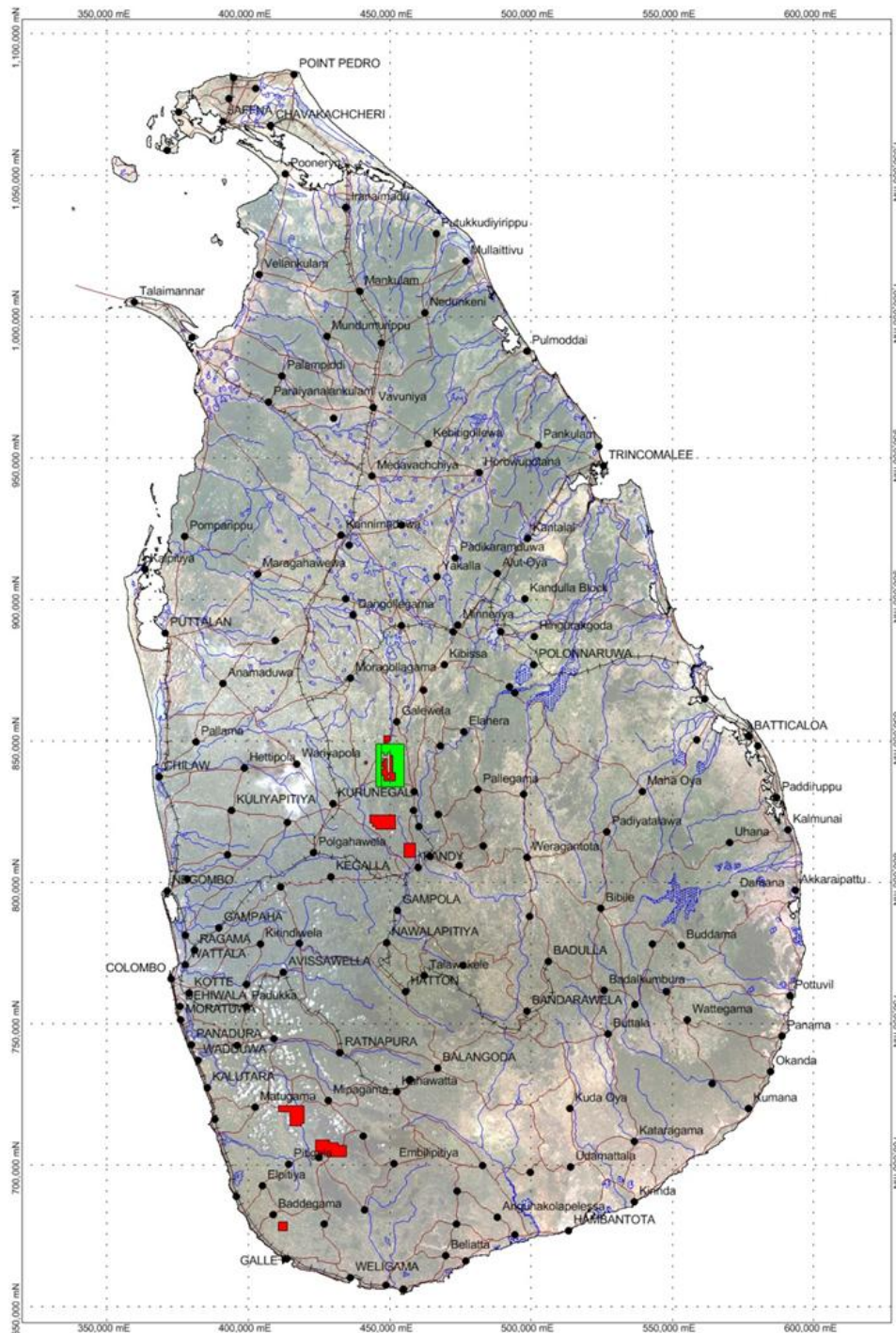


Figure 1: Location of the Company's graphite projects in Sri Lanka (red granted, green under application)

Matale/Kurunegala and Paragoda Projects

The Company's Matale/Kurunegala Project covers 32km² of exploration licences and 109km² of applications, directly contiguous to the KGM. The project surrounds a region with three producing graphite mines including the KGM, which has been in production for more than 140 years.

The project is considered highly prospective for mineralisation of 90% or greater total graphitic carbon (“TGC”) and contains a series of old pits and workings from historical artisanal operations that exploited graphite from deposits at surface.

Bora Bora Resources holds a further 62km² of fully permitted exploration ground in central Sri Lanka at the Paragoda North and South Projects.

Electromagnetic Survey

An Airborne Versatile Time-Domain Electromagnetic (“VTEM”) survey over the central projects including the Matale/Kurunegala and North Paragoda Projects was completed in November 2013. The results for the survey were released to the market from March to July 2014, post interpretation and the securing of land access agreements. This included the newly identified “Kingfisher” prospect.

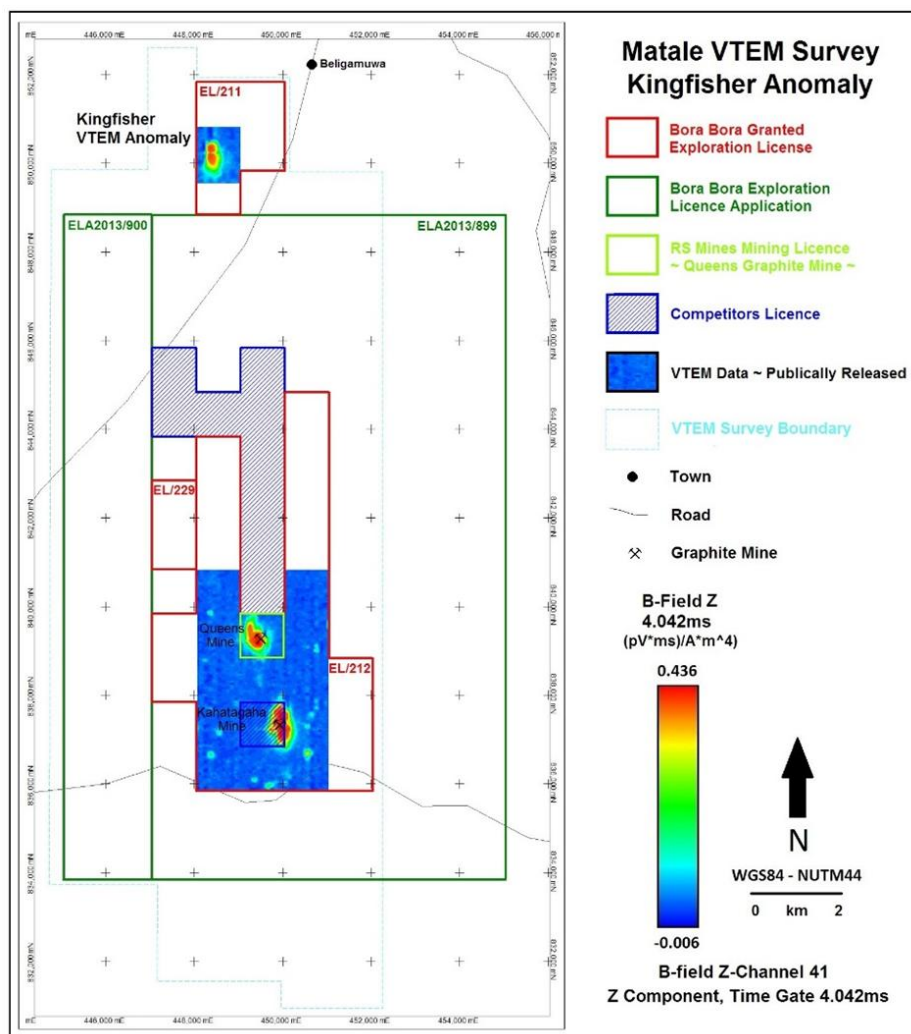


Figure 2: The Matale/Kurunegala Project including the Kingfisher Prospect, Queens Mine and KGM

Exploration Program – Drilling and Geophysics

As a result of progress made on the Matale/Kurunegala Graphite Project, the Company is now set to commence on ground exploration. The Company has designed an exploration program including assessing the most suitable techniques that could be used for further delineating its graphite targets. Accordingly, the Company is in the process of sourcing a drill rig to complete its due diligence on RS Mine (Pvt) Limited (see section below) and drill test other bullseye anomaly targets generated from the recently flown VTEM survey, including the Kingfisher Prospect.

The Company expects to commence drilling in the 4th Quarter 2014. Prior to this, the Company will utilise ground geophysics techniques to optimise the positioning of targets for the drill program and engage expert consultants to manage the overall exploration program.

Agreement to Acquire Interest in Queens Graphite Mine and Graphene Oxide Production Facilities

The Company entered into a binding Heads of Agreement (HOA) with RS Mines (Pvt) Limited (RSM) to acquire up to a 50% interest in RSM's Queens Graphite Mine adjoining the Company's exploration licences in central Sri Lanka via a staged earn-in. The Queens Graphite Mine ore has a run of mine head grade over 90% total graphitic carbon (TGC), and RSM has developed a process to manufacture graphene oxide, the precursor and building block to graphene technology.

The Company also has a first right of refusal over the remaining 50% subject to the successful completion of due diligence. Under the terms of the HOA, the Company has paid to RSM a non-refundable deposit of \$A100,000, in order to exclusively conduct due diligence over the producing Queens Graphite Mine and associated graphene oxide production facilities 2km north of the Kahatagaha Graphite Mine near Kurunegala/Kandy, Sri Lanka (see Figure 2). The Queens Mine was a historical producer of high quality natural crystalline vein graphite until it was abandoned in 1948.

St Arnaud Gold Project, Victoria

During the year limited work was undertaken on the St Arnaud Gold Project. The Company engaged an expert consultant to work up the "wedging fault" theory in determining structural controls over the potential gold mineralisation. The Company also applied to the Department of Primary Industry for approval to undertake a small RC drill program to test this theory and in line with expenditure commitments. The drill program commenced in late June 2014 and was completed subsequent to the end of the financial year.

Corporate

Capital Raisings

The Company issued 3,000,000 fully paid ordinary shares at \$0.28 each during the year, raising \$840,000 before costs as part of a placement to professional and sophisticated investors. Each share subscribed for in the placement included a 1-for-3 free attaching option exercisable at \$0.40 anytime prior to 8pm AEDST 31st March 2017.

During the year, 600,000 options were exercised into fully paid ordinary shares in the Company raising a total of \$120,000 before costs.

At the end of the financial year, the Company had cash reserves of approximately \$1.77 million.

Bora Bora Resources Limited
Review of Operations
For the year ended 30 June 2014

The information contained in this report which relates to Exploration Results and Mineral Resources is based on information compiled by Mr Andrew Johnstone who is an Officer of the Company. Mr Johnstone is a Member of the Australian Institute of Geoscientists. Mr Johnstone has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Reserves'. Mr Johnstone consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

Your Directors present their report together with the financial statements of Bora Bora Resources Limited ("the Company") for the year ended 30 June 2014 and the auditor's report thereon.

DIRECTORS

The names and details of the Directors in office during or since the end of the financial period are as follows. Directors were in office for the entire period unless otherwise stated.

Patrick Douglas Ford
B Com
Independent, Non-Executive
Chairman
(Appointed 31 March 2011)

Mr Ford has over 20 years' experience in the Australian financial markets sector, both in an equity capital markets and client advisory capacity.

Other Current Directorships of Listed Companies:

Bioxyne Limited (formerly: Probiomics Ltd) appointed 17 May 2005

Former Directorships of Listed Companies in the last 3 years:

None

Christopher James Cowan
B Com, CA
Executive Director
(Appointed 18 April 2013)

Mr Cowan is a Chartered Accountant and has previously held roles at KPMG and Ernst & Young in Australia, Eastern Europe and the United Kingdom. Mr Cowan is an entrepreneur who has started, sold, turned around, managed and reconstructed an array of businesses in a number of countries across a broad range of industries.

Other Current Directorships of Listed Companies:

None

Former Directorships of Listed Companies in the last 3 years:

None

Andrew Lorne Johnstone
B Sc (Hons), MAIG, FFin
Independent, Non-Executive
Director
(Appointed 31 March 2011)

Mr Johnstone is a qualified geologist and is the former Managing Director of ASX listed Central Australian Phosphate Limited which was taken over by Rum Jungle Resources Limited. He has previously held senior management positions in a number of ASX listed companies including at Discovery Metals Limited. During the 1990's Andrew worked at BHP and the Northern Territory Geological Survey. Andrew has over 20 years' experience working in exploration, resource development and mining.

Other Current Directorships of Listed Companies:

Condoto Platinum Limited appointed 23 November 2012
Gulf Industrials Limited appointed 5 March 2014

Former Directorships of Listed Companies in the last 3 years:

Central Australian Phosphate Limited 7 June 2011 to 18
September 2013

Nelson Vaughan Reynolds
BA, B Sc(Adv)
Non-Executive Director /
Company Secretary
(Appointed 31 March 2011)

Mr Reynolds holds a Bachelor of Arts Degree and Bachelor of Advanced Science Degree from the University of Sydney. Mr Reynolds is the former Chief Financial Officer and Compliance Officer for Veritas Securities Limited. Mr Reynolds has experience in corporate advisory and equity capital markets transactions relating to small to mid-capitalisation companies listed on the ASX.

Other Current Directorships of Listed Companies:

Gulf Industrials Limited appointed 5 March 2014

Former Directorships of Listed Companies in the last 3 years:

None

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

DIRECTORS (cont.)

Nathan Daniel Young
B Com
Independent, Non-Executive
Director
(Appointed 2 July 2012)

Nathan is an investment consultant and fund manager with prior experience as an investment banker. He has a Bachelor of Commerce degree from the University of Melbourne as well as a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He commenced his career in the securities industry in 1996 and gained extensive equity and derivatives experience during the following 12 years with firms including Lonsdale Securities and ABN AMRO Australia. In 2009 he started his current role with a privately owned investment fund.

Other Current Directorships of Listed Companies:

None

Former Directorships of Listed Companies in the last 3 years:

None

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the year was acquiring, exploring and developing mineral projects prospective for graphite and gold in Sri Lanka and Australia. The Company is conducting exploration work on the Matale/Kurunegala Graphite Project, Paragoda North Graphite Project and Paragoda South Graphite Project in central Sri Lanka, as well as the Neluwa Graphite Project, Baduraliya Graphite Project and Ambalangoda Graphite Project in southern Sri Lanka and on the St Arnaud gold project in the central Victorian goldfields.

RESULTS AND DIVIDENDS

The loss after tax for the year ended 30 June 2014 was \$490,859 (30 June 2013: \$547,158). No dividends were paid during the period and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the period was 1.95 cents (30 June 2013: 3.22 cents).

REVIEW OF OPERATIONS

A review of operations, including information on operations, financial position, strategies and projects of the Company during the period ended 30 June 2014 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the financial period.

- In July 2013, the Company announced that it had been granted an additional 156km² of exploration licences prospective for high grade graphite over the Baduraliya, Neluwa and Paragoda project areas in central and southern Sri Lanka. The Company paid Cowan Financial Services Pty Ltd \$500,000 in July 2013 as further consideration for the acquisition of Plumbago Mining Pty Ltd.
- In March 2014, the Company announced it had resolved to raise up to \$840,000 via the issue of up to 3,000,000 Shares at an issue price of 28 cents per share to professional and sophisticated investors. Additionally, the Company issued 1,000,000 Options exercisable at \$0.40 each anytime prior to 8pm AEDST on 31st March 2017 on a 1-for-3 basis to participants in the placement for nil consideration.

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

EVENTS SUBSEQUENT TO BALANCE DATE

In August 2014, the Company announced it had resolved to raise up to \$3,500,000 via the issue of up to 7,000,000 Shares at an issue price of 50 cents per share to professional and sophisticated investors including a 1-for-4 free attaching Option exercisable at \$1.00 anytime up until 31 October 2015. The placement will be completed in two tranches with the first tranche comprising 2,242,500 Shares issued on 22 August 2014 and tranche 2 comprising 4,757,500 and 1,750,000 Options to be issued after receipt of shareholder approval at a General Meeting of the Company to be held on 7 October 2014.

Other than the above, there has not been any matter or circumstance which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's objective is to maximise shareholder value through the discovery and delineation of significant high grade graphite deposits in Sri Lanka. Following the completion of the Plumbago acquisition during the financial year, the Company intends on continuing to explore, identify and appraise graphite opportunities in Sri Lanka at its existing project portfolio and explore the potential for value-added graphite refinement processing.

The Directors are unable to comment on the likely results from the Company's planned exploration activities due to the speculative nature of such activities.

AUDIT COMMITTEE

The Company's audit committee is responsible for the oversight and preparation of the audited accounts and annual report for the period in association with the Company's auditors A D Danieli Audit Pty Ltd. The audit committee currently has five members: Mr Cowan, Mr Reynolds and Mr Ford from the Company and Mr Sam Danieli and Mr Allan Facey from A D Danieli Audit Pty Ltd.

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors and the number of meetings attended by each Director during the period ended 30 June 2014 are:

	Directors' meetings held during period of office	Directors' meetings attended
P Ford	11	10
C Cowan	11	9
A Johnstone	11	11
N Reynolds	11	11
N Young	11	9

There were eleven directors' meetings held during the period. However, matters of board business have also been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Company's activities throughout the period.

At present, the Company does not have any formally constituted committees of the Board. The Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of special committees.

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

DIRECTORS' INTERESTS

The interests of each Director in the shares, options and performance rights of Bora Bora Resources Ltd at the date of this report are as follows:

	Fully Paid Ordinary Shares	Options Over Ordinary Shares	Performance Rights Over Ordinary Shares
P Ford	415,000	900,000	-
A Johnstone	70,000	900,000	-
N Reynolds	10,000	900,000	-
N Young	350,000	400,000	-
C Cowan	4,800,000	400,000	5,000,000

SHARE OPTIONS

As at the date of this report, there were 8,900,000 options on issue.

	Number	Exercise Price	Expiry Date
Unlisted Options	2,900,000	20 cents	31 December 2014
Director Unlisted Options	1,500,000	20 cents	31 December 2014
Unlisted Options	1,500,000	35 cents	10 May 2016
Director Unlisted Options	2,000,000	35 cents	10 May 2016
Unlisted Options	1,000,000	40 cents	31 March 2017

Options issued during the year are as follows:

- 1,000,000 options exercisable at 40 cents expiring 31 March 2017 were issued to professional and sophisticated investors during the placement undertaken in March 2014.

No options have been issued after 30 June 2014 and up to the date of this report however if shareholder approval is granted for tranche 2 of the recently announced placement, the Company will issue up to an additional 1,750,000 Options exercisable at \$1.00 anytime up until 31 October 2015.

600,000 options were exercised at \$0.20 to acquire shares in the Company during the financial year raising a total of \$120,000 before costs.

SHARES UNDER PERFORMANCE RIGHTS

As at the date of this report, unissued shares under the performance rights are as follows:

Date Granted	Issue Price of Rights	Expiry Date	Number Under Rights
26 April 2013	Nil	26 July 2016	5,000,000

REMUNERATION REPORT (audited)

This report outlines the remuneration arrangements in place for the Directors of Bora Bora Resources Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Remuneration philosophy

The Board will review the remuneration packages applicable to the Non-Executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

Remuneration is not linked to past company performance but rather towards generating future shareholder wealth through share price performance.

Remuneration committee

The Company does not have a formally constituted remuneration committee of the Board. The Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a Remuneration committee.

The Board assesses the appropriateness of the nature and amount of remuneration of Directors on a periodical basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Directors and Executive Director remuneration is separate and distinct.

Non-Executive Directors' remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The present limit of approved aggregate remuneration is \$250,000 per year.

The Board reviews the remuneration packages applicable to the Non-Executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

It has been agreed that Non-Executive Directors shall receive a fee of \$20,000 each per annum. Non-Executive Directors may also be remunerated for additional specialised services performed at the request of the Board. The remuneration of the Non-Executive Directors for the period ended 30 June 2014 is detailed in Table 1 of this report.

REMUNERATION REPORT (audited) (continued)

Executive Directors' remuneration

Objective

The Company aims to reward the Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of the Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

Fixed remuneration

The level of fixed remuneration will be set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of companywide and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practice.

In November 2012 the Company entered into a consulting agreement with a company controlled by Mr Chris Cowan. Mr Chris Cowan's services are contracted to the Company effective from 11 April 2013. Mr Cowan is paid a consulting fee of \$150,000 per annum (ex GST) on the basis that he dedicates a minimum of 120 hours per month to the affairs of the Company. The Company will also reimburse all reasonable out of pocket expenses, including Blackberry, mobile phone and business travel expenses.

Currently the Board of Bora Bora Resources Ltd only has one Executive Director.

Variable remuneration – Long Term Incentive ('LTI')

Objective

The objective of the LTI plan is to reward executives and senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Structure

LTI grants to executives are delivered in the form of options. The issue of options as part of the remuneration packages of executive and non-executive directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding each of the directors.

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

Remuneration is not linked to past company performance but rather towards generating future shareholder wealth through share price performance. The Company has recorded a loss to date as it carries out exploration activities on its tenements. No dividends have been paid.

Table 1: Director Remuneration for the period ended 30 June 2014

Director		Short term		Post-Employment	Equity	Total	Percentage of remuneration consisting of options %
		Cash Salary/Fees \$	Non-Cash Benefits \$	Superannuation \$	Value of Options \$		
P Ford	2014	20,004	-	-	-	20,004	0.0%
	2013	28,004	-	-	27,672	55,676	49.7%
C Cowan	2014	162,500	-	-	-	162,500	0.0%
	2013	18,750	-	-	27,672	46,422	59.6%
A Johnstone	2014	48,242	-	-	-	48,242	0.0%
	2013	23,750	-	-	27,672	51,422	53.8%
N Reynolds	2014	48,333	-	-	-	48,333	0.0%
	2013	34,500	-	-	27,672	62,172	44.5%
N Young	2014	20,000	-	-	-	20,000	0.0%
	2013	23,750	-	-	27,672	51,422	53.8%
Total	2014	299,079	-	-	-	299,079	
	2013	128,754	-	-	138,360	267,114	

There were no key management personnel during the year other than the Directors.

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

REMUNERATION REPORT (audited) (continued)

No options were issued as part of remuneration during the financial period ended 30 June 2014.

Table 2: Options granted as part of remuneration during the financial period ended 30 June 2013 (in accordance with the LTI plan)

Name	No. granted during the year	Date granted / First exercise date	Value per option at grant date (A) (cents)	No. vested during the year	% of grant vested	% of grant forfeited	Expiry date / Last exercise date
P Ford	400,000	10/05/2013	6.918	400,000	100%	-	10/05/2016
A Johnstone	400,000	10/05/2013	6.918	400,000	100%	-	10/05/2016
N Reynolds	400,000	10/05/2013	6.918	400,000	100%	-	10/05/2016
N Young	400,000	10/05/2013	6.918	400,000	100%	-	10/05/2016
C Cowan	400,000	10/05/2013	6.918	400,000	100%	-	10/05/2016

(A) The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. The options were valued at the date of grant using a Black-Scholes model. Other factors and assumptions taken into account in determining the fair value of the options allocated to this reporting period include price of shares on grant date, the exercise price, volatility factor % and risk free interest rate. None of these options have been exercised into shares during the period or up to the date of this report. No options were issued to Directors during the period ended 30 June 2014 (30 June 2013: 2,000,000).

For details on the valuation of options, including models and assumptions used, refer to Note 16.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of the Company against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the Company have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to \$10,000 relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

ENVIRONMENTAL REGULATIONS

The company's exploration activities in Sri Lanka and Australia during the period were subject to environmental laws, regulations and permit conditions in these jurisdictions. There have been no known breaches of environmental laws or permit conditions while conducting operations in Sri Lanka and Australia during the period.

NON - AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 4 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Bora Bora Resources Limited
Directors' Report
For the year ended to 30 June 2014

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITORS' INDEPENDENCE DECLARATION

The auditor, A D DanieliAudit Pty Ltd, has provided the Board of Directors with an Independence Declaration in accordance with section 307C of the Corporations Act 2001.

The Independence Declaration is located on the next page.

Signed in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'P Ford', is written over a horizontal line.

P Ford
Chairman
Sydney, 29 September 2014



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233

Audit & Assurance Services

Level 14, 275 George Street
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099
Fax: (02) 9262 2502

Email: add3@addca.com.au
Website: www.addca.com.au

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BORA BORA RESOURCES LIMITED
A.C.N. 150 173 032**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporation Act 2001* in relation to the audit;
and
- ii. any applicable code of professional conduct in relation to the audit.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

Sydney, 29 September 2014

Bora Bora Resources Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2014

	Notes	CONSOLIDATED 2014	2013 \$
Revenue from continuing operations	2	<u>57,426</u>	<u>104,612</u>
		57,426	104,612
Depreciation expense	3	(1,918)	(1,561)
Foreign Exchange loss		(2,825)	-
Write Off loans		22,001	
Employee benefits expense	3	(318,926)	(342,134)
Other Operating expenses		<u>(246,617)</u>	<u>(308,075)</u>
Loss before income tax		(490,859)	(547,158)
Income tax (expense)/benefit	5	<u>-</u>	<u>-</u>
Loss for the year		(490,859)	(547,158)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		(3,220)	(336)
Other comprehensive income/(loss) for the year, net of tax		(3,220)	(336)
Total comprehensive loss for the year		(494,079)	(547,494)
Loss attributable to:			
Owners of the Parent		(486,895)	(542,614)
Non-controlling interests		(3,964)	(4,544)
		<u>(490,859)</u>	<u>(547,158)</u>
Total comprehensive loss attributable to:			
Owners of the Parent		(487,644)	(542,790)
Non-controlling interests		(6,435)	(4,704)
		<u>(494,079)</u>	<u>(547,494)</u>
Basic and diluted (loss) per share	6	(1.95)	(3.22)

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

Bora Bora Resources Limited
Consolidated Statement of Financial Position
As at 30 June 2014

	Notes	CONSOLIDATED	
		2014	2013
		\$	\$
Current Assets			
Cash and cash equivalents	8	1,768,257	2,617,849
Trade and other receivables	9	97,779	65,251
Total Current Assets		1,866,036	2,683,100
Non-Current Assets			
Trade and other receivables	9	10,000	10,000
Property, plant and equipment	10	5,175	2,137
Deferred exploration and evaluation expenditure	11	3,176,746	2,468,677
Total Non-Current Assets		3,191,921	2,480,814
Total Assets		5,057,957	5,163,914
Current Liabilities			
Trade and other payables	12	38,242	553,782
Total Liabilities		38,242	553,782
Net Assets		5,019,715	4,610,132
Equity			
Issued capital	13	5,790,250	4,886,588
Reserves	14	286,936	287,685
Accumulated losses		(1,050,221)	(563,326)
Parent entity interest		5,026,965	4,610,947
Non-controlling interests		(7,250)	(815)
Total Equity		5,019,715	4,610,132

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

Bora Bora Resources Limited
Consolidated Statement of Changes in Equity
for the year ended 30 June 2014

CONSOLIDATED

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total Equity	Non-Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	2,471,191	(20,712)	45,731	-	2,496,210	-	2,496,210
Loss attributable to members of the parent entity	-	(542,614)	-	-	(542,614)	(4,544)	(547,158)
Exchange differences arising on translation of foreign operations	-	-	-	(176)	(176)	(160)	(336)
Total comprehensive loss for the period	-	(542,614)	-	(176)	(542,790)	(4,704)	(547,494)
Shares issued during the period	2,500,000	-	-	-	2,500,000	-	2,500,000
Share issue expenses	(84,603)	-	-	-	(84,603)	-	(84,603)
Additional non-controlling interest arising on acquisition of Plumbago Lanka	-	-	-	-	-	3,889	3,889
Fair value of options issued	-	-	242,130	-	242,130	-	242,130
Balance at 30 June 2013	4,886,588	(563,326)	287,861	(176)	4,610,947	(815)	4,610,132
Loss attributable to members of the parent entity	-	(486,895)	-	-	(486,895)	(3,964)	(490,859)
Exchange differences arising on translation of foreign operations	-	-	-	(749)	(749)	(2,471)	(3,220)
Total comprehensive loss for the period	-	(486,895)	-	(749)	(487,644)	(6,435)	(494,079)
Shares issued during the period	960,000	-	-	-	960,000	-	960,000
Share issue expenses	(56,338)	-	-	-	(56,338)	-	(56,338)
Balance at 30 June 2014	5,790,250	(1,050,221)	287,861	(925)	5,026,965	(7,250)	5,019,715

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

Bora Bora Resources Limited
Consolidated Statement of Cash Flows
for the year ended 30 June 2014

	Notes	CONSOLIDATED	
		2014 \$	2013 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(590,671)	(418,616)
Interest received		52,913	114,893
Interest & other costs of finance paid		-	-
Net Cash outflows from Operating Activities	19	(537,758)	(303,723)
Cash Flows from Investing Activities			
Payments for plant and equipment		(4,956)	-
Cash received on acquisition of subsidiary	20	-	3,890
Cash from non-controlling interests		(2,471)	-
Payments for rental bond		-	(10,000)
Payments for mineral projects acquisition costs	20	(500,000)	(500,000)
Payments for exploration and evaluation expenditure		(708,069)	(60,250)
Net Cash outflows from Investing Activities		(1,215,496)	(566,360)
Cash Flows from Financing Activities			
Proceeds from share issues		960,000	1,250,000
Share issue expenses		(56,338)	(84,603)
Proceeds from borrowings		-	-
Repayment of borrowings		-	(4,390)
Net Cash inflows from Financing Activities		903,662	1,161,007
Net increase/(decrease) in Cash and Cash Equivalents		(849,592)	290,924
Cash and cash equivalents at the beginning of the period		2,617,849	2,326,925
Cash and Cash Equivalents at 30 June	8	1,768,257	2,617,849

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the period presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and available for-sale financial assets that have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated and operating in Australia. The entity's principal activities are mineral exploration.

Adoption of new and revised standards

In the year ended 30 June 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

Statement of compliance

These financial statements were authorised for issue on 29 September 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bora Bora Resources Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Bora Bora Resources Limited and its subsidiaries are referred to in this financial report as the group or the consolidated entity.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of consolidation (continued)

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

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

The acquisition of subsidiaries has been accounted for by allocating the cost of the acquisition to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Foreign Currency Transactions and Balances (continued)

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to cash.

Trade and other receivables

Trade and other receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance account (provision for impairment) is used when collection of the full amount is no longer probable. Bad debts are written off when identified.

Taxes

Income tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxes (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as loans and receivables. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

During the period, the Company has held loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Plant and Equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy - impairment testing).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period are between three and ten years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings, through other comprehensive income.

Mineral interest acquisition, exploration and evaluation expenditure

Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Company's rights of tenure to that area of interest are current and either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Accumulated 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.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy).

Impairment testing

The carrying amount of the Company's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment testing (continued)

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' 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.

Joint Ventures

Joint venture interests are incorporated in the financial statements by including the Company's proportion of joint venture assets and liabilities under the appropriate headings.

Where part of a joint venture is farmed out and in consideration the farminee undertakes to carry out further expenditure in the joint venture area of interest, expenditure incurred prior to farmout is carried forward without adjustment unless the terms of the farmout indicate that the expenditure carried forward is excessive based on the diluted interest retained. Provision is then made to reduce expenditure carried forward to a recoverable amount.

Any cash received in consideration for farming out part of a joint venture interest is treated as a reduction in the carrying value of the related mineral property.

Trade and other payables

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

Provisions

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

Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Employee Benefits (continued)

reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per Share

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Share based payments

The Company provides compensation benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a Black Scholes model.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. 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.

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

Where 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 increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where 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.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the Board of Directors.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The area that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black Scholes model, using the assumptions detailed in Note 16.

Bora Bora Resources Limited
Notes to the Accounts
for the year ended 30 June 2014

CONSOLIDATED

2014 **2013**
\$ **\$**

2. REVENUE

Other revenue

Interest - other parties	57,426	104,612
Total revenue from ordinary activities	57,426	104,612

3. EXPENSES

Loss includes the following specific expenses:

Depreciation expense	1,918	1,561
Directors' fees	242,504	122,504
Secretarial fees	50,482	50,185
Share based payments expense	-	242,130

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Company – A D Danieli Audit Pty Ltd	10,785	9,285
- Amounts paid for other services or to related practices of the auditor	5,850	5,695

2014 **2013**
\$ **\$**

5. INCOME TAX EXPENSE

- (a) The prima facie tax benefit at 30% on loss for the period is reconciled to the income tax provided in the financial statements as follows:

Loss	(490,859)	(547,158)
Prima facie income tax benefit @ 30%	147,258	164,147
Tax effect of permanent differences:		
Tax effect of capitalised share issue costs	25,785	22,405
Tax effect of due diligence / capital related costs	-	(39,647)
Exploration expenses	212,421	15,445
Share based payments	-	(72,639)
Income tax benefit adjusted for non-deductible / (taxable) items	385,463	89,711
Deferred tax asset not brought to account	(385,463)	(89,711)
Income tax attributable to operating losses	-	-

5. INCOME TAX EXPENSE (continued)

CONSOLIDATED

2014	2013
\$	\$

(b) Deferred tax assets:

The potential deferred tax asset arising from tax losses and temporary differences has not been recognised as an asset because recovery of tax losses is not yet considered probable.

- Carry forward revenue losses
- Carry forward capital losses
- Capital raising costs

499,095	110,052
-	-
63,406	72,290
562,501	182,342

The tax benefits of the above deferred tax assets will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Company in utilising benefits.

CONSOLIDATED

2014	2013
\$	\$

(c) Deferred tax liabilities:

- Deferred exploration and evaluation expenditure

230,410	17,989
----------------	--------

The potential deferred tax liability arising from capitalised exploration expenditure has not been recognised as a liability. This would reduce the potential deferred tax asset noted at (b) above.

2014	2013
cents	cents

6. EARNINGS PER SHARE

Basic and diluted loss per share

(1.95)	(3.22)
---------------	--------

Loss used to calculate basic and diluted loss per share

\$	\$
(490,859)	(547,158)

Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share

Number	Number
25,216,575	16,989,400

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.

Bora Bora Resources Limited
Notes to the Accounts
for the year ended 30 June 2014

7. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being mineral exploration in Australia and Sri Lanka. The Group is focused on mineral exploration and the Board monitors the Group based on actual versus budgeted exploration expenditure incurred on the individual areas of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing activities, while also taking into consideration the results of exploration work that has been performed to date.

The segment information is prepared in conformity with the accounting policies described in Note 1.

2014	CONSOLIDATED		
	Australia	Sri Lanka	Total
	2014 \$	2014 \$	2014 \$
Revenue			
Interest revenue	57,246	-	57,246
Total segment revenue	57,246	-	57,246
Results			
Segment operating loss before income tax	(494,010)	3,151	(490,859)
Non-Cash Expenses			
Depreciation	1,918	-	1,918
Assets			
Reportable segment assets	2,153,551	2,904,406	5,057,957
Non-current assets acquired	92,937	615,132	708,069
Liabilities			
Reportable segment liabilities	34,092	-	34,092
2013	Australia	Sri Lanka	Total
	2013 \$	2013 \$	2013 \$
Revenue			
Interest revenue	104,612	-	104,612
Total segment revenue	104,612	-	104,612
Results			
Segment operating loss before income tax	(522,518)	(24,640)	(547,158)
Non-Cash Expenses			
Depreciation	1,561	-	1,561
Assets			
Reportable segment assets	2,893,730	2,270,184	5,163,914
Non-current assets acquired	44,800	2,276,614	2,321,414
Liabilities			
Reportable segment liabilities	553,781	-	553,781

Bora Bora Resources Limited
Notes to the Accounts
for the year ended 30 June 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
8. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,768,257	2,617,849

Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer note 17a(i).

9. TRADE AND OTHER RECEIVABLES	2014	2013
	\$	\$
Current		
Accrued Interest	7,931	3,418
GST receivable	63,250	47,949
Prepayments	26,598	13,884
	97,779	65,251
Non-Current		
Rental Bond	10,000	10,000

Refer notes 17(b) and 17(c) for information about the Company's exposure to credit and liquidity risk.

10. PROPERTY, PLANT AND EQUIPMENT	2014	2013
	\$	\$
<i>Plant and equipment</i>		
At cost	9,626	4,670
Less accumulated depreciation	(4,451)	(2,533)
	5,175	2,137

Reconciliation

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period.

	2014	2013
	\$	\$
Balance at the beginning of the period	2,137	3,698
Additions	5,019	-
Depreciation expense	(1,981)	(1,561)
Carrying amount at the end of the period	5,175	2,137

Bora Bora Resources Limited
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CONSOLIDATED

**11. DEFERRED EXPLORATION AND
EVALUATION EXPENDITURE**

Balance at the beginning of the period	2,468,677	147,263
Acquisition costs incurred and exploration expenditure carried forward through acquisition of Plumbago Mining Pty Ltd	-	2,260,500
Expenditure incurred during the period	708,069	60,250
Exploration expenditure impaired during the period	-	664
Carrying amount at the end of the period	3,176,746	2,468,677

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

12. TRADE AND OTHER PAYABLES

	2014	2013
Current	\$	\$
Trade and other payables	38,242	553,782

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

Bora Bora Resources Limited
Notes to the Accounts
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13. ISSUED CAPITAL

	2014	2013
	\$	\$
(a) Issued and paid-up share capital		
27,970,000 Ordinary Shares, fully paid (2013: 24,370,000)	5,790,250	4,886,588

Movements in Ordinary Shares:

Details	Number of Shares	Issue Price	\$
Balance at 31 March 2011	-	-	-
Subscriber Share issued on 31 March 2011	100	0.01	1
Promoter Shares issued on 19 August 2011	599,900	0.01	5,999
Shares issued 30 April 2012 pursuant to initial public offer	13,370,000	0.20	2,674,000
Shares issued for acquisition of mineral interests on 30 April 2012	400,000	0.20	80,000
Transaction costs arising from initial public offer	-		(288,809)
Balance at 30 June 2012	<u>14,370,000</u>		<u>2,471,191</u>
Placement of shares in December 2012 and April 2013	5,000,000	0.25	1,250,000
Shares issued as part consideration for the Plumbago Acquisition	5,000,000	0.25	1,250,000
Share issue costs	-		(84,603)
Balance at 30 June 2013	<u>24,370,000</u>		<u>4,886,588</u>
Placement of shares in March 2014	3,000,000	0.28	840,000
Exercise of Options	600,000	0.20	120,000
Share issue costs	-		(56,338)
Balance at 30 June 2014	<u>27,970,000</u>		<u>5,790,250</u>

(b) Share Options

2014 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2013	Options Issued 2013/14	Options Exercised / Cancelled 2013/13	Closing Balance 30 June 2014
			<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
On or before 31 December 2014		\$0.20	5,000,000	-	(600,000)	4,400,000
On or before 10 May 2016		\$0.35	3,500,000	-	-	3,500,000
On or before 31 March 2017	(i)	\$0.40	-	1,000,000		1,000,000
			<u>8,500,000</u>	<u>1,000,000</u>	<u>(600,000)</u>	<u>8,900,000</u>

- (i) 1,000,000 unlisted options were issued to Professional investors in the Company as part of a placement of new equity completed in March 2014.

Bora Bora Resources Limited
Notes to the Accounts
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13. ISSUED CAPITAL (continued)

2013 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2012	Options Issued 2012/13	Options Exercised / Cancelled 2012/13	Closing Balance 30 June 2013
			<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
On or before 31 December 2014		\$0.20	5,000,000	-	-	5,000,000
On or before 10 May 2016	(i-ii)	\$0.35	-	3,500,000	-	3,500,000
			5,000,000	3,500,000	-	8,500,000

(i) 400,000 unlisted options were issued to each of Messrs Ford, Johnstone, Reynolds, Young and Cowan as part of their remuneration packages on 10 May 2013.

(ii) 1,500,000 unlisted options were issued to corporate advisors and consultants on 10 May 2013

(c) Performance Rights – movement for the year ended 30 June 2014 is as below:

Expiry Date	Exercise Price (\$)	Opening Balance 1 July 2013	Granted during the year	Expired during the year	Closing Balance 30 June 2014	Vested and exercisable at end of the year
		<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
On or before 26 July 2016	Nil	5,000,000	-	-	5,000,000	-
		5,000,000	-	-	5,000,000	-

(d) Terms and conditions of contributed equity

Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

14. RESERVES

	CONSOLIDATED	
	2014	2013
	\$	\$
Equity based compensation reserve (a)	287,861	287,861
Foreign currency translation reserve (b)	(925)	(176)
	286,936	287,685

Bora Bora Resources Limited
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14. RESERVES (continued)

	CONSOLIDATED	
	2014	2013
	\$	\$
(a) Equity based compensation reserve		
Balance at beginning of period	287,861	45,731
Fair value of options issued as part of remuneration packages	-	138,360
Fair value of options issued to consultants / advisers	-	103,770
Fair value of options issued to Glenelg Mining as part consideration for acquisition of the St Arnaud gold project	-	-
Balance at end of period	287,861	287,861
(b) Foreign currency translation reserve		
Balance at beginning of period	(176)	-
Currency translation differences arising during the year	(749)	(176)
Balance at end of period	(925)	(176)

Nature and purpose of reserves

Equity based compensation reserve:

The equity based compensation reserve is used to record the fair value of options issued but not exercised.

Foreign currency translation reserve:

The foreign currency translation reserve is used to record exchange differences from the translation of the financial statements of foreign operations. The movement in the foreign currency translation reserve during the financial year differs to the Profit & Loss statement due to a non-controlling interest that has been reallocated.

15. SHARE BASED PAYMENTS EXPENSE

Non Plan based payments

The Company makes share based payments to directors (subject to shareholder approval), consultants and / or service providers from time to time, not under any specific plan. No share based payments were made to directors during the period (30 June 2013: \$242,130) as disclosed in Note 3.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2014 No.	Weighted average exercise price	2013 No.	Weighted average exercise price
Outstanding at the beginning of the year	8,500,000	\$0.26	5,000,000	\$0.20
Granted during the period	-	-	3,500,000	\$0.35
Forfeited/exercised/expired during the period	(600,000)	-	-	-
Outstanding at the end of the period	7,900,000	\$0.27	8,500,000	\$0.26
Exercisable at the end of the period	7,900,000		8,500,000	

The outstanding balance as at 30 June 2014 is represented by:

Number	Exercise period	Exercise price
4,400,000	On or before 31 December 2014	\$0.20
3,500,000	On or before 10 May 2016	\$0.35
7,900,000		

Bora Bora Resources Limited
Notes to the Accounts
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15. SHARE BASED PAYMENTS EXPENSE (continued)

Share based payments, not under any plans, are as follows (with additional information provided in Note 14 above):

	2014	2014	2013	2013
	Number	\$	Number	\$
Options to seed capital investors and consultants for services (i)	-	-	1,500,000	103,770
Options to Directors for services (i)	-	-	2,000,000	138,360
Options to vendors (i)	-	-	-	-

(i) The options vested immediately.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted. The fair value of options issued is calculated by reference to the market value of the shares trading on the Australian Securities Exchange (ASX) on or around the date of grant.

The weighted average fair value of options granted remained unchanged during the financial year as no share based payments were made by the Company (for period ended 30 June 2013: \$0.06918).

The following table lists the inputs to the model used for the financial year ended 30 June 2014 and the prior financial period ended 30 June 2013.

	2014	2013
Volatility (%)	-	50
Risk-free interest rate (%) – range	-	2.8
Expected life of option (years)	-	3
Exercise price (cents)	-	35
Weighted average share price at grant date (cents)	-	25

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

16. FINANCIAL INSTRUMENTS

Overview

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk. Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Interest rate risk

The Company is exposed to movements in market interest rates on short term deposits. The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following tables:

Bora Bora Resources Limited
Notes to the Accounts
for the year ended 30 June 2014

16. FINANCIAL INSTRUMENTS (continued)

2014	Note	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$	Weighted average interest rate %
<i>Financial assets</i>						
Cash and cash equivalents	8	734,236	1,010,956	23,065	1,768,257	3.37
Trade and other receivables	9	-	-	97,779	97,779	
		<u>734,236</u>	<u>1,010,956</u>	<u>120,844</u>	<u>1,866,036</u>	
<i>Financial liabilities</i>						
Trade and other payables	12	-	-	38,242	38,242	
2013	Note	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$	Weighted average interest rate %
<i>Financial assets</i>						
Cash and cash equivalents	8	541,781	2,075,000	1,068	2,617,849	4.34
Trade and other receivables	9	-	-	65,251	65,251	
		<u>541,781</u>	<u>2,075,000</u>	<u>66,319</u>	<u>2,683,100</u>	
<i>Financial liabilities</i>						
Trade and other payables	12	-	-	553,782	553,782	

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant.

	Profit or (Loss)		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2014				
Variable rate instruments	17,683	(17,683)	17,683	(17,683)
Cash flow sensitivity (net)	<u>17,683</u>	<u>(17,683)</u>	<u>17,683</u>	<u>(17,683)</u>
	Profit or (Loss)		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2013				
Variable rate instruments	26,178	(26,178)	26,178	(26,178)
Cash flow sensitivity (net)	<u>26,178</u>	<u>(26,178)</u>	<u>26,178</u>	<u>(26,178)</u>

Financial assets

Trade receivables from other entities are carried at nominal amounts less any allowance for doubtful debts. Other receivables are carried at nominal amounts due. Interest is recorded as income on an accruals basis.

Financial liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

16. FINANCIAL INSTRUMENTS (continued)

Net fair value of financial assets and liabilities

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

(ii) Commodity price risk

As Bora Bora Resources currently explores for graphite, gold and other minerals, it will be exposed to the risks of fluctuation in prices for those minerals. The market for graphite, gold and mineral commodities has a history of volatility, moving with the standard forces of supply and demand. Prices fluctuate widely in response to changing levels of supply and demand but, in the long run, prices are related to the marginal cost of supply.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The main risks the Company is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. Other than the term deposit with the Commonwealth Bank of Australia, the Company does not have significant exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

(i) Receivables

As the Company operates in the mineral exploration sector rather than trading, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. Presently, the Company undertakes exploration and evaluation activities in Australia. At the reporting date there were no significant concentrations of credit risk.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company does not have any material risk exposure to any single debtor or group of debtors.

(c) Liquidity and Capital Risk

The Company's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Company's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Company does not have a target debt / equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

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

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

Due to the nature of the Company's activities and the present lack of operating revenue, the Company may have to raise additional capital from time to time in order to fund its exploration activities. The decision on how and when the Company will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

Bora Bora Resources Limited
Notes to the Accounts
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16. FINANCIAL INSTRUMENTS (continued)

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least twelve months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table details the Company's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date on which the Company can be required to pay.

2014	Less than 6 months \$	6 – 12 months \$	Over 1 year \$	Total \$
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Financial Liabilities:

Current:

Trade and other payables	38,242	-	-	38,242
Total Financial Liabilities	38,242	-	-	38,242

2013	Less than 6 months \$	6 – 12 months \$	Over 1 year \$	Total \$
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Financial Liabilities:

Current:

Trade and other payables	553,782	-	-	553,782
Total Financial Liabilities	553,782	-	-	553,782

17. COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various governments and joint venture agreements. These obligations are subject to renegotiation when application for renewed tenure is made and at other times. The Company may in certain situations apply for exemptions under relevant mining legislation. These obligations are not provided for in the financial report and are payable:

	CONSOLIDATED	
	2014 \$	2013 \$
Within one year	1,250,000	69,900
One year or later and not later than five years	2,200,000	269,400
Later than five years	-	-
	3,450,000	339,300

18. CONTINGENCIES

There were no contingent liabilities not provided for in the financial statements at 30 June 2014 (2013: Nil).

Bora Bora Resources Limited
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	2014 \$	2013 \$
19. STATEMENT OF CASH FLOWS		
(a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss after income tax	(490,859)	(547,158)
Add back non-cash items:		
Depreciation	1,918	1,561
Share based payments expense	-	242,130
Net exchange differences	(750)	(1,000)
Change in assets and liabilities:		
Decrease / (Increase) in receivables	(32,528)	(29,828)
Increase / (Decrease) in operating payables	(15,539)	30,572
Net cash outflow from operating activities	<u>(537,758)</u>	<u>(303,723)</u>

(b) Non-Cash Financing and Investing Activities

2014

No non-cash financing or investing activities were carried out during the financial year ended 30 June 2014.

2013

In April 2013, the Company received shareholder approval to issue 5,000,000 Shares and 5,000,000 Performance Rights to Chris Cowan and his nominees for the acquisition of Plumbago Mining Pty Ltd.

In April 2013 the Company issued 1,500,000 options to subscribe for ordinary shares in the capital of the Company exercisable to 35 cents each on or before 10 May 2016 to consultants and advisers who assisted the Company with the acquisition of Plumbago Mining Pty Ltd.

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

Executive Directors	Non Executive Directors
Mr Christopher Cowan	Mr Patrick Ford (Chairman)
	Mr Andrew Johnstone
	Mr Nelson Reynolds
	Mr Nathan Young

Other than the Directors of the Company disclosed above, there were no other executives who have direct responsibility for the strategic direction and operational management of the consolidated entity.

The key management personnel compensation included in 'salaries and wages' are as follows:

	2014 \$	2013 \$
Short-term employee benefits	299,079	128,754
Post-employment benefits	-	-
Share-based payments	-	138,360
	<u>299,079</u>	<u>267,114</u>

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Notes to the Accounts
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20. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Shareholdings

The numbers of shares in the Company held during the financial period by Directors, including shares held by entities they control, are set out below:

30 June 2014	Balance at 1 July 2013	Received as Remuneration	Options Exercised	Other Movements (i),(ii)	Balance at 30 June 2014
<i>Directors</i>					
P Ford	415,000	-	-	-	415,000
C Cowan	4,800,000	-	-	-	4,800,000
A Johnstone	20,000	-	-	50,000	70,000
N Reynolds	10,000	-	-	-	10,000
N Young (since 2/07/12)	250,000	-	-	-	250,000 (iii)

- (i) Other movements refer to shares purchased during the period.
- (ii) Mr Cowan's shares were issued following shareholder approval received in April 2013 for the Plumbago acquisition – refer note 21.
- (iii) Subsequent to 30 June 2014, Mr Young made an on-market purchase of an additional 100,000 shares in the Company and as at the date of this report, currently holds 350,000 shares.

30 June 2013	Balance at 1 July 2012	Received as Remuneration	Options Exercised	Other Movements (i),(ii)	Balance at 30 June 2013
<i>Directors</i>					
P Ford	365,000	-	-	50,000	415,000
C Cowan (since 11/04/13)	N/A	-	-	4,800,000	4,800,000
A Johnstone	10,000	-	-	10,000	20,000
N Reynolds	10,000	-	-	-	10,000
N Young (since 2/07/12)	-	-	-	250,000	250,000

- (i) Other movements refer to shares purchased during the period.
- (ii) Mr Cowan's shares were issued following shareholder approval received in April 2013 for the Plumbago acquisition – refer note 21.

Option holdings

The numbers of options in the Company held during the financial year by Directors, including options held by entities they control, are set out below:

30 June 2014	Balance at 1 July 2013	Received as Remuneration (i)	Options Exercised	Other Movements	Balance at 30 June 2014	Vested and Exercisable at 30 June 2014	Unvested at 30 June 2014
<i>Directors</i>							
P Ford	900,000	-	-	-	900,000	900,000	-
C Cowan (since 18/04/13)	400,000	-	-	-	400,000	400,000	-
A Johnstone	900,000	-	-	-	900,000	900,000	-
N Reynolds	900,000	-	-	-	900,000	900,000	-
N Young (since 02/07/12)	400,000	-	-	-	400,000	400,000	-

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20. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

30 June 2013	Balance at 1 July 2012	Received as Remuneration (i)	Options Exercised	Other Movements	Balance at 30 June 2013	Vested and Exercisable at 30 June 2013	Unvested at 30 June 2013
<i>Directors</i>							
P Ford	500,000	400,000	-	-	900,000	900,000	-
C Cowan (since 18/04/13)	-	400,000	-	-	400,000	400,000	-
A Johnstone	500,000	400,000	-	-	900,000	900,000	-
N Reynolds	500,000	400,000	-	-	900,000	900,000	-
N Young (since 02/07/12)	-	400,000	-	-	400,000	400,000	-

- (i) The options issued to directors during the periods ending 30 June 2014 and 30 June 2013 were issued as part of their remuneration packages and as an incentive for future performance.

21. RELATED PARTY TRANSACTIONS

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

	2014 \$	2013 \$
Brokerage fees paid or payable to Veritas Securities Limited, an entity in which Messrs Ford and Reynolds have a beneficial interest.	67,900	76,875

Balances due to Directors and Director Related Entities at year end

- included in trade creditors and accruals	-	-
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In April 2013, the Company acquired all of the issued shares (**Plumbago Shares**) in the capital of Plumbago Mining Pty Ltd, an Australian company (**Plumbago**) from Cowan Financial Services Pty Ltd ATF Manning Development Trust as Vendor and Mr Christopher Cowan as Covenanter.

Under the Agreement, the Company agreed to buy 100% of the issued capital of Plumbago which holds a 75% shareholding in Plumbago Lanka (Pvt) Limited (**Plumbago Lanka**) (the remaining 25% being held by a Local Partner as required under Sri Lankan law).

The purchase was satisfied by the issue of 5,000,000 ordinary shares at a deemed issue price of 25 cents each and the payment of \$500,000.

Pursuant to the terms of the Agreement, the Company was required to pay an additional cash consideration of \$500,000, if Plumbago Lanka was granted a minimum of 50 metric grid units (50km²) of additional graphite bearing tenements in Sri Lanka in the areas covered by the Applications by 8 January 2015. This occurred in June 2013 and the additional consideration was paid in July 2013.

Mr Cowan is a director and has a beneficial interest in Cowan Financial Services Pty Ltd ATF Manning Development Trust. Mr Cowan was appointed a director in April 2013 following shareholder approval and completion of the Agreement. Further details regarding this Agreement are at Note 21.

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22. PARENT ENTITY DISCLOSURES

a) Financial position

	30 June 2014 \$	30 June 2013 \$
ASSETS		
Current assets	1,827,248	2,682,031
Non-current assets	3,247,714	2,502,969
TOTAL ASSETS	5,074,962	5,185,000
LIABILITIES		
Current liabilities	34,092	553,782
TOTAL LIABILITIES	34,092	553,782
EQUITY		
Contributed equity	5,790,250	4,886,588
Accumulated losses	(1,037,241)	(543,231)
Reserves	287,861	287,861
TOTAL EQUITY	5,040,870	4,631,218

b) Financial performance

	30 June 2014 \$	30 June 2013 \$
Net Loss for the year	(494,010)	(522,519)
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss)	(494,010)	(522,519)

c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Bora Bora Resources Limited has not entered into a deed of cross guarantee with its subsidiary companies.

d) Contingent liabilities of the parent entity

Bora Bora Resources Limited has no contingent liabilities as at 30 June 2014. For details on commitments, see Note 18.

23. INVESTMENT IN CONTROLLED ENTITIES

Entity	Country of incorporation	Equity holding 2014 %	Equity holding 2013 %	Contribution to consolidated result 2014 \$	Contribution to consolidated result 2013 \$
Plumbago Mining Pty Ltd(i)	Australia	100	100	19,007	(6,464)
Plumbago Lanka (Pvt) Limited (i)	Sri Lanka	75	75	(26,810)	(13,631)
				(7,803)	(20,095)

(i) On 8 January 2013, the Company entered into a Share Sale Agreement with Cowan Financial Services Pty Ltd ATF Manning Development Trust and Mr Cowan, for the purchase all of the issued shares in the capital of Plumbago Mining Pty Ltd, an Australian company. The Company agreed to buy 100% of the issued capital of Plumbago Mining Pty Ltd which holds a 75% shareholding in Plumbago Lanka (Pvt) Limited.

In April 2013, the Company acquired all of the issued shares in the capital of Plumbago Mining Pty Ltd, an Australian company for a total acquisition price of \$2,260,500.

23. INVESTMENT IN CONTROLLED ENTITIES (continued)

As part of the consideration for the acquisition and in conjunction with the employment of the vendor Mr Cowan and appointment as Executive Director he was issued:

- 2,500,000 Performance A Rights that vest upon the delivery of a 250,000T JORC resource at 90% or greater TGC (or pro-rata vesting if a JORC exceeding 200,000T at 90% or greater TGC) within 3 years; and
- 2,500,000 Performance B Rights that vest upon the delivery of a successful scoping study within 3 years.

This additional consideration was not recorded as part of the cost of acquisition at balance date as it was not probable that the Performance Rights would vest.

24. EVENTS OCCURRING AFTER THE REPORTING DATE

On 22 August 2014, the Company announced it had resolved to raise up to \$3,500,000 via the issue of up to 7,000,000 Shares at an issue price of 50 cents per share to professional and sophisticated investors including a 1-for-4 free attaching Option exercisable at \$1.00 anytime up until 31 October 2014. The placement will be completed in two tranches with the first tranche comprising 2,242,500 Shares issued on 22 August 2014 and tranche 2 comprising 4,757,500 and 1,750,000 Options to be issued after receipt of shareholder approval at a General Meeting of the Company to be held on 7 October 2014.

Other than the above, there are no matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

Bora Bora Resources Limited
Directors' Declaration
for the year ended 30 June 2014

In the opinion of the Directors:

- a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
 - (ii) Complying with Accounting Standards (including Australian Accounting Standards) and Corporations Regulations 2001; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The financial statements and notes thereto include an explicit and unreserved statement of compliance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 30 June 2014.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Board



Patrick Ford
Chairman

Dated at Sydney on the 29th day of September 2014



A D Danieli Audit Pty Ltd

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ASIC Registered Number 339233

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INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
BORA BORA RESOURCES LIMITED
A.C.N. 150 173 032

Report on the Financial Report

We have audited the accompanying financial report of Bora Bora Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion,

- a. the financial report of Bora Bora Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001* and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A D Danieli Audit Pty Ltd



Sam Danieli
Director

Dated this 29th September 2014

Liability limited by a scheme approved under Professional Standards Legislation



STATEMENT OF CORPORATE GOVERNANCE PRACTICES

ASX Listing Rule 4.10.3 requires listed companies to disclose in their Annual Report the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. A description of the Company's main corporate governance practices is set out below.

The Board of Directors of Bora Bora Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Bora Bora Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable and given its size and circumstances the Company has adopted the Eight Essential Corporate Governance Principles and Recommendations ("Recommendations"), as published by ASX Corporate Governance Council ("CGC").

The Company's Directors are fully cognisant of the Corporate Governance Principles and Recommendations published by CGC and have adopted those recommendations where they are appropriate to the Company's circumstances.

However, a number of those principles and recommendations are directed towards listed companies considerably larger than Bora Bora Resources Limited, whose circumstances and requirements accordingly differ markedly from the Company's. For example, the nature of the Company's operations and the size of its staff mean that a number of the board committees and other governance structures recommended by the CGC are not only unnecessary in Bora Bora's case, but the effort and expense required to establish and maintain them would, in the Directors' view, be an unjustified diversion of shareholders' funds.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Company's website at www.boraboraresources.com.au contains a corporate governance section that includes copies of the Company's corporate governance policies.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations, which are noted below.

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the board to add value
Principle 3.	Promote ethical and responsible decision making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Remunerate fairly and responsibly

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criteria for the appointment of new directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman, has been committed to by the Board.

Current Board Members

Bora Bora Resources Limited

Patrick Ford
Christopher Cowan
Nelson Reynolds
Andrew Johnstone
Nathan Young

Plumbago Mining Pty Ltd

Chris Cowan

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Plumbago Lanka (Pvt) Limited

Christopher Cowan
Allan Cowan
Eshana De Silva

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The Company appointed Mr Chris Cowan as Executive Director and with the assistance of the other directors, is undertaking the executive management duties required in order to progress the Company. The remuneration of the Executive Director is as outlined in the Directors Report, and may be revised in the future by the Board at the appropriate time, without the affected Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable.

The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

It has been agreed that the non-executive Directors (including the Chairman) shall receive a fee of \$20,000 per annum, commencing from the 11 May 2012, the day on which the Company listed on ASX.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial controls system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

Departures from Recommendations

The Company's departures from the Recommendations are set out below.

Principle 1 Recommendations 1.1, 1.2 & 1.3

Notification of Departure:

The Company has not formally disclosed the functions reserved to the Board and those delegated to senior executives as the Company does not have any senior executives (who are not also directors) at this time. The appointment of non-executive directors to the Board is not formalised in writing by way of a letter or other agreement.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and senior executives. The Board has established an informal framework for the management of the Company and the roles and responsibilities of the Board and senior executives. Due to the small size of the Board and of the Company, the Board do not think that it is necessary to formally document the roles of Board and management until such time as senior executives are employed, as it believes that these roles are being carried out in practice and are clearly understood by all members of the Board.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Principle 2 Recommendation 2.4 and Principle 4 Recommendations 4.1 to 4.4

Notification of Departure

Separate audit and nomination committees have not been formed.

Explanation for Departure

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

In particular, the full Board considers those matters that would usually be the responsibility of an audit committee and a nomination committee. The Board considers that, at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee or a separate nomination committee.

Principle 3 Recommendation 3.3 to 3.5

Notification of Departure:

Although the Company has a documented policy concerning diversity, no measurable objectives have been set.

Explanation for Departure:

The Board recognises the value of providing an inclusive workplace and the value of having a workforce made up of individuals with diverse skills, values, background and experiences, with a commitment to equality and respect.

Due to the size of the Company and its workforce, the Board does not consider it appropriate to set measurable objectives for achieving gender diversity at this time.

The Company has 5 employees, being the directors. There are no female employees.

There are no women in senior executive positions or on the board.

Principle 7 Recommendation 7.3 Assurance from the Managing Director and the Company Secretary/Financial Controller

Mr Nelson Reynolds, Company Secretary has declared in writing to the Board that the Company's financial statements for the period from the date of incorporation to 30 June 2014 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, that this is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively. This representation is made by Nelson Reynolds, Company Secretary and performing the Chief Financial Officer function, prior to the Director's approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

The Risk Management Strategy is available on the Company's website at www.boraboraresources.com.au

STATEMENT OF CORPORATE GOVERNANCE PRACTICES(continued)

Principle 8 Recommendation 8.1

Notification of Departure:

The Company has not established a remuneration committee and does not have in place a formal process for evaluation of the Board, individual directors and key executives.

Explanation for Departure:

Evaluating the Board and individual directors is on an informal basis at regular intervals until such time as the size of the Board warrants a formal process for implementation and key executives are employed.

Principle 8 Recommendation 8.2

Notification of Departure:

The Company has granted options to non-executive directors and the Board may consider it appropriate to do so again in the future.

Explanation for Departure:

For small companies, particularly those involved in mineral exploration, the focus generally is on maximising the proportion of funds spent on exploration as opposed to corporate and administration. Thus in order to do so and conserve cash and attract good calibre candidates, the Board considers it necessary to grant options to non-executive directors as part of their remuneration packages.

Bora Bora Resources Limited
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SHAREHOLDER AND OTHER INFORMATION

The shareholder information set out below was applicable as at 26 September 2014.

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholder	Number of Shares
Christopher Cowan	4,800,000
Och-Ziff Capital Management Group LLC	2,072,731

Distribution Schedule

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1-1,000	23	11,576	0.04
1,001-5,000	70	222,221	0.73
5,001-10,000	123	1,147,518	3.80
10,001-100,000	207	7,836,336	25.94
100,001-999,999,999	57	20,994,849	69.49
TOTAL	480	30,212,500	100.00

As at 26 September 2014 there were 31 shareholders with unmarketable parcels of shares.

Top Twenty Shareholders

<i>Name</i>	<i>Number</i>	<i>%</i>
Cowan Financial Services Pty Ltd ATF Manning Development Trust	4,800,000	15.89
HSBC Custody Nominees (Australia) Limited	1,680,437	5.56
Allan Francis Cowan	1,400,000	4.63
ABN AMRO Clearing Sydney Nominees Pty Ltd	869,601	2.88
Exertus Capital Pty Ltd	600,000	1.99
Argento Pty Ltd	460,000	1.52
Songlake Pty Ltd	454,665	1.50
Mrs Nadine Ruth Tolcon	450,000	1.49
National Nominees Limited	435,862	1.44
McKell Place Nominees Pty Ltd	418,895	1.39
Jaycon Investments Pty Ltd	400,000	1.32
Mr Patrick Joseph Moore	373,551	1.24
Sheppard Peter D + Sharon F <Sheppard Family S/F A/c>	350,000	1.16
Bluestar Management Pty Ltd	350,000	1.16
Passio Pty Ltd	325,000	1.08
Catholic Church Insurance Limited	320,350	1.06
Sun Hung Kai Investment Services Limited	300,000	0.99
Jankowski Peter <Family A/c>	260,000	0.86
Chancery Holdings Pty Ltd <McKenzie No. 2 S/F A/c>	250,000	0.83
Mr Adam Boudine	250,000	0.83
TOTAL	14,748,361	48.82

On-market buy-back

There is no current on-market buy-back.

Bora Bora Resources Limited
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Unquoted equity securities

Class	Number	Holders
Options exercisable at 20cents each on or before 31 December 2014	2,000,000	Exertus Capital Pty Ltd
Options exercisable at 20 cents each on or before 31 December 2014	900,000	Cappig Finance Pty Ltd
Options exercisable at 20 cents each on or before 31 December 2014	1,500,000	Directors, P Ford (500,000), A Johnstone (500,000), N Reynolds (500,000)
Options exercisable at 35 cents each on or before 29 February 2016	1,100,000	Veritas Securities Ltd
Options exercisable at 35 cents each on or before 10 May 2016	400,000	Mr Wilbert Kehelpannala
Options exercisable at 35 cents each on or before 10 May 2016	2,000,000	Directors, P Ford (400,000), A Johnstone (400,000), N Reynolds (400,000), N Young (400,000), C Cowan (400,000)
Options exercisable at 40 cents each on or before 31 March 2017	700,000	Och-Ziff Capital Management Group LLC
Options exercisable at 40 cents each on or before 31 March 2017	300,000	Sun Hung Kai Investment Services Limited
Performance Rights A	2,500,000	Cowan Financial Pty Ltd (an entity associated with C Cowan)
Performance Rights B	2,500,000	Cowan Financial Pty Ltd (an entity associated with C Cowan)
Total	13,900,000	

Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.

Mineral Interests held at 29 September 2014 are as follows:-

Tenement Number	Bora Bora's Beneficial Interest	Location
EL 4363	100 %	St Arnaud, Victoria
EL 5384	100 %	St Arnaud, Victoria
EL 211	75%	Sri Lanka
EL 212	75%	Sri Lanka
EL 229	75%	Sri Lanka
EL 230	75%	Sri Lanka
EL 246	75%	Sri Lanka
EL 247	75%	Sri Lanka

Key to Tenement Schedule

EL – Exploration Licence

