



Bora Bora Resources Ltd

ACN 150 173 032

12 January 2015

December 2014 Quarterly Report

KEY HIGHLIGHTS

- ✓ **Exploration Licences EL/211 and EL/212 covering the Matale/Kurunegala Graphite Project renewed for an additional 2 year period**
- ✓ **Ground geophysics completed over the Kingfisher Prospect and Queens Graphite Mine**
- ✓ **Drilling contract signed with Indodrill for drilling program at the Queens Mine**
- ✓ **Drilling contract signed with GSMB for drilling program at Kingfisher Prospect**

MARCH QUARTER PLANS

- **Analysis of ground geophysics results and optimisation of drill hole planning at Queens Mine and Kingfisher Prospect**
- **Preparation of sites for drilling programs**
- **Commence drilling programs at Queens Mine and Kingfisher Prospect**

Graphite explorer Bora Bora Resources Limited (ASX: BBR) (BBR or the "Company") is pleased to report its activities for the quarter ending 31st December 2014.

Corporate Structure

Shares 35,970,000

Options 7,250,000

Perf. Rights 5,000,000

Cash \$4.2m

ASX Code - BBR

Directors

Patrick Ford
Non-Executive Chairman

Chris Cowan
Executive Director

Nelson Reynolds
Non-Executive Director

Andrew Johnstone
Non-Executive Director

Nathan Young
Non-Executive Director

Highlights

- 75% interest in Matale/Kurunegala Graphite Project, near Kandy, Sri Lanka
- Matale/Kurunegala Project is adjacent to the historical Kahatagaha Graphite Mine, which has operated since 1872 and produced >300,000 tonnes of high-grade graphite
- Sri Lanka hosts some of the world's highest-grade graphite – averaging 90% total graphite content (TGC). Global average grade is <15% TGC
- Matale/Kurunegala Project is well-positioned to capitalise on export markets in China and India

Renewal of Key Exploration Licences for Matale/Kurunegala Graphite Project

During the quarter, the Company successfully received renewals for its two key exploration licences at the Matale/Kurunegala Graphite Project in central Sri Lanka. Having completed a significant work program over the initial term, EL/211 and EL/212 were approved for renewal by the Ministry for Environment and Renewable Energy and the Geological Survey and Mines Bureau (GSMB) of Sri Lanka for an additional period of two years for graphite exploration by Bora Bora Resources.

It paves the way for the Company to continue its exploration program over the newly discovered VTEM anomaly, the “*Kingfisher*” Prospect (see Figure 1) including the upcoming drilling program expected to commence during the first quarter 2015.

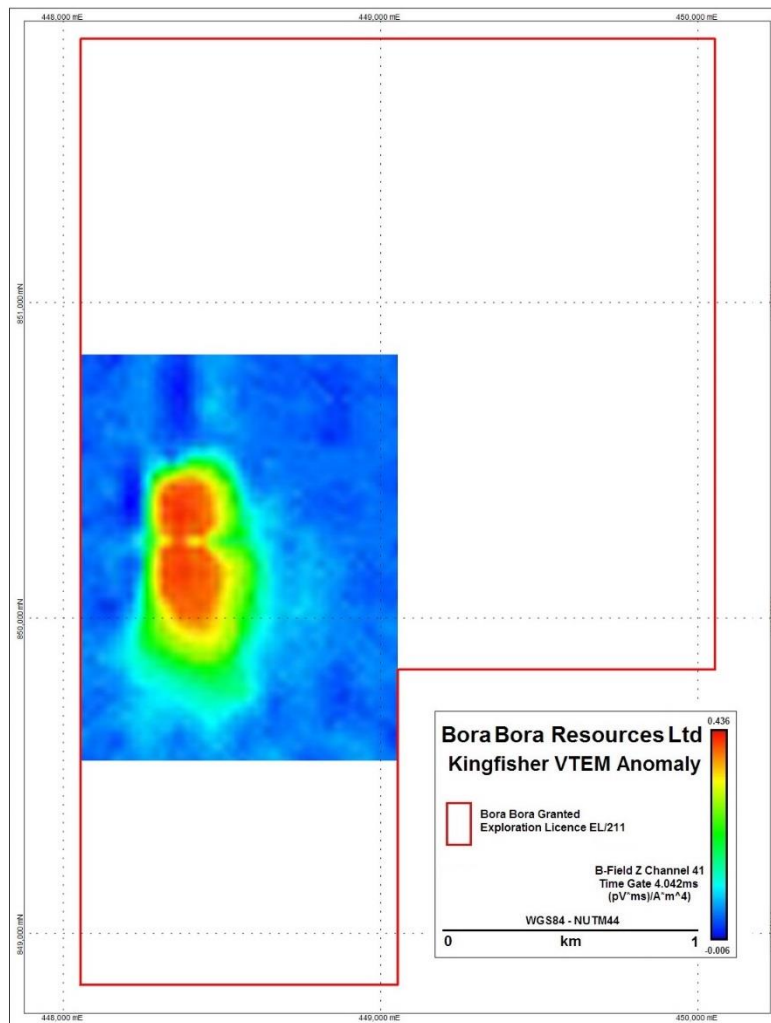


Figure 1: Kingfisher Prospect visual VTEM anomaly at EL/211 of the Matale/Kurunegala Graphite Project

Ground Geophysics at Kingfisher Prospect and Queens Graphite Mine

In December 2014, a geophysics crew was sent to Sri Lanka to conduct ground geophysics over the Kingfisher Prospect and the Queens Mine. The program consisted of the collection of detailed magnetic and other data to assist with the optimisation of drill hole planning for the upcoming drill programs at Kingfisher and the Queens Mine. Results from the ground geophysics surveys will be integrated into the planning of the upcoming drill programs by resource industry specialists SRK Consulting. The crew completed the ground surveys shortly prior to the end of December and the Company is awaiting receipt of the final results.

Drill Contract signed for Queens Graphite Mine due diligence

The Company signed a drilling contract with Indodrill to complete a maiden drilling program as part of the Company's due diligence at the Queens Graphite Mine in central Sri Lanka. An ID500 drill rig has been shipped to Sri Lanka, and will be mobilised to site at the Queens Mine in early January in order for the Company to drill a sufficient number of drill holes to be confident of the commercial potential for a high grade graphite deposit at Queens prior to electing to earn in to RS Mines (Pvt) Limited.

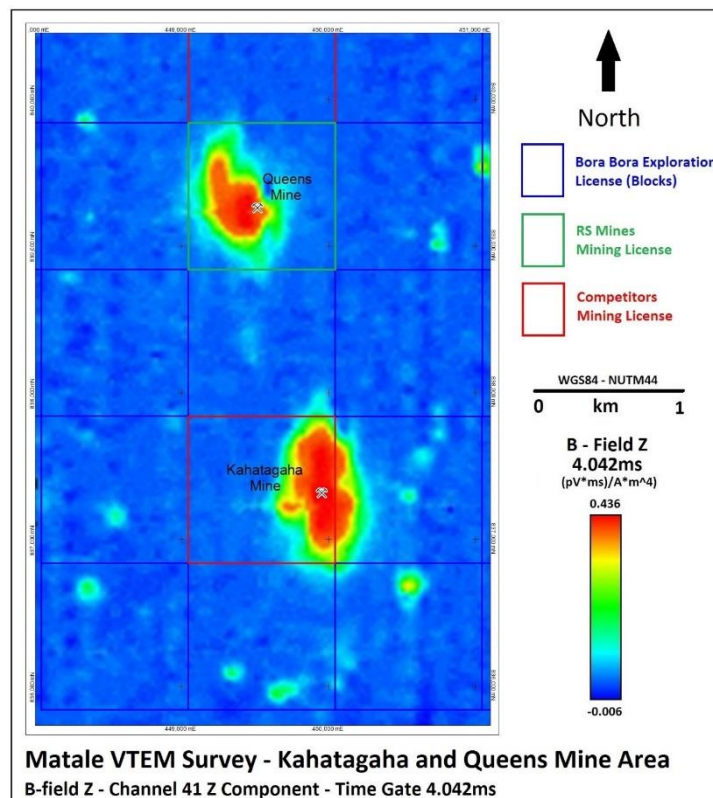


Figure 2: Visual VTEM anomalies over the Kahatagaha Graphite Mine and Queens Graphite Mine



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The Queens Mine mining lease covers an area of 21 acres, is fully permitted, and is currently mining graphite on a small scale. The regional setting of the Queens Mine site consists of 13 old pits that previously yielded high quality graphite such as that found at Kahatagaha Graphite Mine prior to its abandonment.

The proposed drilling program will focus on testing the commercial potential of the Queens Mine which was identified by the large coincident visual VTEM anomaly from the Company's recent airborne survey at the Matale/Kurunegala Graphite Project in central Sri Lanka (see Figure 2). Indodrill's ID500 drill rig and equipment arrived in port at Colombo in the last days of December 2014 along with its crew. The drill rig and equipment are currently awaiting clearance through customs prior to mobilisation to the Queens Mine site.

Drill Contract signed for Kingfisher Prospect

During the quarter the Company signed a drilling contract with the Geological Survey and Mines Bureau (GSMB) of Sri Lanka (see Figure 3) to complete a maiden drilling program at the Kingfisher Prospect at the Company's flagship Matale/Kurunegala Graphite Project in central Sri Lanka. The Kingfisher Prospect was discovered during the Company's recent Versatile Time-Domain Electromagnetic (VTEM) Survey.

Bora Bora Resources has committed to complete a minimum program of 10 holes of between 200m to 400m depth at the Kingfisher Prospect to test for graphite vein swarm mineralisation similar to that found at the Kahatagaha Graphite Mine (KGM) approximately 13km to the south. Kingfisher displays a strong visual VTEM anomaly similar in intensity and size to that found at the KGM and the Queens Graphite Mine.



Figure 3: Mr Cowan with GSMB Chairman Senarath Jayasundara, Director General Dr Bernard Prame and other reps



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The Company is pleased with the decision by the GSMB to purchase a new drill rig in order to complete the drill program. The Company intends to utilise supervisory experts with experience in vein style mineralisation once the rig is mobilised to the Kingfisher site during the January quarter to provide assistance, training and oversight for the drilling program.

Termination of MOU with Monash University

The Company continued to work toward formulating a commercialisation strategy and business plan with Monash University. Having assessed information provided by Monash University, enquiries in regards to their intellectual property raised questions of the ability of Monash to produce a working graphene supercapacitor prototype in the short term. This combined with other uncertainties including increased competition in the sector lead the Board to the commercial decision to direct available resources and management time toward the Company's Sri Lankan graphite assets. The MOU was mutually terminated in December 2014 without cost to the Company.

St Arnaud Gold Project (BBR 100%)

A limited amount of exploration work was completed on the St Arnaud Gold Project during the quarter. The Company is in the process of assessing divestment options.

Corporate

The Company completed the settlement of tranche 2 of the placement issue upon successful receipt of shareholder approval at a general meeting held on 7th October 2014.

As at 31st December 2014, the Company held cash reserves of \$4.2m.

Further information

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

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About Bora Bora Resources

Bora Bora Resources Limited (ASX: BBR) is a Sydney-based graphite exploration company focused on the Matale/Kurunegala Graphite Project in Sri Lanka. BBR was listed on the Australian Securities Exchange on 11 May 2012.

BBR has acquired a 75% interest in the Matale/Kurunegala Graphite Project near Kandy in Sri Lanka, through a deal with Plumbago Mining Pty Ltd announced in 2012. The Matale/Kurunegala project is situated on 145km² of tenements and applications surrounding the historic Kahatagaha Graphite Mine (KGM), which has operated since 1872 and produced more than 300,000 tonnes of high-grade graphite. BBR has added to its Sri Lankan graphite project portfolio with the granting of licences for the Paragoda North and Paragoda South Graphite Projects in central Sri Lanka.

BBR has also established a graphite project portfolio in southern Sri Lanka with the Baduraliya, Neluwa and Ambalangoda Graphite Projects.

About Sri Lankan Graphite

Vein graphite is known under various names including crystalline vein, Plumbago, Sri Lankan graphite, and Ceylon graphite. The name "Sri Lankan" and "Ceylon" are commonly used for vein graphite since the island nation of Sri Lanka (formerly Ceylon) is the only area to produce this material in commercial quantities.

Serious mining and exportation of Ceylon graphite began about 1824, however the unusual deposits of Ceylon have been known since the middle of the 1600s.

Due to the natural fluid-to-solid deposition process, vein graphite deposits are typically above 90% pure with some vein graphite reaching 99.5% graphitic carbon in the "as found" state. This level of purity is possible because the deposition of carbon occurs as a precipitation of solid carbon from a geologic fluid that is traversing emplaced rock. There is no intimate mixing or association of the graphite with country rock as in conventional flake graphite deposits where the non-carbon and carbon phases may be deposited contemporaneously.

Typical veins measure from centimetres to nearly 2m in thickness with the highest purity material being located toward the centre of the vein away from contact with the wall rock. Vein graphite is mined using conventional shaft or surface methods typically used to mine vein-type deposits.

Vein graphite is available in sizes ranging from 8cm lumps to powder as fine as 5-micrometers. Products covering the range of purity from 94% graphitic carbon to 99% graphitic carbon are commonly available. In many applications vein graphite may offer superior performance since it has slightly higher thermal and electrical conductivity, which result from its high degree of crystalline perfection. Vein graphite also has the highest degree of cohesive integrity of all natural graphite



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materials. High cohesive "energy" means that vein graphite is easy to mould and can be formed into solid shapes without the aid of a binder addition.

[Source: Asbury Carbons – The world's largest independent processor and merchandiser of graphite]

Competent Persons Statement

The information in this report that relates to the Matale/Kurunegala Graphite Project, the Queens Graphite Mine and the Kahatagaha Graphite Mine was first reported by the Company in compliance with the JORC 2012 code in market releases dated 6th March 2014, 18th March 2014, 24th June 2014, 17th July 2014, 15th October 2014 and 17th October 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements that were released on these dates.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Andrew Johnstone who is an Officer of the Company. Mr Johnstone 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 Johnstone consents to the form and context in which the Exploration Results and the supporting information are presented in this report.



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Schedule of Mining Tenements Held as at 31st December 2014

Australian Projects

Licence No.	Interest [#]	Location
EL 4363	100%	St Arnaud, Victoria, Australia
EL 5384	100%	St Arnaud, Victoria, Australia

Sri Lankan Projects

Licence No.	Interest [#]	Location
EL/211	75%	Central Sri Lanka
EL/212	75%	Central Sri Lanka
EL/229	75%	Central Sri Lanka
EL/230	75%	Southern Sri Lanka
EL/246	75%	Southern Sri Lanka
EL/247	75%	Central Sri Lanka

[#]All interests are direct equity interests. Bora Bora Resources does not currently have in place any farm in or farm out arrangements for any of its tenements

Details of Mining interests acquired during the quarter

Nil

Details of Mining interests disposed of during the quarter

Nil

Beneficial percentage interests held in farm-in or farm-out agreements as at 31st December 2014

Nil

Beneficial percentage interests acquired or disposed of in farm-in or farm-out arrangements during the quarter

Nil