



**Bora Bora
Resources Ltd**

ABN 35 150 173 032

**HALF YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
31 DECEMBER 2017**

BORA BORA RESOURCES LIMITED

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DIRECTORS' REPORT

Your directors submit the financial report of Bora Bora Resources Limited (BBR, “the Company”) entity for the half-year ended 31 December 2017. The directors report as follows:

Directors

The directors of the Company during or since the end of the half-year are listed below. All directors were in office for this entire period unless otherwise stated.

Patrick Ford	Non-Executive Chairman
Nathan Young	Non-Executive Director
Piers Reynolds	Non-Executive Director

Results

The consolidated loss for the half-year after tax was \$174,126 (2016: \$2,906,082).

Review of Operations

As previously reported in both the September and December 2017 Quarterly Reports, the ASX has advised BBR that it will not reinstate the Company’s securities to quotation until such time as the Company is able to demonstrate compliance with chapter 12 of the ASX Listing Rules, in particular having a sufficient level of operations for the purposes of Listing Rule 12.1. This may require re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

BBR is continuing to seek reinstatement of the Company’s securities to quotation in a timely manner.

St Arnaud Gold Project, Victoria

The Company’s maintains a 100% interest in the St Arnaud Gold Project in Victoria and has been actively pursuing the commencement of an exploration program.

Further information

Details of Bora Bora Resources’ projects are available at the Company’s website www.boraboraresources.com.au

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires the Company's auditors, A D Danieli Audit Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the half-year ended 31 December 2017.

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



Patrick Ford
Non-Executive Chairman
Sydney
Dated this 15th day of March 2018

Competent Persons Statement

The information reported above relating to Exploration Results was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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 the in country geologist for the Company. Mr Montgomery is a Member of the Australian Institute of Geoscientists and 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Montgomery consents to the form and context in which the Exploration Results and the supporting information are presented in this report.



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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
And controlled entities**

I declare that, to the best of our knowledge and belief, during the half year ended 31 December 2017, there have been no contraventions of:

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

A D DANIELI AUDIT PTY LTD

**Allan Facey
Director**

Sydney, 15th March 2018

BORA BORA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2017

	Note	6 Months Ended 31 December 2017 \$	6 Months Ended 31 December 2016 \$
REVENUES			
Interest income	2	114	12,016
EXPENSES			
Administrative expenses		(72,537)	(105,391)
Employee benefits expense		(91,513)	(174,170)
Share based payments		-	(47,813)
Loss before income tax		(163,936)	(315,358)
Income tax expense		-	-
Net loss for the period from continued operations		(163,936)	(315,358)
Net loss from discontinued operations	11	-	(2,609,692)
Net loss for the period		(163,936)	(2,925,050)
Other comprehensive income/ (loss)			
Exchange differences on translation of foreign operations		(10,190)	18,968
Total comprehensive loss for the period		(174,126)	(2,906,082)
Loss attributable to:			
Owners of the parent		(174,126)	(2,899,756)
Non-controlling interests		-	(6,326)
		(174,126)	(2,906,082)
Total comprehensive loss attributable to:			
Owners of the parent		(174,126)	(2,899,756)
Non-controlling interests		-	(6,326)
		(174,126)	(2,906,082)
Basic and diluted (loss) per share (cents per share)		(0.34)	(0.01)

Figures prior to 1 July 2017 contained the financial results of Sri Lanka mining operation.

The accompanying notes form part of these financial statements.

BORA BORA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Notes	31 December 2017 \$	30 June 2017 \$
Assets			
Current Assets			
Cash and cash equivalents		1,098,979	1,225,869
Trade and other receivables		6,957	73,847
Other Financial Assets	3	500,000	500,000
Total Current Assets		1,605,936	1,799,716
Total Assets		1,605,936	1,799,716
Liabilities			
Current Liabilities			
Trade and other payables		35,976	55,630
Total Current Liabilities		35,976	55,630
Total Liabilities		35,976	55,630
Net Assets		1,569,960	1,744,086
Equity			
Issued capital	5	10,038,205	10,038,205
Reserves	6	201,250	201,250
Accumulated losses		(8,669,495)	(8,495,369)
Parent entity interest		1,569,960	1,744,086
Non-controlling interests		-	-
Total Equity		1,569,960	1,744,086

Figures prior to 1 July 2017 contained the financial results of Sri Lanka mining operation.

The accompanying notes form part of these financial statements.

BORA BORA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2017

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total Equity	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	10,038,205	(8,495,369)	201,250	-	1,744,086	-	1,744,086
Loss attributable to members of the parent entity	-	(174,126)	-	-	(174,126)	-	(174,126)
Share issued during the period	-	-	-	-	-	-	-
Share issued expenses	-	-	-	-	-	-	-
Fair value of options issued	-	-	-	-	-	-	-
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	(174,126)	-	-	(174,126)	-	(174,126)
Balance at 31 December 2017	10,038,205	(8,669,495)	201,250	-	1,569,960	-	1,569,960

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total Equity	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	9,528,818	(4,766,192)	103,267	-	4,865,893	(370,958)	4,494,935
Loss attributable to members of the parent entity	-	(2,906,082)	-	-	(2,906,082)	(6,326)	(2,912,408)
Share issued during the period	514,571	-	-	-	514,571	-	514,571
Share issued expenses	(5,183)	-	-	-	(5,183)	-	(5,183)
Fair value of options issued	-	-	47,813	-	47,813	-	47,813
Exchange differences arising on translation of foreign operations	-	-	-	2,383	2,383	3,614	5,997
Total comprehensive loss for the period	509,388	(2,906,082)	47,813	2,383	(2,346,498)	(2,712)	(2,349,210)
Balance at 31 December 2016	10,038,206	(7,672,274)	151,080	2,383	2,519,395	(373,670)	2,145,725

Figures prior to 1 July 2017 contained the financial results of Sri Lanka mining operation.

The accompanying notes form part of these financial statements.

BORA BORA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2017

	Notes	6 Months Ended 31 December 2017 \$	6 Months Ended 31 December 2016 \$
Cash flows from operating activities			
Interest received		114	12,016
Cash payments to suppliers and employees		(116,814)	(396,158)
Net cash (used in) operating activities		(116,700)	(384,142)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(9,262)
Loans to other entities	3	-	(500,000)
Net cash (used in) investing activities		-	(509,262)
Cash flows from financing activities			
Proceeds from share issues		-	514,571
Share issue expenses		-	(5,183)
Net cash provided by financing activities		-	509,388
Net (decrease) in cash held		(116,700)	(384,016)
Cash at the beginning of the reporting period		1,225,869	2,007,213
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(10,190)	(329)
Cash at the end of the reporting period		1,098,979	1,622,868

Figures prior to 1 July 2017 contained the financial results of Sri Lanka mining operation.

The accompanying notes form part of these financial statements.

BORA BORA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Bora Bora Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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

Significant accounting judgments and key estimates

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

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2017.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Directors 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 Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. 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.

BORA BORA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2017

2. LOSS BEFORE INCOME TAX EXPENSE

	Consolidated Half year 31 December 2017 \$	Consolidated Half year 31 December 2016 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
<i>Revenue</i>		
Interest received	114	12,016

3. OTHER FINANCIAL ASSETS

In December 2016, Bora Bora Resources (BBR) provided a loan of \$500,000 to Trident Subsea Cable Pty Limited as part of the heads of agreement between the two parties. This agreement was subsequently terminated in August 2017. The directors are actively pursuing the repayment of the outstanding unsecured loan and have provided a repayment extension to April 2018.

	Consolidated as at 31 December 2017 \$	Consolidated as at 30 June 2017 \$
Short-term loan	500,000	500,000

BORA BORA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2017

4. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated as at 31 December 2017 \$	Consolidated as at 30 June 2017 \$
Exploration and evaluation phase – at cost		
Opening balance	-	2,598,611
Exploration expenditure impaired during the period	-	(2,598,611)
Closing balance	-	-

The ultimate recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

5. ISSUED CAPITAL

	Consolidated as at 31 December 2017 \$	Consolidated as at 30 June 2017 \$
Issued and paid-up share capital		
Opening Issued Capital	10,038,205	9,528,818
Movement for period	-	509,387
Closing Issued Capital	10,038,205	10,038,205

6. RESERVES

	Consolidated as at 31 December 2017 \$	Consolidated as at 30 June 2017 \$
Equity based compensation reserve	201,250	201,250

BORA BORA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2017

7. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

8. EVENTS OCCURRING SUBSEQUENT TO BALANCE DATE

In conjunction with the Company's St Arnaud Gold Project, the Board is continuing to assess opportunities in mining and exploration which have the potential to add value for shareholders.

At the date of this report, other than noted above, there are no matters or circumstances that have arisen since 31 December 2017 that have or may have significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

BORA BORA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2017

9. SEGMENT REPORTING

Management has determined that the Group has one reportable segment, being mineral exploration in Australia (in 2017, the Group had 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.

	Australia	Sri Lanka	Total
	31 December 2017	31 December 2017	31 December 2017
	\$	\$	\$
Revenue			
Interest revenue	114	-	114
Other income	-	-	-
Total segment revenue	114	-	114
Results			
Segment operating loss before income tax	174,126	-	174,126
Non-Cash Expenses			
Depreciation	-	-	-
Assets			
Current assets	1,605,936	-	1,605,936
Non-current assets	-	-	-
Liabilities			
Reportable segment liabilities	35,976	-	35,976

Sri Lanka was deregistered on the 5th July 2017.

	Australia	Sri Lanka	Total
	31 December 2016	31 December 2016	31 December 2016
	\$	\$	\$
Revenue			
Interest revenue	12,016	-	12,016
Other income	-	-	-
Total segment revenue	12,016	-	12,016
Results			
Segment operating loss before income tax	296,390	2,609,692	2,906,082
Non-Cash Expenses			
Depreciation	-	7,970	7,970
Assets			
Current assets	2,161,062	13,010	2,174,072
Non-current assets	5,038	5,216	10,254
Liabilities			
Reportable segment liabilities	16,295	22,306	38,601

BORA BORA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2017

10. FAIR VALUE MEASUREMENT

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follow, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

	Level	As at 31 December 2017		As at 30 June 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Financial assets					
Cash & cash equivalents	1	1,098,979	1,098,979	1,225,869	1,225,869
Trade & other receivables	1	6,957	6,957	73,847	73,847
Other Financial Assets	1	500,000	500,000	500,000	500,000
Financial liabilities					
Trade and other payables	1	35,976	35,976	55,630	55,630

11. DISCONTINUED OPERATIONS

On 31 March 2017, the Company has appointed the liquidator to dispose its Lankan mining operation, thereby discontinuing its operations in this business segment.

The liquidation of Plumbago Lanka (Pvt) was completed on 5th July 2017.

No further activities have been conducted within the group since 30 June 2017.

The financial performance of the discontinued operation to the date of sale, which is included in profit/(loss) from discontinued operations per the statement of comprehensive income, is as follows:

	31 December 2017	31 December 2016
	\$	\$
Revenue	-	-
Expenses	-	(2,609,692)
Loss before income tax	-	(2,609,692)
Income tax expense	-	-
Net loss attribute to the discontinued operations	-	(2,609,692)
Non-current assets		
Reportable net segment assets (impairment)	-	18,226

BORA BORA RESOURCES LIMITED

DIRECTORS' DECLARATION

31 December 2017

In the opinion of the directors:

- (a) the financial statements and notes of the Company, as set out on pages 5 to 14, are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year then ended; 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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.



P Ford
Chairman

Dated this 15th day of March 2018



A D Danieli Audit Pty Ltd

Authorised Audit Company
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Audit & Assurance Services

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**Independent Auditor's Review Report
To the Members of Bora Bora Resources Limited
A.B.N. 35 150 173 032
And controlled entities**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year consolidated financial report of Bora Bora Resources Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bora Bora Resources Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the company for the half-year ended 31 December 2017 included on the website of Bora Bora Resources Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Independence

In conducting our review, 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 time of this auditor's review report.

Conclusions

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bora Bora Resources Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A D DANIELI AUDIT PTY LTD



Allan Facey
Director

Sydney, 15th March 2018

