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Bora Bora Resources Ltd

ABN 35 150 173 032

ANNUAL REPORT
2015

Directors	Patrick Ford	Non-Executive Chairman
	Christopher Cowan	Executive Director
	Nathan Young	Non-Executive Director
	Nelson Reynolds (resigned 9 March 2015)	Non-Executive Director
	Andrew Johnstone (resigned 30 June 2015)	Non-Executive Director
Company Secretary	Andrew Whitten (appointed 2 March 2015)	
	Nelson Reynolds (resigned 2 March 2015)	
Registered and Administrative Office	Suite 1002, Level 10 131 Macquarie Street Sydney NSW 2000	
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Auditors	A D Danieli Audit Pty Ltd Level 14 275 George Street Sydney NSW 2000	
Share Registry	Security Transfer Registrars 770 Canning Highway Applecross WA 6153	
	Telephone:	+61 8 9315 2333
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Website: www.boraboraresources.com.au

Securities trade on the Australian Securities Exchange – BBR

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Chairman's Letter

Dear fellow shareholders,

On behalf of the directors of Bora Bora Resources Limited (BBR or the Company), I am pleased to report upon the company's activities for the year ended 30th June 2015.

The Company announced in July 2014 that its airborne Versatile Time-Domain Electromagnetic (VTEM) survey had identified a new 'bullseye' anomaly at the company's Kingfisher Prospect: this prospect is located approximately 10 kilometres north of the Kahatagaha and Queens Graphite mines, and shares an almost identical electromagnetic signature. The Kingfisher Prospect has since become the Company's main focus, with ground geophysics completed during the December quarter and drill contracts being signed with both Indodrill Group and the Geological Survey and Mines Bureau (GSMB) of Sri Lanka.

An initial 30 hole drill plan was designed for Kingfisher, with drilling commencing on 29th January 2015, and scheduled to conclude by approximately mid-year.

The Company recently released the results of this initial drill program, which contained several high grade graphite intercepts identified (90%-98.6%TGC).

The report also detailed the results of Graphite upgrading test work (conducted by ALS Metallurgy Adelaide), which produced Graphite concentrate at 99.4% after simple crush and bench flotation tests, without any need for acid or chemical beneficiation. These results are extremely pleasing and again confirm the purity of premium grade Sri Lankan graphite.

From a corporate perspective during the year, BBR has sought to minimise expenditure on perceived non-core or non-essential projects, to allow the Company to conserve funds and to focus primarily upon core opportunities.

As a result, the MOU with Monash University was mutually terminated in December 2014.

The MOU with RS Mines (Pvt) Ltd was also recently terminated, due to material information remaining outstanding and resulting in the Company being unable to complete due diligence with all associated costs being written off.

The Company will continue to assess opportunities to divest its St Arnaud Gold Project (BBR 100%).
Whilst the year has not been without its challenges, the board of BBR remain committed to examining opportunities to create shareholder value from its Sri Lankan graphite portfolio, together with an ongoing rigorous approach to maintaining cash reserves.

Yours Sincerely,

Patrick Ford
Non-Executive Chairman

25th September 2015

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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 5 graphite projects comprising 188km^2 of granted tenements.

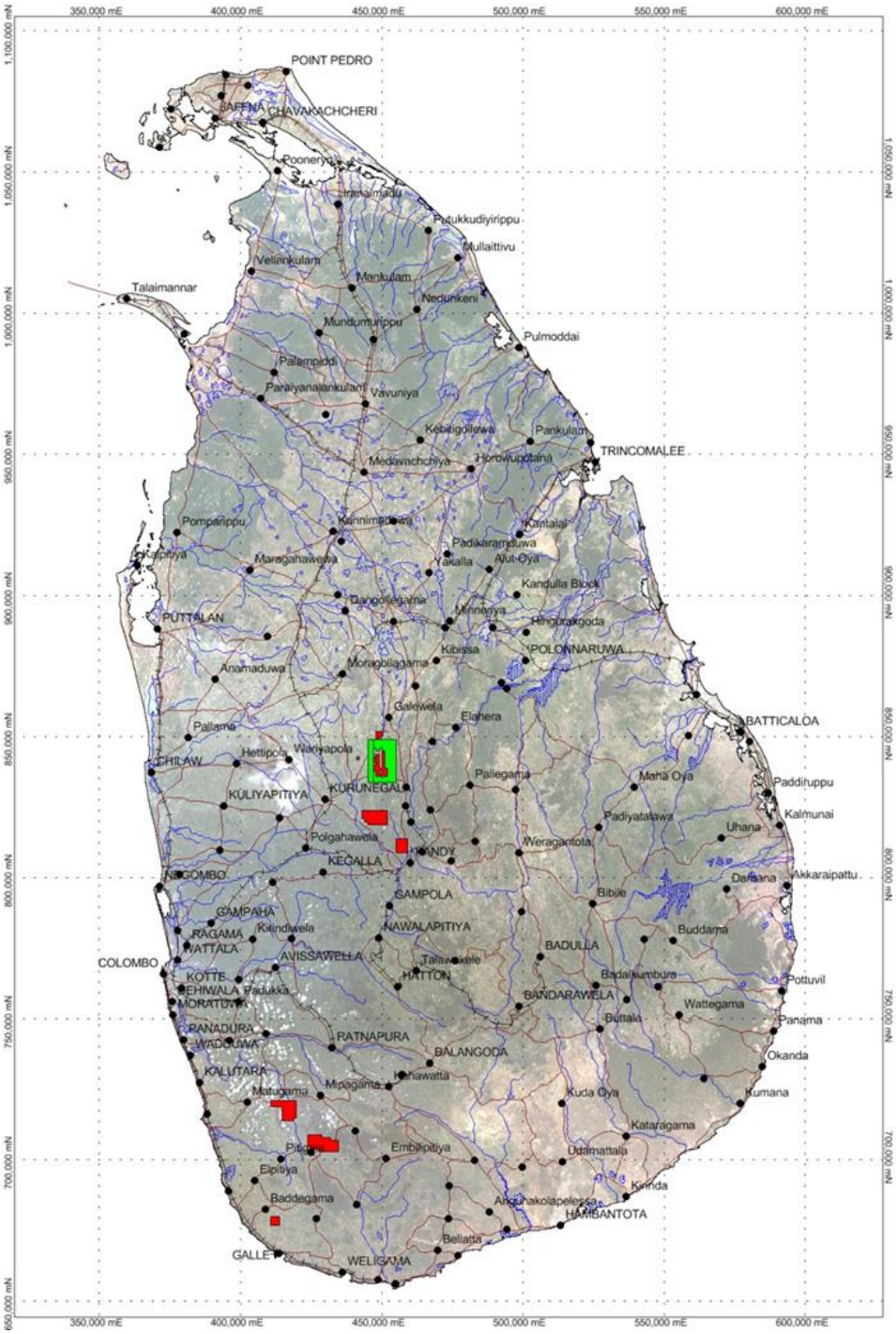

Figure 1: Location of the Company's graphite projects in Sri Lanka (red granted, green under application)

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Matale/Kurunegala and Paragoda Projects

The Company's Matale/KurunegalaProject covers 32km^2 of exploration licences and 109km^2 of applications, directly contiguous to the KGM. The project surrounds a region with three graphite mines including the KGM, which has been in production for more than 140 years.

An Airborne Versatile Time-Domain Electromagnetic ("VTEM") survey over the Matale/Kurunegala 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. This project was considered highly prospective for mineralisation of 90% or greater total graphitic carbon ("TGC") and contains an old pit and workings from an historical artisanal operation that exploited graphite from deposits at surface. The Kingfisher Project is located just 10 kilometres north of the township of Melsiripura in Central Sri Lanka and is a site of historic graphite production. The Kingfisher anomaly had a response that was similar to other operating mines in the district (Figure 2). EL/211 on which the Kingfisher VTEM anomaly is situated comprises 5 km^2.

Bora Bora Resources holds a further 62km^2 exploration licence in central Sri Lanka known as the Paragoda North and South Projects (EL/247).

EL/247 has been renewed by the GSMB for a further 2 years (expiring 4th August 2017). Detailed geological mapping of its Paragoda project has identified several significant historical mining sites within the license area. These include 41 historic pits, 22 adits and 19 shafts. The Company intends mobilising an on-ground geophysical survey team to follow up on the detailed mapping on this promising target which was prepared by the Geological Mines Survey Bureau Technical Services team.

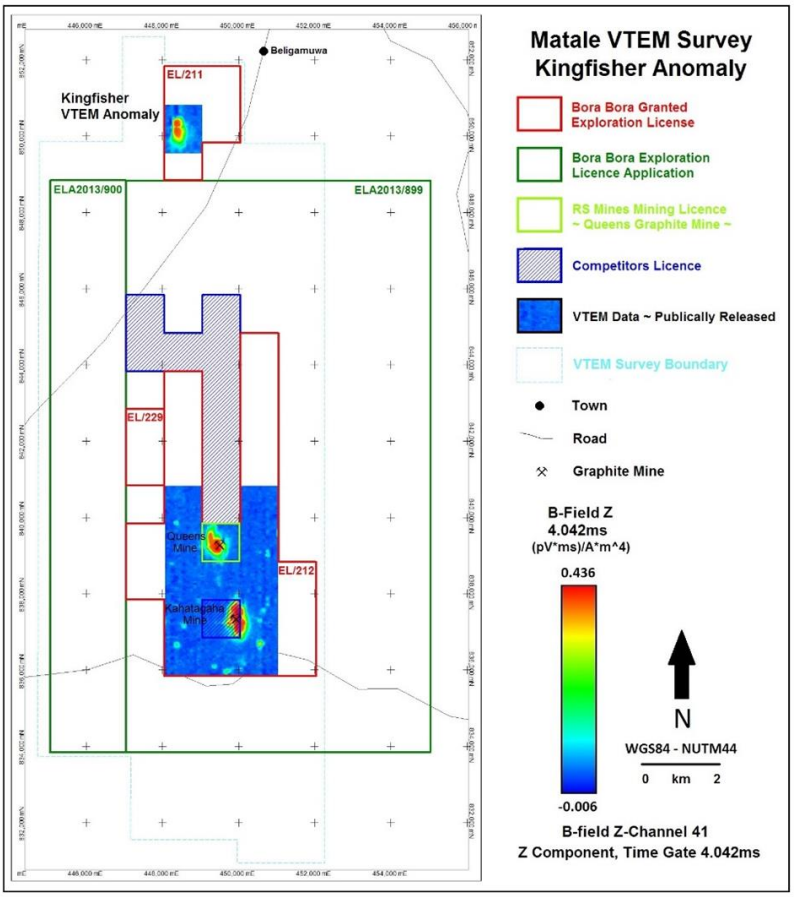

Figure 2: The Matale/Kurunegala Project including the Kingfisher Prospect, Queens Mine and KGM

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Exploration Program – Drilling and Geophysics

The Company commenced on ground exploration on EL/211 (Kingfisher Project) in November 2014. This included VLF (Very Low Frequency) geophysical scans by Australian company Modern Magnetics. The Company then designed an exploration program including assessing the most suitable techniques that could be used for further delineating its graphite targets.

The Company then contracted with Singaporean based drill contractor Indodrill and the drilling team at the Sri Lankan mining authority, the Geological Survey and Mining Bureau, to bring two diamond drill rigs to the Kingfisher site.

The Company commenced drilling in January 2015 and completed the first stage drilling in August 2015. To date 30 holes have been completed and over 4,900 metres have been drilled. Significant graphite mineralisation has been seen in several holes with mineralisation generally having two distinct characters. Graphite has been seen to occur in Kingfisher drill core as disseminations and acicular 'needles' hosted in country rock in concentrations of up to 50% and as 'lump' veins of graphite. Samples of graphite mineralisation generated from drill core have been shipped to ALS laboratories for analysis where several high grade intercepts identified 90%-98.4% Total Graphite Content (TGC) and concentrate derived from simple crush and floatation delivers 99.4%TGC.

Agreement with RS Mines (Pvt) Limited owner of Queens Graphite Mine

In June 2014, 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.

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).

Unfortunately during the period of legal, accounting, marketing and operational due diligence, material concerns were raised with RS Mines management which were not resolved to the satisfaction of the Company's Board of Directors prior to the commencement of confirmatory drilling at the Queen's mine. A decision was made to suspend due diligence and the scheduled confirmatory drilling pending receipt of the outstanding information. When this information was not received to the satisfaction of the Company's Board of Directors, a decision was made in July 2015 to terminate the Heads of Agreement with all associated costs being written off.

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 applied for a Research and Development grant to offset the cost of a small RC drilling program to test the wedging fault theory in June/July 2014.

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Corporate

Capital Raisings

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 was 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 where issued after receipt of shareholder approval at a General Meeting of the Company held on 7 October 2014.

At the end of the financial year, the Company had cash reserves of approximately $2.96 million.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Michael Montgomery who is a contractor to the Company. Mr Montgomery is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. He 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 Montgomery consents the inclusion in this report of the matters based on his information in the form and context in which it appears.

Your Directors present their report together with the financial statements of Bora Bora Resources Limited ("the Company") for the year ended 30 June 2015 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 25 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

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.

Other Current Directorships of Listed Companies:
None

Former Directorships of Listed Companies in the last 3 years:
None

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Andrew Lorne Johnstone
B Sc (Hons), MAIG, FFin
Independent, Non-Executive Director
(Appointed 31 March 2011-resigned 30 June 2015)

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

Former Directorships of Listed Companies in the last 3 years:
Central Australian Phosphate Limited 7 June 2011 to 18 September 2013
Gulf Industrials Limited 5 March 2014 to 31 October 2014.

Nelson Vaughan Reynolds
BA, B Sc(Adv)
Non-Executive Director / Company Secretary
(Appointed 31 March 2011-resigned as Company Secretary 2 March 2015 and directorship on 9 March 2015)

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:
Nil

Former Directorships of Listed Companies in the last 3 years:
Gulf Industrials Limited 5 March 2014 to 31 October 2014.

Andrew J Whitten
BA, MLLP, Grad Dip. App Corp Gov.
Company Secretary
(Appointed 2 March 2015)

Andrew is an admitted solicitor with a specialty in Corporate Finance and Securities Law and is a Solicitor Director of Whittens & McKeough Pty Ltd. Andrew is currently the company secretary of a number of publicly listed companies. He has been involved in a number of corporate and investment transactions including IPOs on the ASX and NSX, corporate reconstructions, reverse mergers and takeovers.

Andrew holds a Bachelor of Arts (Economics, UNSW); Master of Laws and Legal Practice (Corporate Finance and Securities Law, UTS); Graduate Diploma in Applied Corporate Governance from the Governance Institute and is an elected Associate of that institute. Andrew is also a Public Notary.

Other Current Directorships of Listed Companies:
None

Former Directorships of Listed Companies in the last 3 years:
None

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PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the year was exploring and developing prospective mineral projects for graphite and gold in Sri Lanka and Australia. The Company is conducting exploration work on the Matale/Kurunegala Graphite Project, Paragoda Graphite Project in central Sri Lanka, as well as the Neluwa Graphite Project and Baduraliya 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 2015 was $2,368,184 (30 June 2014: $490,859). 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 7.57 cents (30 June 2014: 1.95 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 2015 is provided in the "Review of Operations" section immediately preceding this Directors' Report and included:

- The commissioning of a detailed geological mapping at the Paragoda North project by the GSMB Technical Services team which identified several significant historical mining sites within the license area. These included 41 historic pits, 22 adits and 19 shafts.
- The Company commenced and completed the stage 1 drilling at the Kingfisher site (EL/211) and completed 30 holes with over 4,900 metres of diamond drilling.
- The Heads of Agreement with Monash University regarding the potential commercialisation of graphene patents was terminated by mutual consent.
- The MOU with RS Mines (Pvt) Ltd was suspended then terminated, due to material information remaining outstanding and resulting in the Company being unable to complete due diligence, with all associated costs subsequently being written off.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company occurring during the financial period than otherwise disclosed above.

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EVENTS SUBSEQUENT TO BALANCE DATE

- The RS Mines (Pvt) Limited Head of Agreement over the Queens Mine was terminated in July 2015.
- EL/247 comprising the Company's Paragoda North and South projects were due for renewal in June 2015. The GSMB subsequently renewed the exploration license for a further two years commencing in August 2015 to August 2017.
- Stage one Drilling on EL/211 known as the Kingfisher project was completed in August 2015. Initial assay results we received and released to the market on 7 September 2015.

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. Subject to capital expenditure requirements, 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 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 Young 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 2015 are:

	Directors' meetings held during period of office	Directors' meetings attended
P Ford	13	13
C Cowan	13	13
N Young	13	13
N Reynolds (Resigned 9 March 2015)	12*	12**
A Johnstone (Resigned 30 June 2015)	12*	11**

*Number of meeting held during the year whilst a director
**Number of meetings able to attend during the year whilst a director

There were thirteen 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 other than the Remuneration and Audit committees'. 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.

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	400,000	-
A Johnstone (resigned 30 June 2015)	70,000	400,000	-
N Reynolds (resigned 9 March 2015)	10,000	400,000	-
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 7,250,000 options on issue.

	Number	Exercise Price	Expiry Date
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
Unlisted Options	1,750,000	$1.00	31 October 2015
Unlisted Options	1,000,000	60 cents	30 September 2016
TOTAL	**7,250,000**		

Options issued during the year are as follows:

- 1,750,000 share options to professional and sophisticated investors who participated in the placement of 7,000,000 shares in which including a 1-for-4 free attaching Option exercisable at $1.00 anytime up until 31 October 2015. 1,750,000 Options were issued after receipt of shareholder approval at a General Meeting of the Company held on 7 October 2014.

- 1,000,000 share options issued to Esna (Pvt) Limited, the local Sri Lankan partner of 75% owned Company subsidiary Plumbago Lanka (Pvt) Limited exercisable at $0.60 anytime up until 30 September 2016.

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

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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 has a formally constituted remuneration committee of the Board.

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's 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 $40,000 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 2015 is detailed in Table 1 of this report.

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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 2014 the remuneration committee reviewed the consulting agreement with a company controlled by Mr Chris Cowan. Mr Chris Cowan's services are contracted to the Company effective from11 April 2013. Mr Cowan was previously 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. This consultancy contract was amended to reflect the actual work hours and amended to increase the minimum hours worked from 120 hours to 160 hours and based on the frequent overseas travel commitment required. The remuneration committee reported to the board that the current executive director remuneration was significantly below those awarded by comparable companies. The remuneration was increased to $250,000 per annum (ex GST). The Company will continue to reimburse all reasonable out of pocket expenses, including, 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.

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 2015

Director	Note		Short term Cash Salary/Fees $	Short term Non-Cash Benefits $	Post-Employment Superannuation $	Equity Value of Options $	Total $	Percentage of remuneration consisting of options %
P Ford	**1**	**2015**	**33,340**	**-**	**-**	**-**	**33,340**	**0.0%**
		2014	20,004	-	-	-	20,004	0.0%
C Cowan	**2**	**2015**	**195,833**	**-**	**-**	**-**	**195,833**	**0.0%**
		2014	162,500	-	-	-	162,500	0.0%
N Young	**3**	**2015**	**70,551**	**-**	**-**	**-**	**70,551**	**0.0%**
		2014	20,000	-	-	-	20,000	0.0%
A Johnstone	4	**2015**	**81,691**	**-**	**-**	**-**	**81,691**	**0.0%**
		2014	48,242	-	-	-	49,242	0.0%
N Reynolds	**5**	**2015**	**85,000**	**-**	**-**	**-**	**85,000**	**0.0%**
		2014	48,333	-	-	-	48,333	0.0%
Total		**2015**	**466,415**	**-**	**-**	**-**	**466,415**	
		2014	299,079	-	-	-	299,079	

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

Schedule of related parties

Note 1
P. Ford-Remuneration paid to Diskdew Pty Limited a related party of Mr Patrick Ford
Note 2
C. Cowan- Remuneration paid to Cowan Financial Services Pty Limited a related party of Mr Chris Cowan
Note 3
N. Young- Remuneration paid to Mychi Le Investments Pty Limited a related party of Mr Nathan Young
Note 4
A. Johnstone- Remuneration paid to Corsa Allóro Pty Limited a related party of Mr Andrew Johnstone who resigned as a director on 30 June 2015
Note 5
N. Reynolds- Remuneration paid to Mr Nelson Reynold and his related entity Fill Your Boots Pty Limited. Mr Nelson Reynolds resigned as a director on 9 March 2015

No options were issued as part of remuneration during the financial period ended 30 June 2015 (or 30 June 2014).

End of Remuneration Report

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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.

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 Danieli Audit 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.

P Ford
Non-Executive Chairman
Sydney, 25th September 2015

A D Danieli Audit Pty Ltd
Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BORA BORA RESOURCES LIMITED
A.B.N. 35 150 173 032

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations 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, 25 September 2015

Bora Bora Resources Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

	Notes	CONSOLIDATED 2015	2014
Revenue from continuing operations	2	**86,364**	**57,426**
		86,364	**57,426**
Depreciation and amortisation expense	3	**(5,842)**	**(1,918)**
Foreign Exchange loss		**(191)**	**(2,825)**
Write Off loans		**-**	**22,001**
Impairment	11	**(1,245,928)**	**-**
Employee benefits expense	3	**(511,070)**	**(318,926)**
Administration expenses		**(245,188)**	**(116,634)**
Share based payments	15	**(31,377)**	**-**
Other Operating expenses		**(414,952)**	**(129,983)**
Loss before income tax		**(2,368,184)**	**(490,859)**
Income tax (expense)/benefit	5	**-**	**-**
Loss for the year		**(2,368,184)**	**(490,859)**
Other comprehensive income/(loss)			
Exchange differences on translation		**(138,341)**	**(3,220)**
Other comprehensive income/(loss) for the year, net of tax		**(138,341)**	**(3,220)**
Total comprehensive loss for the year		**(2,506,525)**	**(494,079)**
Loss attributable to:			
Owners of the Parent		**(2,332,777)**	**(486,895)**
Non-controlling interests		**(35,407)**	**(3,964)**
		(2,368,184)	**(490,859)**
Total comprehensive loss attributable to:			
Owners of the Parent		**(2,473,936)**	**(487,644)**
Non-controlling interests		**(32,589)**	**(6,435)**
		(2,506,525)	**(494,079)**
Basic and diluted (loss) per share	6	**(7.57)**	**(1.95)**

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

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Bora Bora Resources Limited
Consolidated Statement of Financial Position
As at 30 June 2015

	Notes	CONSOLIDATED 2015 $	2014 $
Current Assets			
Cash and cash equivalents	8	**2,959,766**	**1,768,257**
Trade and other receivables	9	**172,238**	**97,779**
Total Current Assets		**3,132,004**	**1,866,036**
Non-Current Assets			
Trade and other receivables	9	**-**	**10,000**
Property, plant and equipment	10	**8,620**	**5,175**
Deferred exploration and evaluation expenditure	11	**3,413,589**	**3,176,746**
Total Non-Current Assets		**3,422,209**	**3,191,921**
Total Assets		**6,554,213**	**5,057,957**
Current Liabilities			
Trade and other payables	12	**465,952**	**38,242**
Total Current Liabilities		**465,952**	**38,242**
Non-Current Liabilities			
Trade and other payables	12	**101,161**	**-**
Total Non-Current Liabilities		**101,161**	**-**
Total Liabilities		**567,113**	**38,242**
Net Assets		**5,987,100**	**5,019,715**
Equity			
Issued capital	13	**9,144,710**	**5,790,250**
Reserves	14	**265,227**	**286,936**
Accumulated losses		**(3,382,998)**	**(1,050,221)**
Parent entity interest		**6,026,939**	**5,026,965**
Non-controlling interests		**(39,839)**	**(7,250)**
Total Equity		**5,987,100**	**5,019,715**

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

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Bora Bora Resources Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

	CONSOLIDATED						
	Issued Capital	**Accumulated Losses**	**Option Reserve**	**Foreign Currency Translation Reserve**	**Total Equity**	**Non-Controlling Interests**	**Total Equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2013	**4,886,588**	**(563,326)**	**287,861**	**(176)**	**4,610,947**	**(815)**	**4,610,132**
Profit/(loss) for the year	-	(486,895)	-	-	(486,895)	(3,964)	(490,859)
Other comprehensive income for the year	-	-	-	(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**
Balance at 1 July 2014	**5,790,250**	**(1,050,221)**	**287,861**	**(925)**	**5,026,965**	**(7,250)**	**5,019,715**
Profit/(loss) for the year	-	(2,332,777)	-	-	(2,332,777)	(35,407)	(2,368,184)
Other comprehensive income for the year	-	-	-	(141,159)	(141,159)	2,818	(138,341)
Total comprehensive loss for the period	**-**	**(2,332,777)**	**-**	**(141,159)**	**(2,473,936)**	**(32,589)**	**(2,506,525)**
Shares issued during the period	3,700,000	-	-	-	3,700,000	-	3,700,000
Share issue expenses	(345,540)	-	-	-	(345,540)	-	(345,540)
Fair value of options issued	-	-	119,450	-	119,450	-	119,450
Balance at 30 June 2015	**9,144,710**	**(3,382,998)**	**407,311**	**(142,084)**	**6,026,939**	**(39,839)**	**5,987,100**

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 2015

	Notes	CONSOLIDATED 2015 $	2014 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(802,385)**	**(590,671)**
Interest received		**86,364**	**52,913**
Net Cash outflows from Operating Activities	19	**(716,021)**	**(537,758)**
Cash Flows from Investing Activities			
Payments for plant and equipment		**(7,490)**	**(4,956)**
Cash from non-controlling interests		**2,818**	**(2,471)**
Payments for mineral projects acquisition costs		**-**	**(500,000)**
Payments for exploration and evaluation expenditure		**(1,482,771)**	**(708,069)**
Net Cash outflows from Investing Activities		**(1,487,443)**	**(1,700,341)**
Cash Flows from Financing Activities			
Proceeds from share issues		**3,700,000**	**960,000**
Share issue expenses		**(305,027)**	**(56,338)**
Net Cash inflows from Financing Activities		**3,394,973**	**903,662**
Net increase/(decrease) in Cash and Cash Equivalents		**1,191,509**	**(849,592)**
Cash and cash equivalents at the beginning of the period		**1,768,257**	**2,617,849**
Cash and Cash Equivalents at 30 June	8	**2,959,766**	**1,768,257**

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

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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 2015, 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 2015. 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 25 September 2015.

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 2015 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.

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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 (ie 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 (ie 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.

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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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxes (continued)

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.

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.

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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.

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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

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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.

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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.

Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  The Directors have reviewed AASB 9 and decided that at this stage it is impracticable to adopt AASB 9.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - Identify the contract(s) with a customer;
  - Identify the performance obligations in the contract(s);
  - Determine the transaction price;
  - Allocate the transaction price to the performance obligations in the contract(s); and
  - Recognise revenue when (or as) the performance obligations are satisfied.

  This standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

  The Directors have reviewed AASB 15 and decided that at this stage it is impracticable to adopt AASB 15.

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	CONSOLIDATED	
	2015	2014
	$	$
2. REVENUE		
Other revenue		
Interest - other parties	**86,364**	**57,426**
Total revenue from ordinary activities	**86,364**	**57,426**
3. EXPENSES		
Loss includes the following specific expenses:		
Depreciation and amortisation expense	**5,842**	**1,918**
Directors' fees	**345,037**	**242,504**
Secretarial fees	**54,456**	**50,482**
4. AUDITOR'S REMUNERATION		
Audit services:		
- Amounts paid or payable to auditors of the Company – A D Danieli Audit Pty Ltd	**24,664**	**10,785**
- Amounts paid for other services or to related practices of the auditor	**2,100**	**5,850**

	2015	**2014**
	$	**$**
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	**(2,368,184)**	**(490,859)**
Prima facie income tax benefit @ 30%	**710,455**	**147,258**
Tax effect of permanent differences:		
Tax effect of capitalised share issue costs	**103,662**	**25,785**
Tax effect of due diligence / capital related costs	**-**	**-**
Exploration expenses	**71,053**	**212,421**
Share based payments		**-**
Income tax benefit adjusted for non-deductible / (taxable) items	**885,170**	**385,463**
Deferred tax asset not brought to account	**(885,170)**	**(385,463)**
Income tax attributable to operating losses	**-**	**-**

5. INCOME TAX EXPENSE (continued)

	CONSOLIDATED	
	2015	2014
(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	**258,019**	**194,613**
- Carry forward capital losses	**-**	**-**
- Capital raising costs	**103,662**	**63,406**
	361,681	**258,019**

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	
	2015	2014
	$	$
(c) **Deferred tax liabilities:**		
- Deferred exploration and evaluation expenditure	**-**	**230,410**

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.

6. EARNINGS PER SHARE

	2015	2014
	cents	cents
Basic and diluted loss per share	**(7.57)**	**(1.95)**
	$	**$**
Loss used to calculate basic and diluted loss per share	**(2,368,184)**	**(490,859)**
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**31,263,575**	**25,216,575**

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.

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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.

	CONSOLIDATED		
2015	**Australia**	**Sri Lanka**	**Total**
	2015	**2015**	**2015**
	$	**$**	**$**
Revenue			
Interest revenue	**86,364**	**-**	**86,364**
Total segment revenue	**86,364**	**-**	**86,364**
Results			
Segment operating loss before income tax	**(2,332,777)**	**(35,407)**	**(2,368,184)**
Non-Cash Expenses			
Depreciation	**4,011**	**34**	**4,045**
Assets			
Reportable segment assets	**4,960,990**	**1,593,223**	**6,554,213**
Liabilities			
Reportable segment liabilities	**152,489**	**414,624**	**567,113**

2014	**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**	**3,151**
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**

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	CONSOLIDATED	
	2015	2014
	$	$
8. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	**2,959,766**	**1,768,257**

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

9. TRADE AND OTHER RECEIVABLES	**2015**	2014
	$	$
Current		
Trade Receivables	**6,723**	**-**
Accrued Interest	**4,849**	**7,931**
GST receivable	**121,669**	**63,250**
Prepayments	**38,997**	**26,598**
	172,238	**97,779**
Non-Current		
Rental Bond	**-**	**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

	2015	2014
	$	$
Plant and equipment		
At cost	**17,116**	**9,626**
Less accumulated depreciation	**(8,496)**	**(4,451)**
	8,620	**5,175**

Reconciliation

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

	2015	2014
	$	$
Balance at the beginning of the period	**5,175**	**2,137**
Additions	**7,490**	**5,019**
Depreciation expense	**(4,045)**	**(1,981)**
Carrying amount at the end of the period	**8,620**	**5,175**

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11. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	CONSOLIDATED 2015 $	2014 $
Balance at the beginning of the period	**3,176,746**	**2,468,677**
Acquisition costs incurred and exploration expenditure carried forward through acquisition of Plumbago Mining Pty Ltd	**-**	**-**
Expenditure incurred during the period	**1,482,771**	**708,069**
Exploration expenditure impaired during the period	**(1,245,928)**	**-**
Carrying amount at the end of the period	**3,413,589**	**3,176,746**

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	2015 $	2014 $
Current		
Trade and other payables	**465,952**	**38,242**

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.

Non Current		
Trade and other payables	**101,161**	**-**

13. ISSUED CAPITAL

	2015	2014
(a) Issued and paid-up share capital	**$**	$
35,970,000 Ordinary Shares, fully paid (2014: 27,970,000)	**9,144,710**	5,790,250

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	14,370,000		2,471,191
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	24,370,000		4,886,588
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	27,970,000		5,790,250
Placement of shares in August 2014 and October 2014	7,000,000	0.50	3,500,000
Share issue costs	-		(345,540)
Exercise of Options December 2014	1,000,000	0.20	200,000
Balance at 30 June 2015	35,970,000		9,144,710

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(b) Share Options

2015 - 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 2014	Options Issued 2014/15	Options Exercised / Cancelled 2014/15	Closing Balance 30 June 2015
			Number	*Number*	*Number*	*Number*
On or before 31 December 2014		$0.20	4,400,000	-	(4,400,000)	Nil
On or before 10 May 2016		$0.35	3,500,000	-	-	3,500,000
On or before 31 March 2017		$0.40	1,000,000	-	-	1,000,000
On or before 31 October 2015	(i)	$1.00	nil	1,750,000	-	1,750,000
On or before 30 September 2016	(ii)	$0.60	nil	1,000,000	-	1,000,000
			8,900,000	2,750,000	(4,400,000)	7,250,000

(i) 1,750,000 unlisted options were issued to Professional investors in the Company as part of a placement of new equity completed in October 2014.
(ii) 1,000,000 unlisted options issued to local partner in Sri Lanka – Esna (Pvt) Limited in October 2014.

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
			Number	*Number*	*Number*	*Number*
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
			8,500,000	1,000,000	(600,000)	8,900,000

(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.

(c) Performance Rights – movement for the year ended 30 June 2015 is as below:

Expiry Date	Exercise Price ($)	Opening Balance 1 July 2014	Granted during the year	Expired during the year	Closing Balance 30 June 2015	Vested and exercisable at end of the year
		Number	*Number*	*Number*	*Number*	*Number*
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	
	2015	2014
	$	$
Equity based compensation reserve (a)	**407,311**	**287,861**
Foreign currency translation reserve (b)	**(142,084)**	**(925)**
	265,227	**286,93686,936**

	CONSOLIDATED	
	2015	2014
	$	$
(a) ***Equity based compensation reserve***		
Balance at beginning of period	**287,861**	**287,861**
Fair value of options issued as part of remuneration packages	**-**	**-**
Fair value of options issued to consultants / advisers	**119,450**	**-**
Fair value of options issued to Glenelg Mining as part consideration for acquisition of the St Arnaud gold project	**-**	**-**
Balance at end of period	**407,311**	**287,861**
(b) ***Foreign currency translation reserve***		
Balance at beginning of period	**(925)**	**(176)**
Currency translation differences arising during the year	**(141,159)**	**(749)**
Balance at end of period	**(142,084)**	**(925)**

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.

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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 2014: $Nil) 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:

	2015 No.	Weighted average exercise price	2014 No.	Weighted average exercise price
Outstanding at the beginning of the year	**8,900,000**	**$0.28**	8,500,000	$0.26
Granted during the period	**2,750,000**		1,000,000	-
Forfeited/exercised/expired during the period	**(4,400,000)**		(600,000)	-
Outstanding at the end of the period	**7,250,000**	**$0.55**	8,900,000	$0.28
Exercisable at the end of the period	**7,250,000**		8,900,000	

The outstanding balance as at 30 June 2015 is represented by:

Number	**Exercise period**	**Exercise price**
3,500,000	On or before 10 May 2016	$0.35
1,000,000	On or before 31 March 2017	$0.40
1,750,000	On or before 31 October 2015	$1.00
1,000,000	On or before 30 September 2016	$0.60
7,250,000		

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

	2015	**2015**	2014	2014
	Number	**$**	Number	$
Options to investors and consultants for services (i)	**1,750,000** **1,000,000**	**16,183** **31,377**	1,000,000*	71,890*
Options to Directors for services (i)	**-**	**-**	-	-
Options to vendors (i)	**-**	**-**	-	-

* Options were issued in 2014 but were taken up in 2015.

(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 fair value of options with an exercise price of $0.40 was $71,890. These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price:	$0.40
Life of the option:	640 days
Expected share price Volatility:	91%
Risk-free interest rate	2.63%

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The fair value of options with an exercise price of $0.60 was $31,377. These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price:	$0.60
Life of the option:	458 days
Expected share price Volatility:	91%
Risk-free interest rate	2.63%

The fair value of options with an exercise price of $1 was $16,183. These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price:	$1
Life of the option:	123 days
Expected share price Volatility:	91%
Risk-free interest rate	2.63%

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:

2015	**Note**	**Floating interest rate $**	**Fixed interest rate $**	**Non-interest bearing $**	**Total $**	**Weighted average interest rate %**
Financial assets						
Cash and cash equivalents	8	813,848	2,130,572	15,346	2,959,766	3.65
Trade and other receivables	9	-	-	172,238	172,238	
		813,848	2,130,572	187,584	3,132,004	
Financial liabilities						
Trade and other payables	12	-	-	567,113	567,113	

2014	**Note**	**Floating interest rate $**	**Fixed interest rate $**	**Non-interest bearing $**	**Total $**	**Weighted average interest rate %**
Financial assets						
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	
		734,236	1,010,956	120,844	1,866,036	
Financial liabilities						
Trade and other payables	12	-	-	38,242	38,242	

16. FINANCIAL INSTRUMENTS (continued)

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 2015				
Variable rate instruments	29,598	(29,598)	29,598	(29,598)
Cash flow sensitivity (net)	29,598	(29,598)	29,598	(29,598)

	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)	17,683	(17,683)	17,683	(17,683)

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.

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.

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16. FINANCIAL INSTRUMENTS (continued)

(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.

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.

2015	**Less than 6 months**	**6 – 12 months**	**Over 1 year**	**Total**
	$	**$**	**$**	**$**
Financial Liabilities:				
Current:				
Trade and other payables	465,952	-	-	465,952
Non current:				
Trade and other payables	-	-	101,161	101,161
Total Financial Liabilities	465,952	-	101,161	567,113

2014	**Less than 6 months**	**6 – 12 months**	**Over 1 year**	**Total**
	$	**$**	**$**	**$**
Financial Liabilities:				
Current:				
Trade and other payables	38,242	-	-	38,242
Total Financial Liabilities	38,242	-	-	38,242

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. To date the Company and subsidiaries have expended in excess of the statutory requirements to maintain the key tenements in Sri Lanka. 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	
	2015	2014
	$	$
Within one year	**500,000**	**1,250,000**
One year or later and not later than five years	**-**	**2,200,000**
Later than five years	**-**	**-**
	500,000	**3,450,000**

18. CONTINGENCIES

There were no contingent liabilities not provided for in the financial statements at 30 June 2015 (2014: Nil).

19. STATEMENT OF CASH FLOWS

	2015	2014
	$	$
(a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss after income tax	**(2,368,184)**	**(490,859)**
Add back non-cash items:		
Depreciation and amortisation	**5,842**	**1,918**
Impairment	**1,245,928**	**-**
Share based payments expense	**31,377**	**-**
Net exchange differences	**(95,396)**	**(750)**
Change in assets and liabilities:		
Decrease / (Increase) in receivables	**(64,459)**	**(32,528)**
Increase / (Decrease) in operating payables	**528,871**	**(15,539)**
Net cash outflow from operating activities	**(716,021)**	**(537,758)**

(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.

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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 (resigned 30 June 2015)
	Mr Nelson Reynolds (resigned 9 March 2015)
	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:

	2015	2014
	$	$
Short-term employee benefits	**466,415**	299,079
Post-employment benefits	**-**	-
Share-based payments	**-**	-
	466,415	299,079

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 2015	**Balance at 1 July 2014**	**Received as Remuneration**	**Options Exercised**	**Other Movements (i)**	**Balance at 30 June 2014**
Directors					
P Ford	415,000	-	-	-	415,000
C Cowan	4,800,000	-	-	-	4,800,000
A Johnstone (Resigned 30 June 2015)	70,000	-	-	-	70,000
N Reynolds (Resigned 9 March 2015)	10,000	-	-	-	10,000
N Young	250,000	-	-	100,000	350,000

(i) Other movements refer to shares purchased during the period.

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20. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

30 June 2014	Balance at 1 July 2013	Received as Remuneration	Options Exercised	Other Movements (i),(ii)	Balance at 30 June 2014
Directors					
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 23.
(iii) Subsequent to 30 June 2014, Mr Young made and 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.

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 2015	Balance at 1 July 2014	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
Directors							
P Ford	900,000	-	-	(500,000)	400,000	400,000	-
C Cowan	400,000	-	-	-	400,000	400,000	-
A Johnstone (resigned 30 June 2015)	900,000	-	-	(500,000)	400,000	400,000	-
N Reynolds (resigned 9 March 2015)	900,000	-	-	(500,000)	400,000	400,000	-
N Young	400,000	-	-	-	400,000	400,000	-

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
Directors							
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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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.

	2015	2014
	$	$
Brokerage fees paid or payable to Veritas Securities Limited, an entity in which Messrs Ford and Reynolds have a beneficial interest.	**50,000**	**67,900**
Balances due to Directors and Director Related Entities at year end		
- included in trade creditors and accruals	**-**	**-**

22. PARENT ENTITY DISCLOSURES

a) Financial position

	30 June 2015	30 June 2014
	$	$
ASSETS		
Current assets	**2,929,557**	1,827,248
Non-current assets	**4,800,470**	3,247,714
TOTAL ASSETS	**7,730,027**	5,074,962
LIABILITIES		
Current liabilities	**51,328**	34,092
Non-current liabilities	**101,161**	-
TOTAL LIABILITIES	**152,489**	34,092
EQUITY		
Contributed equity	**9,185,223**	5,790,250
Accumulated losses	**(1,943,106)**	(1,037,241)
Reserves	**335,421**	287,861
TOTAL EQUITY	**7,577,538**	5,040,870

b) Financial performance

	30 June 2015	**30 June 2014**
	$	**$**
Net Loss for the year	**(485,078)**	**(494,010)**
Other comprehensive income / (loss)	**-**	**-**
Total comprehensive income / (loss)	**(485,078)**	**(494,010)**

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 2015. For details on commitments, see Note 18.

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23. INVESTMENT IN CONTROLLED ENTITIES

Entity	Country of incorporation	Equity holding	Equity holding	Contribution to consolidated result	Contribution to consolidated result
		2015	2014	2015	2014
		%	%	$	$
Plumbago Mining Pty Ltd(i)	Australia	100	100	-	19,007
Plumbago Lanka (Pvt) Limited (i)	Sri Lanka	75	75	(145,464)	(26,810)
				(145,464)	(7,803)

(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.

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. FAIR VALUE MEASUREMENTS

The group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy
AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value 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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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Valuation Techniques
The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market Approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities
- *Income Approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
- *Cost Approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2015			
Recurring Fair Value Measurements	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Cash and cash equivalents	8	2,959,766	-	-	2,959,766
Trade and other receivables	9	172,238	-	-	172,238
Total Financial Assets		3,132,004	-	-	3,132,004
Non Financial Assets					
Property, plant and equipment	10	8,620	-	-	8,620
Deferred exploration and evaluation expenditure	11	-	-	3,413,589	3,413,589
Total Non Financial assets		8,620	-	3,413,589	3,422,209
Liabilities					
Trade and other payables	12	567,113	-	-	567,113
Total Liabilities		567,113	-	-	567,113

There were no transfers between Level 1 and Level 2 for assets and liabilities measured at fair value on a recurring basis during the reporting period (2014: no transfers).

25. EVENTS OCCURRING AFTER THE REPORTING DATE

There are no matters or circumstances that have arisen since 30 June 2015 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

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 2015 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 2015.

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

P Ford
Non-Executive Chairman

Dated at Sydney on the 25th day of September 2015

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BORA BORA RESOURCES LIMITED
A.B.N. 35 150 173 032

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 2015, 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.

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COVER OF EXCELLENCE®

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 2015 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 13 to 15 of the directors' report for the year ended 30 June 2015. 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.

Auditor's Opinion

In our opinion the remuneration report of Bora Bora Resources Limited for the year ended 30 June 2015 complies with s300A of the *Corporations Act 2001*.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

Dated this 25th September 2015

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STATEMENT OF CORPORATE GOVERNANCE PRINCIPLES

The Company's Directors and management are committed to conducting its business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Editions) to the extent appropriate to the size and nature of the Company's operations.

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company. The Company's Corporate Governance Statement and policies are located on the Company's website at www.boraboraresources.com/home/index.php/investor-information/corporate-governance-statement.

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SHAREHOLDER AND OTHER INFORMATION

The shareholder information set out below was applicable as at 21 September 2015.

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

Distribution Schedule

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1-1,000	28	11,129	0.03
1,001-5,000	75	253,611	0.71
5,001-10,000	110	1,012,162	2.81
10,001-100,000	200	8,413,756	23.39
100,001-999,999,999	60	26,279,342	73.06
TOTAL	**473**	**35,970,000**	**100.00**

As at 21 September 2015 there were 87 shareholders with unmarketable parcels of shares.

Top Twenty Shareholders

Name	*Number*	*%*
Cowan Financial Services Pty Ltd ATF Manning Development Trust	4,800,000	13.34
Exertus Capital Pty Ltd	1,715,000	4.77
HSBC Custody Nominees (Australia) Limited	1,598,119	4.44
Allan Francis Cowan	1,400,000	3.89
JP Morgan Nom Aust Limited	964,000	2.68
Catholic Church Insurance Limited	930,850	2.59
HSBC Custody Nominees (Australia) Limited	820,731	2.28
Trust Co Super Limited	800,000	2.22
USB Nominees Pty Limited	667,582	1.86
National Nominees Limited	528,316	1.47
Songlake Pty Limited	518,621	1.44
McKell Place Nominees Pty Ltd	500,263	1.39
Mr Adam Boudine	461,843	1.28
Argento Pty Limited	460,000	1.28
Jaycon Inv Pty Limited	400,000	1.11
Launceston Gasworks Pty Limited	397,580	1.11
David Ian McCall	356,285	0.99
Sheppeard Peter D + Sharon F <Sheppeard Family S/F A/c>	350,000	0.97
Anna Diana Novak	344,234	0.96
Carol Robinson	340,000	0.95
TOTAL	**18,353,424**	51.02

On-market buy-back

There is no current on-market buy-back.

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Unquoted equity securities

Class	Number	Holders
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-resigned 30 June 2015 (400,000), N Reynolds- resigned 9 March 2015 (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
Options exercisable at $1.00 cents each on or before 31 October 2015	1,750,000	Sophisticated investors who participated in the placement of 7,000,000 shares in October 2014
Options exercisable at 60 cents each on or before 30 September 2016	1,000,000	Esna (Pvt) 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	**12,250,000**	

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 21 September 2015 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 246	75%	Sri Lanka
EL 247	75%	Sri Lanka

Key to Tenement Schedule
EL – Exploration Licence