Bora Bora Resources Ltd

ABN 35 150 173 032

ANNUAL REPORT 2019

Directors	Piers Reynolds Nathan Young Wade Evans	Non-Executive Chairman Non-Executive Director Non-Executive Director
Company Secretary	Nick Boicos	
Registered and Administrative Office	Level 8 350 Collins Street Melbourne VIC 3000	
	Telephone: Facsimile:	+61 3 8605 4848 +61 3 8601 1180
Auditors	A D Danieli Audit Pty Ltd Level 1 261 George Street Sydney NSW 2000	
Share Registry	Automic Registry Services Level 5 126 Phillip Street Sydney NSW 2000	
	Telephone: Facsimile:	+1300 288 664 +61 2 9698 5414

Website: www.boraboraresources.com.au

Securities trade on the Australian Securities Exchange – BBR

Chairman's Letter

Dear fellow shareholders,

The 2019 financial year has again seen the directors of Bora Bora Resources Ltd ('the Company') continue their efforts to achieve reinstatement of the Company's securities to quotation on the ASX.

The Company has reviewed numerous opportunities in the mining and exploration sectors, with the objective of creating value for shareholders. During the period, the Company secured a project to demonstrate compliance with Chapter 12 of the ASX Listing Rules, however the Company received updated advice from the ASX that it will only be able to approve a re-listing of BBR with re-compliance with Chapters 1 and 2 of the ASX Listing Rules.
The board has continued to seek an appropriate transaction to satisfy these requirements.

The Company did not undertake any capital raising initiatives during the year with cash reserves at June 30th 2019 standing at $942,974.

Whilst the Company remains committed to identifying attractive investment opportunities, the board acknowledges that this has been another difficult year for both the Company and its shareholders. Once again, we would like to extend our thanks to you all for your ongoing support.

Yours Sincerely,

P Reynolds
Non-Executive Chairman
26th September 2019

Exploration Activity

The St Arnaud Gold Project was relinquished during the period with the Company unable to renew EL4363 after its 12^{th} year anniversary.

During the period, the Company secured an exploration project, however after receiving updated advice from the ASX that it will only be able to approve a re-listing of BBR with re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company did not proceed with the agreement.

Future Opportunities

The Board is focused on assessing opportunities which have the potential to add value for shareholders with the view of achieving reinstatement of the Company's securities to quotation.

Your Directors present their report together with the financial statements of Bora Bora Resources Limited ("the Company") for the year ended 30 June 2019 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.

Piers Reynolds
Bach App Sc (Geology)
Non-Executive Director
(Appointed 26 May 2016)

Piers has 25 years' experience in the resource and finance industries and is currently a founder and Executive Director of Veritas Securities Limited. He has significant experience as a geologist in the resource sector and in investment banking activities including equity capital markets, corporate advisory and mergers and acquisition in the minerals and energy sectors.

Other Current Directorships of Listed Companies:
None

Former Directorships of Listed Companies in the last 3 years:
Royalco Resources Limited (ASX.RCO)

Nathan 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. Nathan 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:
Aeeris Ltd (ASX: AER)

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

Wade Evans
BSc (Honours -Geology)
Grad. Cert. Mineral Economics
Independent, Non-Executive Director
(Appointed 16 October 2018)

Wade is a geologist with 25 years' experience in the resources sector across exploration, business development and mergers and acquisitions. He is currently the General Manager Business Development for Australian gold producer, Regis Resources Limited and previously a Director of independent corporate advisory firm, Miro Advisors.

Other Current Directorships of Listed Companies:
None

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

Patrick Douglas Ford **B Com** **Independent, Non-Executive Chairman** **(Resigned 31 October 2018)**	Patrick has over 27 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 (appointed 17 May 2005) Former Directorships of Listed Companies in the last 3 years: None
Nick Boicos **Dip. Bus Studies (Accounting)** **Company Secretary** **(Appointed 14 December 2018)**	Nick has an involvement in the financial services area for over 30 years. He has held various roles with investment banks, including HSBC group and CIBC. In addition, he served for a number of years as Chief Financial Officer for a private investment group. He was previously a Director and Company Secretary of ASX listed Royalco Resources Limited. *Other Current Directorships of Listed Companies:* *None* *Former Directorships of Listed Companies in the last 3 years:* Royalco Resources Limited (ASX: RCO).
Andrew Whitten **BA, MLLP, Grad Dip. App Corp Gov.** **Company Secretary** **(Resigned 14 December 2018)**	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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the year was focused on new opportunities in primarily mining and exploration as well as pursuing the re-commencement of exploration at its remaining tenement at the St Arnaud Gold Project in the central Victorian goldfields prior to its relinquishment.

RESULTS AND DIVIDENDS

The loss after tax for the year ended 30 June 2019 was $173,903 (30 June 2018: $702,141 loss). 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 0.33 cents (30 June 2018: 1.36 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 2019 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors are pleased to advise shareholders that the Company is in the process of completing documentation on a transaction to comply with a relisting pursuant to Chapters 1 & 2 of the ASX Listing Rules. If successful the Company will be re-listed onto the ASX.

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 four members: Mr Young, Mr Evans and Mr Reynolds from the Company and Mr Sam Danieli 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 year ended 30 June 2019 are:

	Directors' meetings held during period of office	**Directors' meetings attended**
P Reynolds	6	6
N Young	6	5
W Evans (appointed 16/10/2018)	4	3
P Ford (resigned 31/10/2018)	2	2

There were six directors' meetings held during the year. 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 (AS AT 30 JUNE 2019)

The interests of each Director in the shares and options of Bora Bora Resources Ltd at the reporting date are as follows:

	Fully Paid Ordinary Shares	Options Over Ordinary Shares	Performance Rights Over Ordinary Shares
P Reynolds	812,000	801,000	-
N Young	620,000	785,000	-
W Evans (appointed 16/10/2018)	-	-	-
P Ford (resigned 31/10/2018)	818,000	801,500	-

SHARE OPTIONS (AS AT 30 JUNE 2019)

As at the reporting date, there were 8,538,095 options on issue.

	Number	Exercise Price	Expiry Date
Unlisted Options	2,250,000	$0.10	1 December 2019
Unlisted Options	4,288,095	$0.10	31 July 2019
Unlisted Options	2,000,000	$0.10	31 July 2019
TOTAL	**8,538,095**		

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Company is currently in the process of completing documentation on a transaction and has engaged a number of parties to assist if the transaction progresses to a relisting.

There has not arisen any other matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Company, the results of those operations, or the state of the Company in future years.

DIRECTORS' INTERESTS (AS AT THE DATE OF THIS REPORT)

The interests of each Director in the shares and options 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 Reynolds	812,000	750,000	-
N Young	620,000	750,000	-
W Evans (appointed 16/10/2018)	-	-	-
P Ford (resigned 31/10/2018)	818,000	750,000	-

SHARE OPTIONS (AS AT THE DATE OF THIS REPORT)

As at date of this report, there were 2,250,000 options on issue.

	Number	Exercise Price	Expiry Date
Unlisted Options	2,250,000	$0.10	1 December 2019
TOTAL	**2,250,000**		

REMUNERATION REPORT (audited)

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

Remuneration philosophy

The Board will review the remuneration packages applicable to the Non-Executive Directors on an annual basis. The board 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 $20,000 each per annum. Non-Executive Directors may also be remunerated for additional specialised services performed at the request of the Board. The remuneration of the Non-Executive Directors for the period ended 30 June 2019 is detailed in Table 1 of this report.

REMUNERATION REPORT (audited) (continued)

Executive Directors' remuneration

Objective

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

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

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

Fixed remuneration

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

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

Currently the Board of Bora Bora Resources Ltd does not have an 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 2019

Director	Note		Short term Cash Salary/Fees $	Short term Non-Cash Benefits $	Post-Employment Superannuation $	Equity Value of Options $	Total $
P Reynolds	**1**	**2019**	**13,334**	**6,666**	**-**	**-**	**20,000**
		2018	18,335	3,334	-	-	21,669
N Young	**2**	**2019**	**13,334**	**6,666**	**-**	**-**	**20,000**
		2018	18,335	3,334	-	-	21,669
W Evans		**2019**	**14,166**	**-**	**-**	**-**	**14,166**
(Appointed 16/10/2018)		2018	-	-	-	-	-
P Ford	**3**	**2019**	**-**	**6,667**	**-**	**-**	**6,667**
(Resigned 31/10/ 2018)		2018	18,335	3,334	-	-	21,669
Total		**2019**	**40,834**	**19,999**	**-**	**-**	**60,833**
		2018	55,005	10,002	-	-	65,007

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

Note 1
P. Reynolds - Remuneration paid to Mr Piers Reynolds and his related entity Mad Fish Management Pty Limited.

Note 2
N. Young - Remuneration paid to Mychi Le Investments Pty Limited a related party of Mr Nathan Young.

Note 3
P. Ford - Remuneration paid to Diskdew Pty Limited a related party of Mr Patrick Ford.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of the Company against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the Company have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. During the 2018 financial year the Company ceased to be considered as having 'Operations' and therefore Directors and officers insurance could not be obtained. The insurance premium previous to this, 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 Victoria (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 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 Reynolds
Non-Executive Chairman
Sydney, 26th September 2019

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

Level 1, 261 George Street
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099
Fax: (02) 9252 7329

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

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 our knowledge and belief, during the year ended 30 June 2019, 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 review.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

Sydney, 26 September 2019

	Notes	2019	2018
		$	$
Revenue	2	**9,398**	6,517
		9,398	6,517
Impairment	10	**-**	(500,000)
Employee benefits expense		**(60,833)**	(65,007)
Administration expenses		**(133,285)**	(165,131)
Loss before income tax		**(184,720)**	(723,621)
Income tax (expense)/benefit	5	**-**	-
Net loss for the year		**(184,720)**	(723,621)
Other comprehensive income			
Exchange differences on translation		**10,817**	21,480
Other comprehensive income for the year, net of tax		**10,817**	21,480
Total comprehensive loss for the year		**(173,903)**	(702,141)
Basic and diluted (loss) per share (cents per share)	6	**(0.33)**	(1.36)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Bora Bora Resources Limited
Statement of Financial Position
As at 30 June 2019

	Notes	2019 $	2018 $
Current Assets			
Cash and cash equivalents	8	**942,974**	1,050,789
Trade and other receivables	9	**1,441**	1,607
Total Current Assets		**944,415**	1,052,396
Total Assets		**944,415**	1,052,396
Current Liabilities			
Trade and other payables	11	**46,373**	10,451
Total Current Liabilities		**46,373**	10,451
Total Liabilities		**46,373**	10,451
Net Assets		**898,042**	1,041,945
Equity			
Issued capital	12	**10,068,205**	10,038,205
Reserves	13	**201,250**	201,250
Accumulated losses		**(9,371,413)**	(9,197,510)
Total Equity		**898,042**	1,041,945

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

Bora Bora Resources Limited
Statement of Changes in Equity
For the year ended 30 June 2019

	Issued Capital	Accumulated Losses	Option Reserve	Total Equity
	$	**$**	**$**	**$**
Balance at 1 July 2018	**10,038,205**	**(9,197,510)**	**201,250**	**1,041,945**
Profit/(loss) for the year	**-**	**(184,720)**	**-**	**(184,720)**
Other comprehensive income for the year	**-**	**10,817**	**-**	**10,817**
Total comprehensive loss for the period	**-**	**(173,903)**	**-**	**(173,903)**
Shares issued	**30,000**	**-**	**-**	**30,000**
Balance at 30 June 2019	**10,068,205**	**(9,371,413)**	**201,250**	**898,042**
Balance at 1 July 2017	10,038,205	(8,495,369)	201,250	1,744,086
Profit/(loss) for the year	-	(723,621)	-	(723,621)
Other comprehensive income for the year	-	21,480	-	21,480
Total comprehensive loss for the period	-	(702,141)	-	(702,141)
Balance at 30 June 2018	10,038,205	(9,197,510)	201,250	1,041,945

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

	Notes	2019	2018
Cash Flows from Operating Activities		**$**	$
Interest received		**9,398**	6,517
Payments to suppliers and employees		**(117,213)**	(181,597)
Net Cash (outflows) from Operating Activities	18	**(107,815)**	(175,080)
Net (decrease) in Cash and Cash Equivalents		**(107,815)**	(175,080)
Cash and cash equivalents at the beginning of the period		**1,050,789**	1,225,869
Cash and Cash Equivalents at 30 June	8	**942,974**	1,050,789

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

1. .SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

The financial report is presented in Australian dollars.

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

Adoption of new and revised standards

In the year ended 30 June 2019, 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 2019. 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 26 September 2019.

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').

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue

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

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

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

Cash and cash equivalents

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

Trade and other receivables

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

Taxes

Income tax

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

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.

Trade and other payables

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 14.

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 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a singles lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

  The main changes introduced by the New Standard include:

  - Recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - Depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
  - By applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
  - Addition disclosure requirements.

  The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognize the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

  This is not expected to have a significant impact on the company's financial statements.

New and revised Australian Standards and Interpretation on issue but not yet effective

At the date of authorisation of the financial statement, the Company has not applied the new and revised Australian Accounting Standard, Interpretations and amendments that have been issued but are not yet effective.

	2019 $	2018 $
2. REVENUE		
Other revenue		
Interest	**9,398**	6,517
Total revenue from ordinary activities	**9,398**	6,517

3. EXPENSES

Loss includes the following specific expenses:

	2019 $	2018 $
Directors' fees	**60,833**	65,007
Secretarial fees & other Corporate services	**25,410**	67,037

4. AUDITOR'S REMUNERATION

Audit services:

	2019 $	2018 $
- Amounts paid or payable to auditors of the Company – A D Danieli Audit Pty Ltd	**22,500**	35,089
- Amounts paid for other services or to related practices of the auditor	**-**	-

5. INCOME TAX EXPENSE

(a) The prima facie tax on loss before income tax is reconciled to the income tax expense as follows:

	2019 $	2018 $
Loss	**(184,720)**	(723,621)
Prima facie tax benefit @ 27.5% (2018: 27.5%)	**50,798**	198,996
Deferred tax asset not brought to account	**(50,798)**	(198,996)
Income tax attributable to operating losses	**-**	-

5. INCOME TAX EXPENSE (continued)

	2019	2018
(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	**369,700**	369,700
	369,700	369,700

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.

6. EARNINGS PER SHARE

	2019	2018
	cents	cents
Basic and diluted loss per share	**(0.33)**	(1.36)
	$	$
Loss used to calculate basic and diluted loss per share	**(173,903)**	(702,141)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**52,093,010**	51,457,140

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.

7. SEGMENT INFORMATION

The company operates predominantly in one business and one geographical segment being mineral exploration in Australia.

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

2019	**Australia**	**Total**
	$	**$**
Revenue		
Revenue from continuing operations	**9,398**	**9,398**
Total segment revenue	**9,398**	**9,398**
Results		
Segment operating loss before income tax	**(184,720)**	**(184,720)**
Non-Cash Expenses		
Amortisation	**-**	**-**
Assets		
Reportable segment assets	**944,415**	**944,415**
Liabilities		
Reportable segment liabilities	**46,373**	**46,373**

2018	Australia	Total
	$	$
Revenue		
Revenue from continuing operations	6,517	6,517
Total segment revenue	6,517	6,517
Results		
Segment operating loss before income tax	(223,621)	(223,621)
Non-Cash Expenses		
Amortisation	(500,000)	(500,000)
Assets		
Reportable segment assets	1,052,397	1,052,397
Liabilities		
Reportable segment liabilities	10,451	10,451

8. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand	**942,974**	1,050,789

Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer note 15a(i).

9. TRADE AND OTHER RECEIVABLES

Current	2019 $	2018 $
GST receivable	**1,441**	1,607

Refer notes 15(b) and 15(c) for information about the Company's exposure to credit and liquidity risk.

10. OTHER FINANCIAL ASSETS

	2019 $	2018 $
Short-term loan	**-**	500,000
Provision for Impairment	**-**	(500,000)
	-	-

In December 2016, Bora Bora Resources 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.

11. TRADE AND OTHER PAYABLES

Current	2019 $	2018 $
Trade and other payables	**5,539**	449
Other liability *	**40,834**	10,002
	46,373	10,451

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.

(*) director fees to be paid as issued capital subject to approval.

12. ISSUED CAPITAL

	2019	2018
(a) Issued and paid-up share capital	**$**	$
52,057,140 Ordinary Shares, fully paid (2018: 51,457,140)	**10,068,205**	10,038,205

Movements in Ordinary Shares:

Details	**Number of Shares**	**Issue Price**	**$**
Balance at 1 July 2018	51,457,140		10,038,205
Placement of shares (Directors fee)	600,000	$0.05	30,000
Balance at 30 June 2019	52,057,140		10,068,205
Balance at 1 July 2017	51,457,140		10,038,205
Placement of shares	-	-	-
Balance at 30 June 2018	51,457,140		10,038,205

(b) Share Options

2019 - 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 2018**	**Options Issued**	**Options Exercised/ Cancelled**	**Closing Balance 30 June 2019**
			Number	***Number***	***Number***	***Number***
On or before 1 December 2019		$0.10	2,250,000	-	-	2,250,000
On or before 31 July 2019		$0.10	4,288,095	-	-	4,288,095
On or before 31 July 2019		$0.10	2,000,000	-	-	2,000,000
			8,538,095	-	-	8,538,095

2018 - 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 2017**	**Options Issued**	**Options Exercised/ Cancelled**	**Closing Balance 30 June 2018**
			Number	***Number***	***Number***	***Number***
On or before 1 December 2019		$0.10	2,250,000	-	-	2,250,000
On or before 31 July 2019		$0.10	4,288,095	-	-	4,288,095
On or before 31 July 2019		$0.10	2,000,000	-	-	2,000,000
			8,538,095	-	-	8,538,095

(c) 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.

13. RESERVES

	2019	2018
	$	$
Equity based compensation reserve	**201,250**	201,250

Equity based compensation reserve		
Balance at beginning of the year	**201,250**	201,250
Movements during the year	**-**	-
Balance at the end of the year	**201,250**	201,250

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.

14. SHARE BASED PAYMENTS EXPENSE

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. Share based payments were made to directors during the period as disclosed in Note 3 and Note 19.

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

	2019 No.	Weighted average exercise price	2018 No.	Weighted average exercise price
Outstanding at the beginning of the year	**8,538,095**	**$0.10**	8,538,095	$0.10
Granted during the period	**-**	**-**	-	
Forfeited/exercised/expired during the period	**-**		-	
Outstanding at the end of the period	**8,538,095**	**$0.10**	8,538,095	$0.10
Exercisable at the end of the period	**-**		-	

The outstanding balance as at 30 June 2019 is represented by:

Number	**Exercise period**	**Exercise price**
2,000,000	On or before 31 July 2019	$0.10
4,288,095	On or before 31 July 2019	$0.10
2,250,000	On or before 1 December 2019	$0.10
8,538,095		

15. 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:

2019	**Note**	**Floating interest rate**	**Fixed interest rate**	**Non-interest bearing**	**Total**	**Weighted average interest rate**
		$	**$**	**$**	**$**	**%**
Financial assets						
Cash and cash equivalents	8	3,416	850,387	89,171	942,974	1.00
Trade and other receivables	9	-	-	1,441	1,441	
		3,416	850,387	90,612	944,415	
Financial liabilities						
Trade and other payables	11	-	-	46,373	46,373	

2018	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		$	$	$	$	%
Financial assets						
Cash and cash equivalents	8	608,045	441,009	1,735	1,050,789	0.62
Trade and other receivables	9	-	-	1,607	1,067	
		608,045	441,009	3,342	1,052,396	
Financial liabilities						
Trade and other payables	11	-	-	10,451	10,451	

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 2019	**$**	**$**	**$**	**$**
Variable rate instruments	9,430	(9,430)	9,430	(9,430)
Cash flow sensitivity (net)	9,430	(9,430)	9,430	(9,430)

	Profit or (Loss)		**Equity**	
	100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**
30 June 2018	**$**	**$**	**$**	**$**
Variable rate instruments	10,507	(10,507)	10,507	(10,507)
Cash flow sensitivity (net)	10,507	(10,507)	10,507	(10,507)

15. FINANCIAL INSTRUMENTS (continued)

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.

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.

15. FINANCIAL INSTRUMENTS (continued)

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.

2019	**Less than 6 months $**	**6 – 12 months $**	**Over 1 year $**	**Total $**
Financial Liabilities:				
Current:				
Trade and other payables	46,373	-	-	46,373
Non current:				
Trade and other payables	-	-	-	-
Total Financial Liabilities	46,373	-	-	46,373

2018	**Less than 6 months $**	**6 – 12 months $**	**Over 1 year $**	**Total $**
Financial Liabilities:				
Current:				
Trade and other payables	10,451	-	-	10,451
Non current:				
Trade and other payables	-	-	-	-
Total Financial Liabilities	10,451	-	-	10,451

16. COMMITMENTS

The company has no material commitments on Exploration expenditure during the year.

17. CONTINGENCIES

There were no contingent liabilities not provided for in the financial statements at 30 June 2019 (2018: Nil).

18. STATEMENT OF CASH FLOWS

	2019	2018
	$	$
Reconciliation of cash flow from operating activities		
Loss during the year	**(184,720)**	(723,621)
Add back non-cash items:		
Net exchange differences	**10,817**	21,480
Change in assets and liabilities:		
Decrease / (Increase) in receivables	**166**	572,240
Increase / (Decrease) in operating payables*	**65,922**	(45,179)
Net cash outflow from operating activities	**(107,815)**	(175,080)

*Operating payables do not include payables that relate to deferred exploration and evaluation expenditure.

19. 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:

Non-Executive Directors

Mr P Reynolds
Mr N Young
Mr Wade Evans (appointed 16/10/2018)
Mr P Ford (resigned 31/10/2018)

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 entity.

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

	2019	2018
	$	$
Short-term employee benefits – cash	**-**	55,005
Short-term employee benefits – non cash	**19,999**	-
Other liability (*)	**40,834**	10,002
	60,833	65,007

(*) director fees to be paid as issued capital subject to approval.

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 2019	**Balance at 1 July 2018**	**Received as Remuneration (i)**	**Options Exercised**	**Other Movements (i)**	**Balance at 30 June 2019**
Directors					
P Reynolds	612,000	200,000	-	-	812,000
N Young	420,000	200,000	-	-	620,000
W Evans (appointed 16/10/2018)	-	-	-	-	-
P Ford (resigned 31/10/ 2018)	618,000	200,000	-	-	818,000

(i) Refer to note 3.
(ii) Other movements refer to shares purchased during the year.

30 June 2018	**Balance at 1 July 2017**	**Received as Remuneration**	**Options Exercised**	**Other Movements (i)**	**Balance at 30 June 2018**
Directors					
P Reynolds	612,000	-	-	-	612,000
N Young	420,000	-	-	-	420,000
P Ford	618,000	-	-	-	618,000

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

19. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

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 2019	Balance at 1 July 2018	Received as Remuneration	Options Exercised	Other Movements (ii)	Balance at 30 June 2019	Vested and Exercisable at 30 June 2019	Unvested at 30 June 2019
Directors							
P Reynolds	801,000	-	-	-	801,000	-	-
N Young	785,000	-	-	-	785,000	-	-
W Evans (appointed 16/10/2018)	-	-	-	-	-	-	-
P Ford (resigned 31/10/2018)	801,500	-	-	-	801,500	-	-

(ii) Other movements refer to options expired during the year.

30 June 2018	Balance at 1 July 2017	Received as Remuneration	Options Exercised	Other Movements (ii)	Balance at 30 June 2018	Vested and Exercisable at 30 June 2018	Unvested at 30 June 2018
Directors							
P Reynolds	801,000	-	-	-	801,000	-	-
N Young	785,000	-	-	-	785,000	-	-
P Ford	801,500	-	-	-	801,500	-	-

(ii) Other movements refer to options expired during the year.

20. 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.

21. 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.

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.

21. FAIR VALUE MEASUREMENTS (continued)

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 2019			
Recurring Fair Value Measurements	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Cash and cash equivalents	8	942,974	-	-	942,974
Trade and other receivables	9	1,441	-	-	1,441
Total Financial Assets		944,415	-	-	944,415
Liabilities					
Trade and other payables	11	46,373	-	-	46,373
Total Liabilities		46,373	-	-	46,373

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 (2018: no transfers).

22. EVENTS OCCURRING AFTER THE REPORTING DATE

The Company is currently in the process of completing documentation on a transaction and has engaged a number of parties to assist if the transaction progresses to a relisting.

There has not arisen any other matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Company, the results of those operations, or the state of the Company in future 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 company are in accordance with the *Corporations Act 2001*, including:

   (i) Giving a true and fair view of the entity's financial position as at 30 June 2019 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 2019.

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 Reynolds
Non-Executive Chairman

Sydney, 26th September 2019

A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1, 261 George Street
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099
Fax: (02) 9252 7329

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

Independent Auditor's Report
To the Members of
Bora Bora Resources Limited
ABN 35 150 173 032

Report on the audit of the Financial Report

Opinion

We have audited the financial report of Bora Bora Resources Limited and its subsidiaries (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2019 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Cash and cash equivalents Cash and cash equivalents totaling $942,974 is a significant balance to the Company. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to significant level of judgement, However, due to the materiality in the context of the financial statements as a whole, they are considered to be an area of risk in our overall audit strategy.	We have evaluated disclosure and challenged management during our procedures to confirm existence of the asset including: • Documenting and assessing the processes and controls in place to record cash transactions; • Testing and sampling payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing 100% of cash holdings to independent third-party confirmations. Based on our work, we noted no significant issues in respect to cash and cash equivalents.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 11 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Bora Bora Resources Limited, for the year ended 30 June 2019, Complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

Sydney, 26 September 2019

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.

SHAREHOLDER AND OTHER INFORMATION

The shareholder information set out below was applicable as at 12 August 2019.

Substantial shareholders

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

Shareholder	Number of Shares
Cowan Financial Services Pty Ltd <The Manning Development A/C>	7,571,550

Distribution Schedule

SPREAD OF HOLDINGS	HOLDERS	NUMBER OF SHARES	% ISSUED SHARE CAPITAL
1-1,000	30	11,317	0.02
1,001-5,000	57	195,045	0.37
5,001-10,000	85	768,743	1.48
10,001-100,000	206	7,795,453	14.98
100,001-9,999,999,999	77	43,286,582	83.15
TOTAL	**455**	**52,057,140**	**100.00**

As at 12 August 2019 there were 172 shareholders with unmarketable parcels of shares.

Top Twenty Shareholders

Name	*Number*	*%*
Cowan Financial Services Pty Ltd <The Manning Development A/C>	7,571,550	14.54
Exertus Capital Pty Ltd	2,724,411	5.23
D Gray & Co Pty Ltd	1,952,764	3.75
Mr Allan Francis Cowan	1,680,000	3.23
Mckell Place Nominees Pty Ltd	1,524,276	2.93
Radrob Pty Ltd	1,092,000	2.10
Bluestar Management Pty Ltd	1,074,000	2.06
J P Morgan Nominees Australia Pty Limited	984,000	1.89
Jetosea Pty Ltd	978,547	1.88
Jaycon Investments Pty Ltd	950,000	1.82
Songlake Pty Ltd <Songlake Super Fund A/C>	920,710	1.77
Mr Bill Otis	900,000	1.73
Devon Capital Group Pty Ltd <Devon Super Fund A/C>	889,793	1.71
Mr Anthony Peng Ho & Mrs Chui Hoong Ho <A P & C H Ho A/C>	850,000	1.63
HSBC Custody Nominees (Australia) Limited	735,681	1.41
Bluestar Management Pty Ltd <Super Fund A/C>	722,382	1.39
Argento Pty Ltd <Murphy Family>	632,000	1.21
Mad Fish Management Pty Ltd <Mad Fish Super Fund A/C>	612,000	1.18
P Ford Superannuation Pty Ltd <Patrick Ford Super Fund A/C>	606,000	1.16
128 Investments Pty Ltd	582,004	1.12
TOTAL	**27,982,118**	54.74

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Class	Number of securities	Number of holders	Significant holders
Options exercisable at 10 cents each on or before 1 December 2019	2,250,000	3	Mychi Le Investments Pty Ltd, Mad Fish Management Pty Ltd and Diskdew Pty Ltd
Total	**2,250,000**		

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.