LAMBOO RESOURCES LIMITED

ABN 27 099 098 192

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

CORPORATE DIRECTORY

Board of Directors

Bruce Preston	Non-Executive Chairman
Richard Trevillion	Managing Director and CEO
Alvars Lee Hon Nam	Non-Executive Director
Wenzhao Xie	Non-Executive Director

Company Secretary

Paul Marshall

Registered Office	Share Registry
Level 7 320 Adelaide Street Brisbane QLD 4000 GPO Box 216 Brisbane QLD 4001 Telephone: +61 7 3010 9268 Facsimile : +61 7 3010 9001 Email: info@lambooresources.com.au Website: www.lambooresources.com.au	BoardRoom Pty Ltd Level 7 207 Kent Street Sydney NSW 2000 Telephone: 1300 737 760 Facsimile: 1300 653 459 Website: www.boardroomlimited.com.au
Auditors BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 Telephone: 07 3237 5999 Fax: 07 3221 9227 Website: www.bdo.com.au	

DIRECTORS' REPORT

Your Directors present their report on Lamboo Resources Limited (the Company) and its controlled entities (the Consolidated Entity) for the year ended 30 June 2014.

DIRECTORS

The names and details of the Directors of Lamboo Resources Limited in office at the date of this report or at any time during the financial year are:

Name	Position	Period of Directorship
Bruce Preston	Non-Executive Chairman	Appointed 6 January 2014
Richard Trevillion	Managing Director and CEO	Appointed 20 December 2010
Wenzhao Xie	Non-Executive Director	Appointed 1 August 2014
Alvars Lee Hon Nam	Non-Executive Director	Appointed 11 September 2014
Greg Baynton	Former Non-Executive Director	Appointed 6 January 2014, Resigned 11 September 2014
Craig Rugless	Former Executive Director	Appointed 21 May 2012, Resigned 23 May 2014
Rod Williams	Former Non-Executive Director	Appointed 21 May 2012, Resigned 2 May 2014
Rick Anthon	Former Non-Executive Chairman	Appointed 19 June 2012, Resigned 6 January 2014

Bruce Preston
Non-Executive Chairman

Bruce Preston is a geophysicist with extensive mineral exploration experience throughout Australia and the Asia Pacific regions. He also worked in stockbroking and investment banking for 13 years as a resource analyst with Morgan Stockbroking, Nomura Australia, James Capel and Bell Securities.

In 2004 he was one of the founding directors of Rey Resources Limited which listed on the ASX in June 2006. He served as Managing Director until August 2007 and then as Technical Director until he retired in November 2011.

He holds a PhD in geophysics (UNE) and is an active member of the Australian Society of Exploration Geophysicists (ASEG) and the Australian Institute of Geoscientists (AIG).

Other Listed Company Directorships in the past three years:

- Rey Resources Limited (resigned November 2011)

Richard Trevillion
Managing Director and CEO

Richard Trevillion is a qualified solicitor and graduate of the Manchester School of Management (University of Manchester) with honours. He has further post graduate qualifications in law, marketing and finance.

Richard trained as a solicitor with a global top 10 law firm Hogan Lovells and practiced at Simmons & Simmons before moving to investment banking latterly at Close Brothers as a director. Richard moved from investment banking to partner with businesses as a principal and equity investor. Richard is the founder of Amity Partners and Adillion Pty Ltd, both principal financial investment and corporate consulting businesses. Both businesses have a variety of investment positions in growth businesses across the globe.

He has not been a Director of any other Australian listed company in the last three years.

Wenzhao (Jerry) Xie
Non-Executive Director

Mr Xie has a background in running listed companies and investment banking in Asia. Mr Xie was recently the Chief Financial Officer of Hong Kong-listed Winsway Coking Coal Holdings Limited (Winsway) and was responsible for managing the Winsway's transition from private ownership through its Initial Public Offering on the Hong Kong Stock Exchange.

With degree qualifications in Chemical Engineering and an MBA, Mr Xie has over 10 years of experience in initial public offerings, mergers and acquisitions, private equity, and senior corporate management responsibilities. He has been an investment banker and an investor for several global financial services companies such as Bank of China International, Deutsche Bank AG and Lehman Brothers.

Mr. Xie is currently the Chief Executive Officer and Executive Director of Hong Kong listed Wonderful Sky Financial Group (HKWS), an investment holding company engaged in the provision of financial public relations (PR) services and international roadshow services in Hong Kong. Prior to joining HKWS, Mr. Xie held the Chief Financial Officer role at Winsway from February 2010 to April 2013 and was responsible for Winsway's initial public offering, capital markets activities, financial management, mergers and acquisitions and investor relations.

Mr. Xie received a Bachelor of Science degree in Chemical Engineering from the Georgia Institute of Technology in 1996 and a Master of Business Administration degree from the Stern School of Business at New York University in 2004.

He has not been a Director of any other Australian listed company in the last three years.

Alvars Lee Hon Nam
Non-Executive Director

Alvars is Hong Kong based and has over 20 years experience in advising corporates and working in capital markets. He has advised on a number of equity capital raisings, restructurings and also on M&A transactions most recently as an independent consultant and before that with KGI Capital Asia Limited, where he was Head of Corporate Finance, and with Daiwa Capital Markets Hong Kong Limited, where he was Managing Director, China Investment Banking.

Alvars has a Bachelor of Science (Hons) in Mechanical Engineering from the University of Hong Kong and a Master of Business Administration from The Anderson School at the University of California, Los Angeles.

He has not been a Director of any other Australian listed company in the last three years.

Former Directors

Greg Baynton
Non-Executive Director - Resigned 11 September 2014

Greg Baynton is the founder and Managing Director of Orbit Capital, an investment and advisory company and holder of an Australian Financial Services Licence. He has been a board member of Australian exploration companies since 1997 and has experience in identifying new opportunities, establishing new companies, IPO's and other capital raisings, and mergers and acquisitions.

Mr Baynton's other current directorships include Asia Pacific Data Centre Limited (since 2012). He was Deputy Chairman of Coalbank Limited until the completion of its takeover in November 2013, and was a Director of Pipe Networks Limited until its takeover in 2010. Mr Baynton was a non-executive director of NEXTDC Limited from 2010 until April 2014 and Mr Baynton was a Director of South Korean flake graphite explorer, Opirus Minerals Pty Ltd, until its acquisition by Lamboo Resources in late 2012. He holds a Bachelor of Business (Accountancy), a Master of Economic Studies (UQ), a Post-graduate Diploma in Applied Finance & Investment (SIA), and an MBA (QUT).

Other Listed Company Directorships in the past three years:

- Asia Pacific Data Centre Limited (appointed 2012).
- NEXTDC Limited (resigned April 2014)
- Coalbank Limited (resigned November 2013)

Craig Rugless
Executive Technical Director - Resigned 23 May 2014

Dr Craig Rugless BSc, PhD, MAusIMM, MAIG, MS EG, MAAG is an economic geologist who has over 40 years of experience in exploration and project development in Australia and Oceania and 9 years as the Director of a public company. Dr Rugless has been involved with the management of exploration programs in Kalgoorlie and Mt. Gibson in Western Australia that contributed to the location of significant ore deposits.

In addition to working for major companies including Australian Anglo American Ltd and Homestake Australia Ltd, Dr Rugless has developed a successful consultancy to the exploration industry and provided services such as detailed mineragraphic/petrographic studies, PIMA (Portable Infrared Mineral Analysis) mineral deposit vectoring studies based on alteration assemblages and innovative geochemical surveys for numerous base and precious metal deposits. The studies have been conducted in a variety of geological terrains ranging in age from Archaean to Tertiary and involving most styles of mineralisation, including epithermal gold – silver deposits (Australia, Fiji), epigenetic gold deposits (WA goldfields, Ghana & Canada), platinum group metals (PGM) associated with layered mafic/ultramafic complexes (WA, South Africa, USA), komatiitic and gabbroid style nickel – copper – cobalt deposits (WA Goldfields & Kimberley, Canada, USA), sedimentary copper and stratabound SEDEX zinc – lead deposits (Kazakhstan, Canada, Australia), porphyry copper – gold – molybdenum deposits (Chile, Kazakhstan, Fiji) and volcanogenic massive sulphide (VMS) copper – zinc – lead – gold - silver deposits (Australia, Fiji, Canada).

He has not been a Director of any other Australian listed company in the last three years.

Rod Williams
Non-Executive Director - Resigned 2 May 2014

Rod Williams BSc (Hons), Dip GeoSc, F Fin, MAusIMM, MAIG is a geologist with over 40 years' experience in mineral exploration, evaluation, project development and mining. Following employment with WMC Ltd on base metal exploration, he moved to Rosebery, Tasmania with Electrolytic Zinc, being involved in underground mining and exploration for six years. In 1979 he moved to CSR Ltd. and for the majority of the next nine years managed exploration and evaluation in SE Australia for a range of base and precious metals. In 1988 he joined Hill Minerals (later Ashton Mining Limited) in WA being responsible for gold exploration in the Leonora area.

From 1991 to 1993 he was involved in evaluation and development as Group Development Geologist. From 1993 to 1996 he consulted to number of companies in the WA gold industry. From 1996 he worked for Burdekin Pacific Ltd, becoming Exploration Manager in 1997. From 2000 to 2003 he was employed part time with Burdekin and otherwise engaged in geological consulting, project generation, evaluation and resource modeling plus pit optimization.

Since 2004 he has been involved in project generation and consulting geological services. From 2005 to early 2012 he was the Technical Director of Xanadu Mines Limited. From March 2012 to Oct 2012 he was a non-executive Director of Xanadu Mines Limited. Activities in Mongolia for Xanadu Mines Limited included locating and drilling out a +300Mt coal resource under the JORC Code. Xanadu Mines Limited listed on the Australian Stock Exchange (ASX) in December 2010.

Other Listed Company Directorships in the past three years:

- Xanadu Mines Limited (appointed December 2010 resigned October 2012)

Rick Anthon
Non-Executive Chairman - Resigned 6 January 2014

Rick Anthon BA (ANU) LLB (ANU) MAICD is a solicitor. He has practiced extensively in corporate, mining and resources law for over 20 years. He has advised on numerous acquisitions, joint ventures, and debt and capital raisings both in Australia and overseas. Additionally, Rick has acted as non-executive Director and chairman for a number of public resource companies over the last 20 years and has previously chaired audit and remuneration committees for those companies.

Other Listed Company Directorships in the past three years:

- Laneway Resources Ltd (appointed June 1996)
- Metals Finance Ltd (appointed October 2010)
- Stratum Metals Ltd (appointed October 2011)
- Bass Metals Ltd (appointed October 2013)
- International Coal Ltd (listed August 2011 resigned November 2011)
- Baru Resources Ltd (listed September 2011 resigned July 2012)

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of Lamboo Resources Limited are shown in the table below:

Director	Ordinary Shares	Performance shares	Options
Richard Trevillion	3,826,040	-	-
Bruce Preston	450,000	-	-
Wenzhao Xie	-	-	-
Alvars Lee Hon Nam	-	-	-

SENIOR MANAGEMENT

The names and details of the Company's key management personnel during the financial year and until the date of this report are as follows:

Paul Marshall
Company Secretary

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post-Graduate Diploma in Accounting and Finance. He has over 25 years' experience having worked for Ernst and Young for ten years, and subsequently more than fifteen years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies, mainly in the resources sector. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2014 and the number of meetings attended by each Director.

	Meetings attended	Eligible to attend
Bruce Preston	5	5
Richard Trevillion	7	7
Craig Rugless	3	4
Greg Baynton	5	5
Wenzhao Xie	-	-
Alvars Lee Hon Nam	-	-
Rod Williams	3	3
Rick Anthon	2	2

There are no committees of directors. All relevant matters are considered by the Board.

CORPORATE INFORMATION

Corporate Structure

Lamboo Resources is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). Lamboo Resources has prepared a consolidated financial report encompassing the entities that it controlled during the financial year.

Lamboo Resources had the following subsidiaries during the financial year:

- Lamboo Resources No.1 Pty Ltd
- McKintosh Resources Limited
- Gel Company Pty Ltd
- Opirus Minerals Pty Ltd
- Advanced Particle Group Pty Ltd
- Won Kwang Inc

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the course of the year the principal activity of the Consolidated Entity was mineral exploration on its projects in Western Australia, New South Wales and South Korea.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to environmental regulations in relation to its exploration activities. The Directors are not aware of any significant breaches during the period covered by this report.

CURRENCY

The financial report is presented in Australian dollars and amounts are rounded to the nearest dollar.

FINANCIAL REVIEW

Capital structure

At 30 June 2014 the Company had 119,961,830 ordinary shares, 22,500,000 performance rights and 5,717,835 options on issue.

On 9 July 2014 the Company announced a capital raising of $2.18M through the placement of 2.42 million shares at 90 cents per share. 830,000 options were also exercised during July and August 2014 raising $0.125M.

Treasury policy

The Board controls the funds which are handled on a day to day basis by the Company Secretary.

Dividends

No dividends were paid during the financial year ended 30 June 2014 (2013: nil) and no dividend is recommended for the current year.

Operating Results

Comparison with Prior Year
For the year ended 30 June 2014, the loss for the Consolidated Entity after providing for income tax was $490,755 (2013: loss of $5,215,600).

During the 2013 financial year the Consolidated Entity acquired South Korean exploration assets for $3.67M, being the value of Lamboo Resources Limited shares and performance rights granted to the vendors (refer to Note 22 for more details). The Consolidated Entity has adopted an accounting policy of directly expensing the initial acquisition of exploration upfront. This expense can be regarded as a one-off item to the extent that it will not be incurred in future periods unless additional projects are acquired.

The Company received a research and development income tax concession of $1.25M for the first time during the year.

Revenue
As an early stage exploration company, Lamboo Resources Limited does not generate any income other than interest on its cash holdings, drilling grants and some minor consulting work. The Consolidated Entity generated $227,199 in revenue during the period, in comparison to $106,935 generated in the prior year.

Expenses
The Consolidated Entity's main sources of expenses are as follows:

	2014 $	2013 $
Employee expenses	822,564	652,006
Corporate and administration expenses	1,077,587	528,611
Exploration costs expensed	-	3,923,279
Costs relating to acquiring and managing tenements under application	65,816	218,639
Total expenses	1,965,967	5,215,600

In the prior *year Exploration costs expensed* related to the cost of acquiring the South Korean assets. $3.67M of this amount is the value of Lamboo Resources Limited shares and performance rights granted to the vendors (refer to Note 22 for more details). The remaining $0.25M was transaction costs related to the purchase. The Consolidated Entity has adopted an accounting policy of directly expensing the initial acquisition of exploration upfront. Any subsequent future exploration and evaluation expenditures on the South Korean projects are capitalised in accordance with and AASB 6 "Exploration for and Evaluation of Mineral Resources".

This prior year expense source can be regarded as one-off items to the extent they will not be incurred in future periods unless additional projects are acquired or applied for.

Employee expenses increase by $0.17M as the Consolidated Entity increased its employee numbers to accommodate an increase in activities in both Australia and South Korea.

Corporate and administration expenses increased $0.55M as the Consolidated Entity increased activities in both Australia and South Korea as well developing new business opportunities in China through the proposed merger with China Sciences Hengda Graphite Co Ltd.

Cashflows

The major items of cash expenditure during the year were:

	2014	2013
	$	$
Payments relating to the exploration and evaluation of projects	4,152,648	2,563,092
Capital raising payments relating to the 2012 year [1]	-	493,456
Other payments relating to the 2012 year [1]	-	313,619
Transaction costs relating to the acquisition of the South Korean projects	-	243,487
Costs relating to acquiring and managing tenements under application	65,816	218,639
Payments for plant and equipment	18,011	68,312
Payments for security deposits	18,065	61,858
Employee payments [2]	822,564	652,006
Administrative payments	1,088,689	647,211

[1] As the capital raising and relisting of the Company occurred late in the 2012 financial year, a number of items payable were not settled until the 2013 financial year.

[2] Employee payments for technical staff that relate specifically to the Company's projects are included in "Payments relating to the exploration and evaluation of projects".

REVIEW OF OPERATIONS

Exploration

The Company's tenements include advanced exploration projects at McIntosh, Halls Creek and Mabel Downs in the East Kimberley of Western Australia, Valla in Northern New South Wales as well as advanced projects in South Korea. The prime focus of the Company continues to be the McIntosh flake graphite project in the East Kimberley and its flake graphite project in Geuman, South Korea. There has been limited field work undertaken at the Halls Creek, Mabel Downs and Valla projects during the period.

McIntosh

In January 2014 the Company announced an updated JORC compliant resource estimate of 7.135 Mt at 4.73% TGC (4.95% TC) for 337.7 Kt of contained graphite (see Table 1). Recent exploration drilling has been focused on the Target 5 and Target 6 prospects with JORC compliant resource estimates being targeted for the first half of 2015. The greater McIntosh project area contains 5 identified and tested graphite targets which represent an aggregate of over 10 km strike length of graphitic schist. The graphitic schist horizons all occur within the high grade, Paleoproterozoic Tickalara Metamorphic suite that occurs immediately west of the Halls Creek Fault.

Location and geology

The McIntosh flake graphite project is located 280 km along the Great Northern Highway south of the port of Wyndham. The Company has announced the discovery of at least five flake graphite schist horizons – Targets 1, 2, 3, 5 and 6 associated with aerial EM anomalies and occurring within the high grade Tickalara Metamorphics which form part of the Halls Creek Tectonic Zone. All 5 Target areas have been extensively drill tested with excellent correlation between the EM anomalies and drill hole assays (Figure 1).

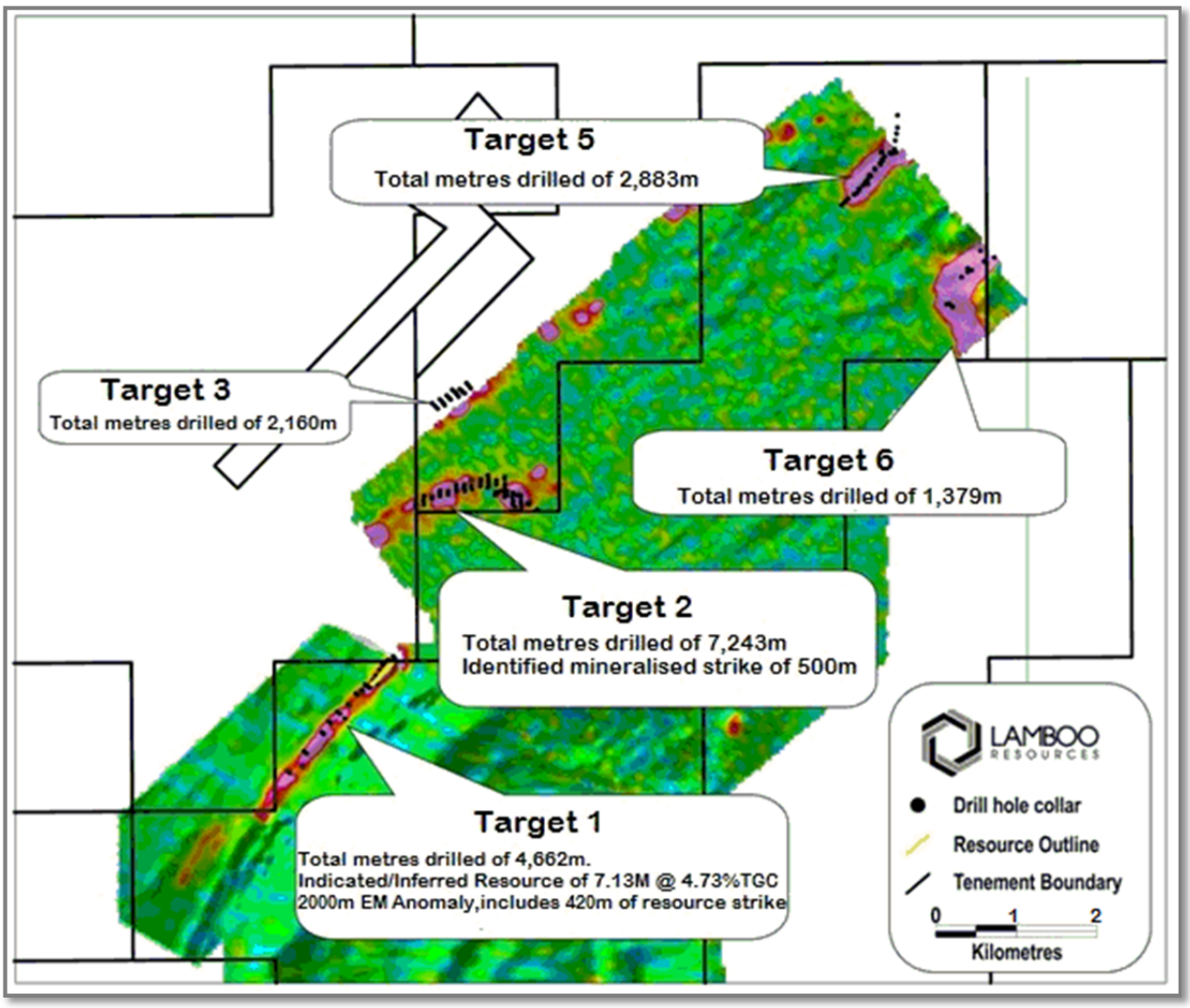

Figure 1: Target 1, 2, 3. 5 and 6 showing EM anomalies associated with graphitic schist and drill holes completed to date.

The host lithology is a graphitic schist, which in thin section can be associated with biotite, muscovite, quartz, feldspar and sillimanite in varying amounts. Sulphides are typically present and can be associated with anomalous Cu and Zn values although the sulphide component can be separated easily by gravity separation. No deleterious minerals appear to be associated with the McIntosh flake graphite.

JORC Resource

Lamboo Resources Ltd announced a maiden JORC 2012 compliant indicated and inferred resource for Target 1 at McIntosh of 7.135 Mt at 4.73% TGC (4.95% TC) over a strike length of 400 m and to a depth of 200 m RL. The resource contains 337.7 Kt of contained graphite at a nominal cut-off grade of 2% TGC (refer Table 1).

Table 1: Target 1 Flake Graphite Resource estimated at 2.0% TGC lower cut off

Project Area	Ore Type	Rsource Classification	Tonnes	Graphite (%TGC)	Contained Graphite (tonnes)
Target 1	Primary	Indicated	4,470,000	4.71	210,350
Graphite	Oxide	Inferred	540,000	4.51	24,350
	Primary	Inferred	2,125,000	4.84	103,000
	Oxide + primary	**Total Resource**	**7,135,000**	**4.73**	**337,700**

The JORC resource represents 400 m of a flake graphite horizon that extends over 2,500 m with strong potential to increase the overall resource at Target 1. Recent announcements by the Company indicate the flake graphitic schist continues to the southwest and remains open both along strike and at depth at Target 1. Phase 2 drilling has extended the strike length of the flake graphite schist horizon containing the published JORC resource at Target 1 (Figure 2). A strike length of 1500 m has now been confirmed with a further 1000 m of the aerial EM anomaly to be drilled.

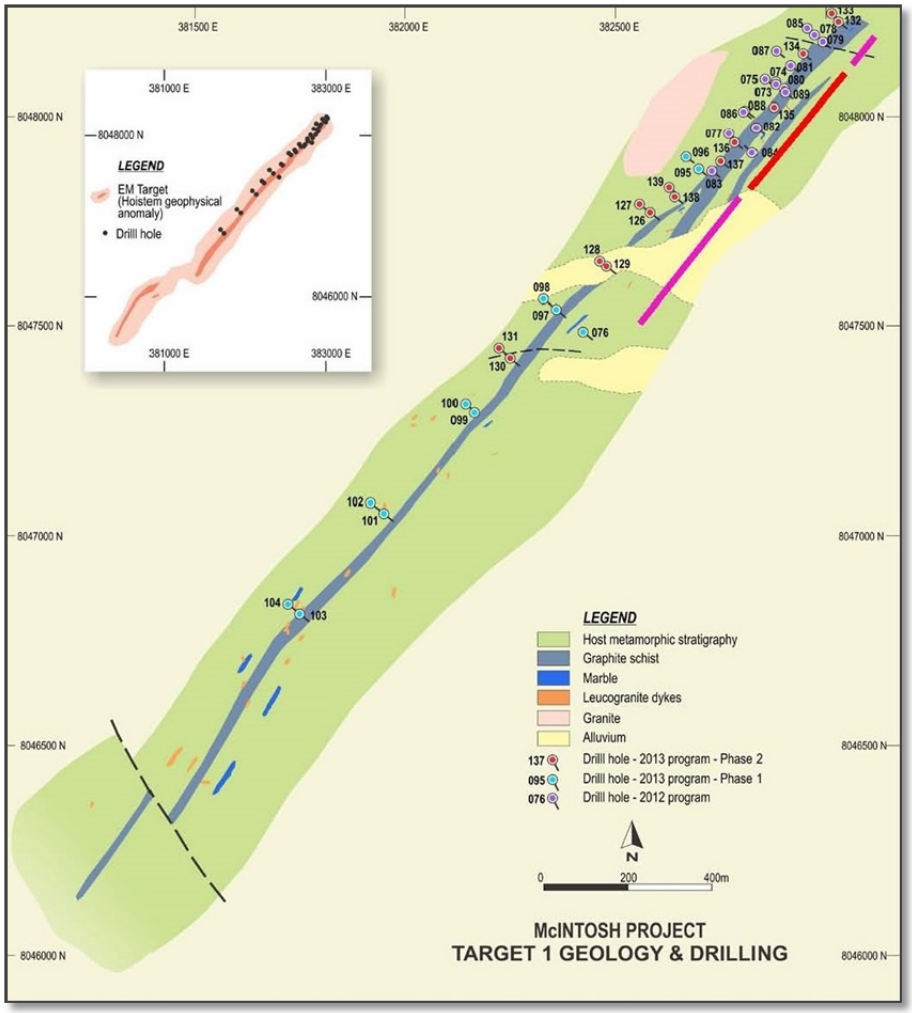

Figure 2: Phase 2 drill hole locations at Target 1 showing the extent of the aerial EM anomaly associated with the flake graphite schist horizon.

Targets 5 and 6 have been the focus of exploration activities due to their higher grade and the presence of coarse flake graphite which has been confirmed by petrographic studies. Geological mapping, rock chip sampling and RC drilling at Target 5 (Figure 3) have identified flake graphite mineralisation consistent with the EM anomaly confirming the flake graphite horizon extends over a strike length of 1100 m. Rock chip assays at Target 5 indicate grades in excess of 10% TGC, with the highest grades of 17.8% TGC returned from a rock chip sample located at 388834mE; 8054146mN (Figure 5). Geological mapping combined with RC drilling at Target 6 (Figure 4) has identified a broad zone of graphite mineralisation within a possible fold hinge. Both RC and Diamond core drilling is planned at Target 5 and Target 6 with the aim of completing maiden JORC 2012 compliant resources in the first half of 2015.

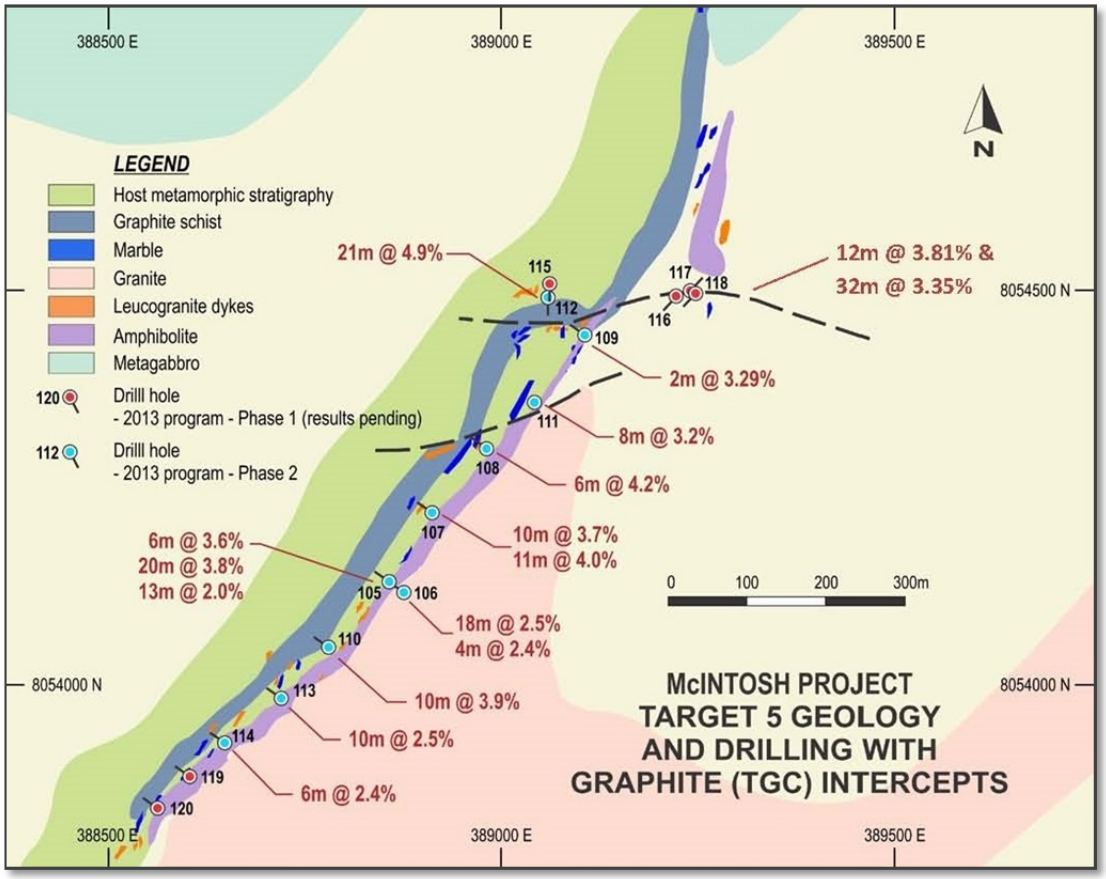

Figure 3: Target 5 geological mapping and drill collar locations with significant TGC intercepts.

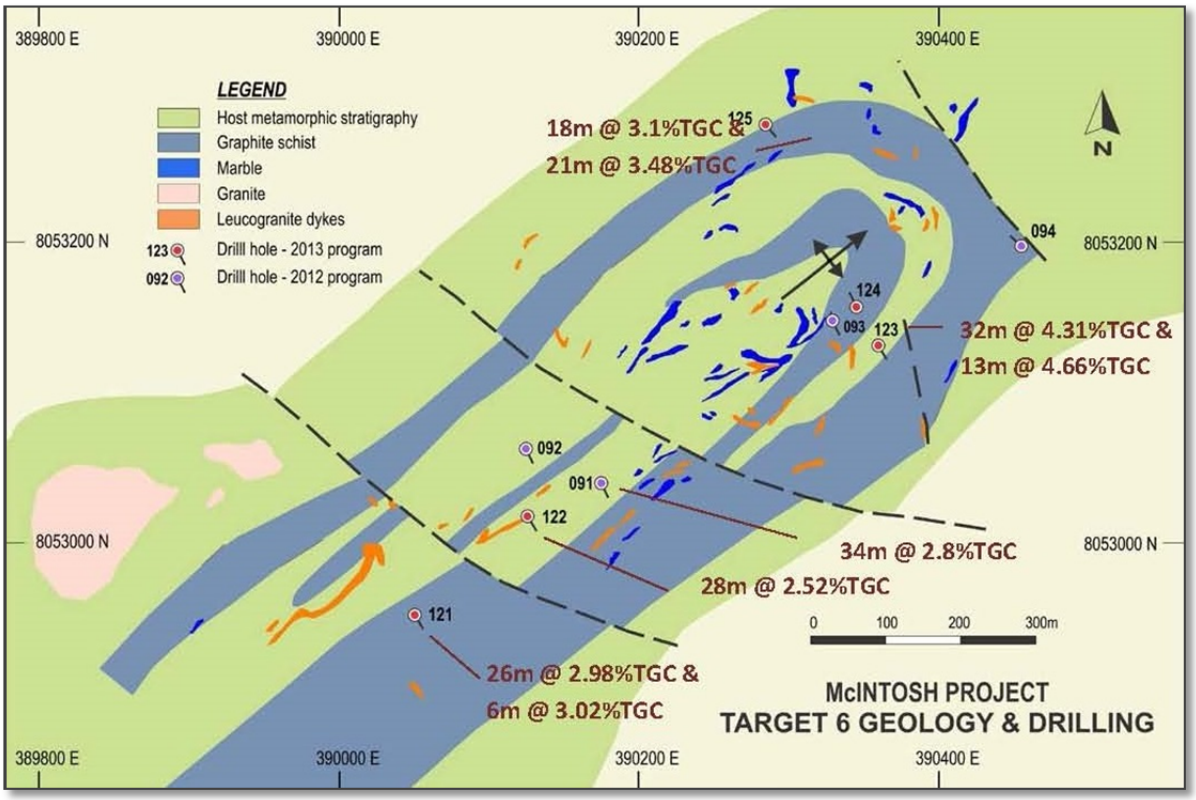

Figure 4: Target 6 geological mapping and drill collar locations with significant TGC intercepts.

Figure 5: Flake graphite outcrop at Target 5, rock chip assay returned a grade of 17.8% TGC from this location (388834mE; 8054146mN)

Petrology and Metallurgy

Drill hole samples from Targets 1, 5 and 6 have confirmed the presence of strong flake graphite occurring as clumps as well as locally rimming stellate aggregates of sillimanite that would appear to indicate remobilisation and potential enhancing of flake graphite during retrograde metamorphism. The flake graphite has been concentrated along a series of anastomosing shears providing a natural separation of the flake graphite. Graphite flakes investigated to date at Target 1, 5 and 6 are relatively consistent and vary in size from 20 to 160 µm. The flake size distribution of Target 1, 5 and 6 based on petrographic analysis is detailed in Table 2.

It is important to note that flake graphite size in Targets 5 and 6 appears to be larger - in the order of 100 to 250 µm and would provide flexibility in terms of flake graphite production for selected markets.

Table 2: Flake size (short diameter) distribution based on microscope studies of RC pulps (after GZRINM).

Size (µm)	Target 1	Target 2	Target 5	Target 6
-640+320	-	3.15%	0.9%	
-320+160	3.05%	3.93%	3.12%	0.98%
-160+80	8.95%	16.91%	9.82%	15.28%
-80+40	14.0%	25.22%	18.3%	25.46%
-40+20	30.75%	28.73%	38.44%	36.43%
-20+10	32.58%	19.23%	25.67%	18.67%
-10	10.67%	2.83%	3.75%	3.18%

Table 3: Flake size distribution based on sieved concentrates from Target 1 (after Nagrom).

Size (µm)	Mesh size (A.S.T.M)	Target 1 (cumulative flake size distribution after sieving)
-500	- 35#	98.17%
-425	- 40#	95.68%
-355	- 45#	92.46%
-250	- 60#	85.03%
-180	- 80#	77.65%
-125	- 120#	67.21%
-106	- 140#	62.76%
-90	- 170#	58.21%
-75	- 200#	53.53%
-53	- 270#	43.73%
-38	- 400#	37.49%

Results from metallurgical beneficiation of flake graphite from Targets 1, 2, 5 and 6 at the McIntosh Project have shown that high concentrates are readily achievable. Nagrom Laboratories in Kelmscott WA achieved high concentrate grades of 96.1% TGC for Target 1 flake after using a caustic bake technique. Similar results have been achieved for Targets 2, 5 and 6 with concentrate grades of 98.03%, 96.26% and 97.43% TGC respectively, achieved by the Guangzhou Research Institute of Non-ferrous Metals (GZRINM) in Southern China (Tables 4 and 5).

Both Nagrom and GZRINM estimate flake graphite recoveries >80% for all of the Target areas. Metallurgical testwork is underway to confirm the large graphite flake size for Targets 2, 5 and 6 apparent in the petrographic analysis of rock chip samples.

Table 4: The graphite flotation results (after GZRINM)

Sample	Assay of head (%TGC)	Graphite Concentrate (%TGC)	Recoveries (%)
Target 1	8.35	55.90	80.73
Target 2	4.43	80.22	88.30
Target 5	8.52	80.61	80.59
Target 6	4.83	78.43	95.82

Table 5: Flotation concentrate after chemical leaching

Sample	Chemical Leaching (HF + HCl) Results (%TGC)
Target 1	95.04
Target 2	98.03
Target 5	96.26
Target 6	97.43

Ongoing metallurgical studies are aimed at developing procedures consistent with the production of highly marketable flake graphite, with the plan to export to Asia via Wyndham Port (Figure 5). The economics of the project are greatly enhanced by expected low strip ratios in a number of open pit operations. The initial in-house project economics look positive with work on a feasibility study to commence upon the delivery of a maiden resource estimate for Target 5 and Target 6 combined with an updated resource estimate for Target 1.

Figure 5: Wyndham Port, WA. Located 280km north of Lamboo's McIntosh Flake Graphite Project.

Heritage

Heritage Protection Agreements (HPA) have been signed with the Kimberley Land Council (KLC), the prescribed body corporate representing the traditional owners, over all the McIntosh tenements. These agreements allow for the company to submit its Mining Lease Application (MLA) with the Department of Mines and Petroleum (DMP). The MLA process will initiate Native Title negotiations with the traditional owners of the land under the Future Acts legislation. The relationship between the Company and the traditional owners along with the KLC is positive one and it is envisaged that positive outcomes for all parties will be achieved.

Royalties

Department of Mines and Petroleum is responsible to administering royalties under the Mining Act 1978 (WA). Under Regulation 86 of the Mining Regulations 1981 (WA), the ad valorem or value-based rates of royalty applies to McIntosh Project which incurs a 5.0% royalty value applied to the sales revenue of the graphite concentrate. In addition, a native entitlement royalty of 1.0 – 1.5% of sales revenue is also applied under the Native Title Act.

South Korea

The key focus of the Company during the year was on the Geumam, South Korea. There has been limited field work undertaken at the Taehwa and Samcheok projects during the period.

Geumam Project Background

The Geumam graphite project is located 67km southwest of Seoul on the western coastal peninsula of South Korea. Geumam is situated about 4km north of Dangjin City (population 137,000).

The project is located in a rural setting surrounded by world class infrastructure, including the major Ports of Dangjin and Pyeongtaek, the largest cluster of domestic steel mills (Hyundai Steel, Dongbu Steel, and Dongkuk Steel), the Dangjin power station (2,400MW capacity) and numerous other industries, including pharmaceuticals and refractories.

Dangjin City and surrounding Chungnam Province lie within the designated "Yellow Sea Free Economic Zone", a business-orientated region that is actively seeking and attracting investors and industries, including foreign-owned enterprises. A potential graphite mineral processing plant would be ideally suited to, and is compatible with, the industries planned and designated for the Seongmum or Hapdeok Industrial Complexes, currently under industrial estate development.

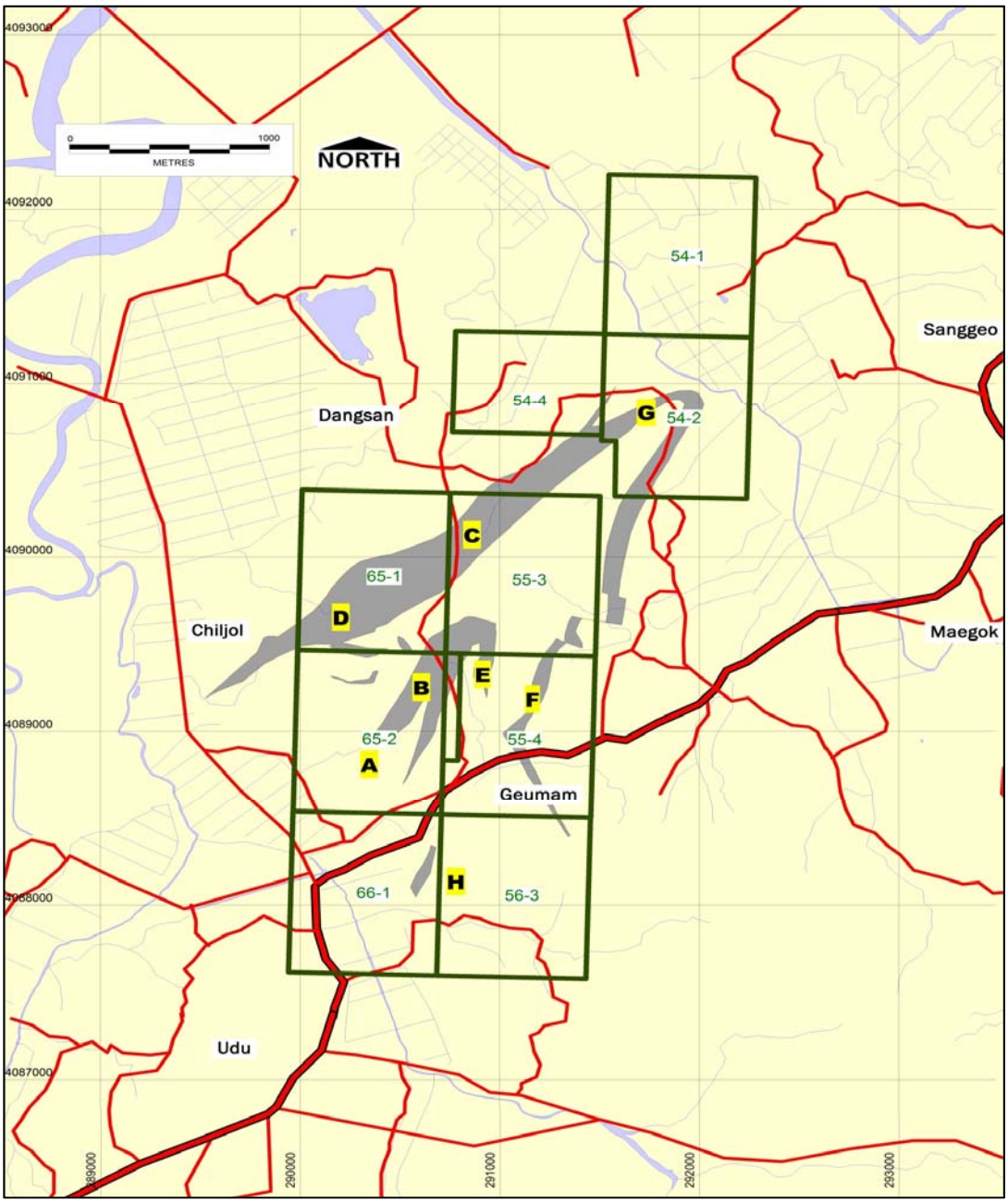

Figure 7: Geumam graphite project Tenure Map. The granted Mining Rights with respect to the mapped graphite schist beds and prospect Areas A, B, C, D, E, F, G and H are indicated.

Geumam Phase 1 Drilling Program

The Phase 1 Resource Drilling Program was designed to test the extent of the graphite mineralisation at Geumam and potentially increase the graphite resource. Two areas, Area B and Area C were drill tested.

An initial 12-drill holes totaling 1,375.4 metres of HQ triple tube drill core was completed during October-November 2013. Core was quartered using a diamond saw and dispatched to Actlab Laboratories in Canada for Total Graphitic Carbon (TGC), Total Carbon (TC) and Total Sulphur (TS) analysis. Intersections from the assay results are presented in table 6.

Area B contains thick, high grade, intersections of flake graphite above the meta-limestone unit in drill core. The graphitic horizon appears to occur within the keel of a syncline and extends to a depth of 50m, evident in drill holes GM – 09, 10, 11 and 12. The strike extent of the mineralised synclinal keel is limited to the south based on a minor graphite intercepts in drill hole GM – 08. The extent of this unit to the north and west is being tested by the ongoing Phase 2 drilling.

Table 6: Graphite Mineralized Intersections, AREA B.

Hole ID	GRAPHITE MINERALIZATION INTERCEPT SUMMARY			
	DEPTH FROM (m)	DEPTH TO (m)	INTERVAL (m)	GRADE % TGC
GM-08	73	74	1	3.27
GM-09	11	65	54	7.24
	99	102	3	6.63
GM-10	10	45	35	10.04
	57	58	1	2.13
GM-11	13	56	43	7.69
	76	77	1	8.45
GM-12	16	29	13	10.55
	48	49	1	2.05

The assay interval table is defined at 2% TGC cut-off, maximum grade of 100% TGC, with minimum interval length of 1m and a maximum of 4m internal waste included if it carries at greater than 2% TGC.

Area C comprises multiple thinner zones of moderate grade graphite mineralisation. A quartz monzonite sill was intersected in the drilling and is concordant with graphite mineralisation that occurs within metasediments including meta-arenite and meta-limestone. The graphite schist units appear to be more consistent within the shallower drill holes (ie GM-02, GM-03, GM-05) and tend to become more diffuse at depth (ie drill hole GM-04).

Foliation structural data from the borehole televiewer confirms the graphite mineralisation was intersected orthogonally down-dip and in most cases is close to true width. The graphite schist is interpreted as thin-bedded, medium-grained carbonaceous, feldspathic quartz sandstone and the foliation represents original bedding.

Table 7: Graphite Mineralized Intersections, AREA C.

Hole ID	GRAPHITE MINERALIZATION SUMMARY			
	DEPTH FROM (m)	DEPTH TO (m)	INTERVAL (m)	GRADE % TGC
GM-01	56	57	1	3.75
	61	64	3	5.84
	66	67	1	3.10
	95	103	8	4.87
	120	121	1	9.06
GM-02	8	22	14	5.61
	37	41	4	5.99
	55	59	4	5.21
	67	69	2	3.01
GM-03	12	13	1	2.58
	29	42	13	5.04
	49	51	2	7.48
	56	61	5	4.24
	84	85	1	3.96
	92	93	1	5.43
GM-04	40	41	1	3.12
	49	52	3	4.56
	56	57	2	4.46
	65	70	5	3.54
	75	79	4	2.59
	91	92	1	6.47
	116	119	3	4.63
GM-05	35	55	20	3.62
	74	76	2	3.57
	99	100	1	3.1
GM-06	64	69	5	4.85
	77	78	1	2.39
	80	81	1	3.99
	89	90	1	3.19
	99	100	1	3.31
GM-07	44	45	1	4.37
	70	71	1	2.25
	80	81	1	5.42
	86	90	4	2.98
	106	107	1	3.41

The assay interval table is defined at 2% TGC cut-off, maximum grade of 100% TGC, with minimum interval length of 1m and a maximum of 4m internal waste included if it carries at greater than 2% TGC.

Geumam Phase 2 Drilling Program

Commencing in July 2014, the Phase 2 Drilling Program has focused on drill testing Area E at Geumam. To date, 20 drill holes totaling 2,698.6 metres of HQ triple tube drill core have been completed during the Phase 2 program. The program is nearing completion and a further 4-5 holes are projected.

Table 8 below indicates the recorded graphite mineralized intersections of >2m thickness and >2%Cg. Although assay results have only been received for the initial drill holes at Area E (GM-24, GM-25 and GM-26), the drilling results confirm the presence of multiple thick intersections of high-grade flake graphite. The intersections approximate to true thickness based on current interpretations as depicted in Figure 8.

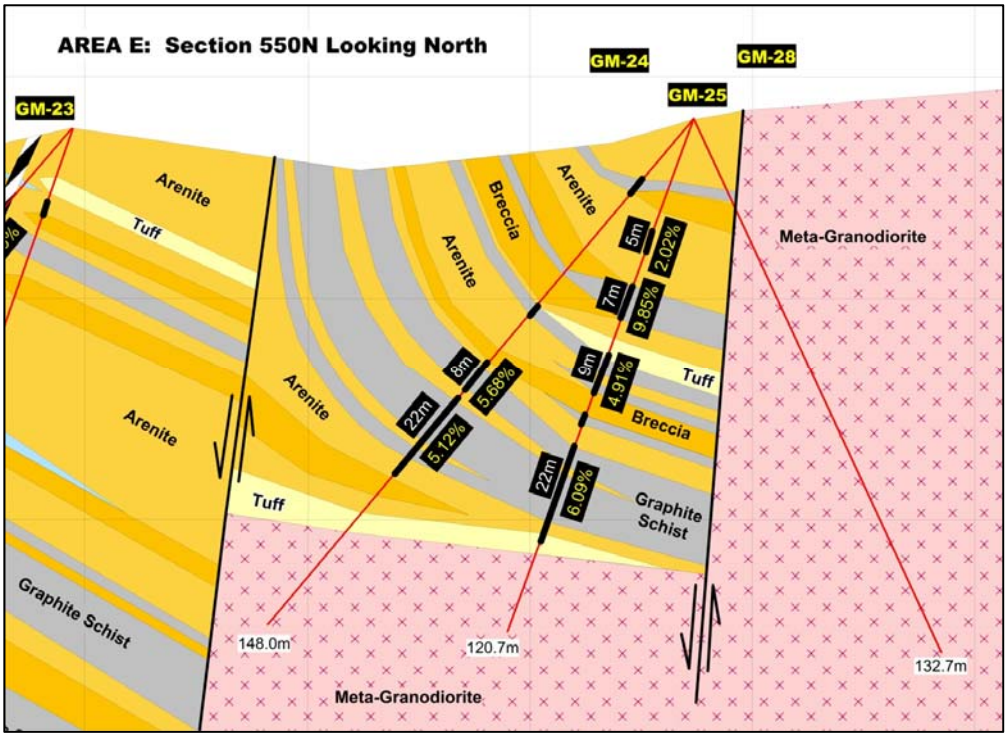

Figure 8: Drill Section 550N, Area E. Graphite Intersections are indicated in black.

Graphite mineralization is concordant with a 150m thick meta-sedimentary sequence, comprising an upper meta-arenite unit, white meta-limestone, and a lower meta-arenite and meta-siltstone unit. The meta-limestone is referred to as the "Geumam Limestone" and is regarded as a useful "bio-stratigraphic marker horizon", and indicative of a reef or carbonate ramp environment. The meta-sedimentary sequence is provisionally assigned to the possibly Silurian age Wolhyeonri Formation. Basement rocks consist of meta-granodiorite, meta-monzodiorite and meta-diorite, in faulted contact with the meta- sedimentary sequence draped around a basement dome. Graphite mineralization is locally enriched around the margins of andesite sills. The andesite sills are concordant with foliation in the metasediments and have been emplaced along a major NE trending fault. The andesite is believed to be associated with emplacement of Late Cretaceous quartz porphyry plugs of the Bulgugsa Granite Series.

Table 8: Graphite Mineralized Intersections (>2m; >2%Cg), AREA E.

HOLE ID	DEPTH From (m)	DEPTH To (m)	INTERSECTION (m)	GRADE (% Cg)
GM-24	18	21	3	5.15
	54	56	2	7.35
	72	80	8	5.68
	82	104	22	5.12
GM-25	27	32	5	2.02
	40	47	7	9.85
	56	65	9	4.91
	71	73	2	3.40
	78	100	22	6.09
GM-26	29	31	2	3.05
	73	111	38	10.30

NOTES: Significant grade x thickness graphite mineralized zones are highlighted in red. As at the date of this report assays were only available for drill holes GM-24, GM-25 and GM-26, with assays pending for holes GM-27, GM-28, GM-30, GM-31 and GM-32.

Resource Estimate

RungePincockMinarco Limited ("RPM") was contracted by *Lamboo Resources Limited* to complete an independent Mineral Resource estimate for the Geumam Area B graphite deposit. The Mineral Resource was estimated in accordance with the 2012 Edition of the '*Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*' prepared by the *Joint Ore Reserves Committee* of *The Australasian Institute of Mining and Metallurgy, Australian Geoscientists* and *Minerals Council of Australia* (The JORC Code 2012). The Geumam Area B Mineral Resource (as at 31 July 2014), is summarised in Table 9 below.

Table 9: Geumam Area B July 2014 Inferred Mineral Resource Estimate (1% C graphite Cut-off)

Area	Ore Type	Resource Classification	Tonnes (Mt)	Graphite (%TGC)	Contained Graphite (tonnes)
Geumam (Area B)	Primary	Indicated	1.0	6.3	65,000
	Oxidised	Indicated	0.5	7.2	37,000
	Primary	Inferred	3.8	4.8	183,000
	Oxidised	Inferred	0.1	7.8	11,000
	Oxide + Primary	**Total Resource**	**5.5**	**5.4**	**296,000**

Note – Totals may differ due to rounding Mineral Resources reported on a dry in-situ basis

The Mineral Resource tonnages and grades for Area B were estimated on a dry in-situ basis and the resource model is undiluted. The Mineral Resource was classified on the basis of data quality, sample spacing and continuity of the interpreted zones and has been classified as Indicated and Inferred Mineral Resource. The Indicated portion of the Mineral Resource was confined to the southern part of Area B, where the continuity and thickness of graphite mineralization was good and there was high confidence in the geological interpretation. The portions of the deposit classified as Inferred Mineral Resource include those with wider-spaced drilling, small zones peripheral to the main structures, and zones of increased complexity which require more detailed information.

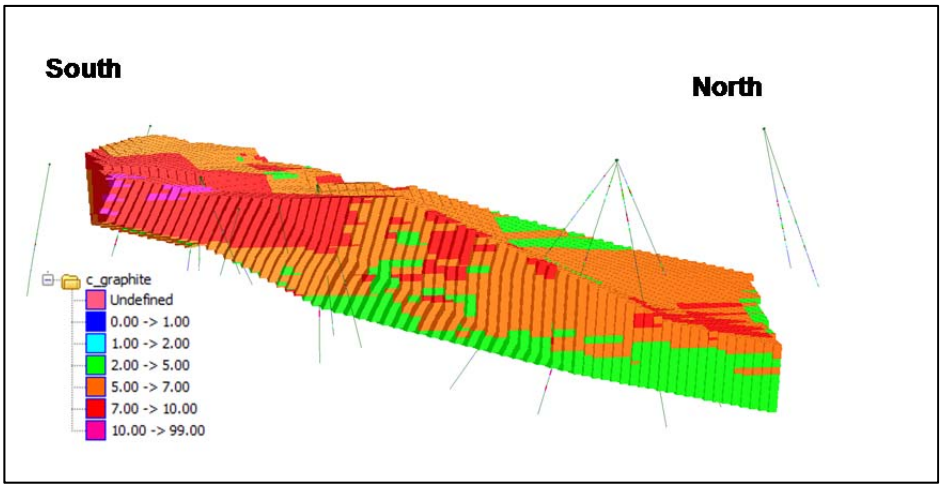

Figure 9: Area B Block Model Coloured by C_graphite Grade – Long Section Facing West

Metallurgical Testwork

Metallurgical Sampling of drill core from the Geumam graphite project was completed during August. Four ore-types were identified at Geumam from Areas B and C and the mineralized intervals sampled (>1% Cg; >2m intersection). A total of 716 metre intervals of quarter-split drill core (total weight of 1,335kg) was collected and air-freighted to ACTLABS metallurgical laboratory in Thunder Bay, Canada.

The metallurgical testwork program is being independently supervised by RungePincockMinarco. The metallurgical testwork program will include comminution testing, Bond Ball Mill index, flotation, ultrasonic beneficiation, and leaching studies and is expected to be completed during November.

Competent Persons Statement

Information in these 'Annual Financial Statements' relating to exploration results and geological data at the McIntosh Project is based on information previously compiled and / or reviewed by Mr. Tony Cormack, Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Lamboo Resources Limited. Mr. Cormack has sufficient experience which is relevant to the activity previously undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Australasian Code of Reporting of Exploration Results and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

The information relating to the Mineral Resources at the McIntosh Project is extracted from the ASX Announcements as follows:

- *ASX Announcement titled ' Significant Flake Graphite JORC Resource Increase at McIntosh Target 1' dated 20 January 2014*

The information relating to Mineral Resources and Exploration Results associated with the Company's projects in South Korea is extracted from the ASX Announcements as follows:

- *ASX Announcement titled 'Quarterly Activities Report' dated 31 July 2014.*
- *ASX Announcement titled 'Maiden Independent Resource Estimate – Area B Prospect South Korean - Geumam Flake Graphite Project' dated 4 August 2014.*
- *ASX Announcement titled 'Phase 2 Drilling Program Results Geumam Graphite Project, South Korea' dated 16 September 2014.*

The reports are available to view on the Lamboo Resources website www.lambooresources.com.

The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs during the period.

LIKELY DEVELOPMENTS AND FUTURE OPERATIONS

During FY2015, the Company will continue to advance its existing exploration assets aiming to bring them into production in the near future. The Company's planned activities for the coming year include:

McIntosh

- Detailed review of results from the Versatile Time Domain Electromagnetic Survey to refine future drill targets;
- Planned drilling program at Target 1 comprising 1,000m of reverse circulation and 300m of diamond core drilling aimed at a potential resource upgrade;
- Planned drilling program at Targets 5 and 6 totalling over 4,000m of reverse circulation and 2,400m of diamond core drilling aimed at defining maiden resource estimates at both target areas;
- Commence initial exploration drilling at Panton North and Target 8;
- Continue work on obtaining the necessary government and environmental approvals for exploration drilling to commence at Target 3, 4, 7 and 9;
- Ongoing environmental, engineering and metallurgical studies.

South Korea

- Ongoing drilling at the Geumam project with a view to potentially expand the existing JORC compliant resource;
- Ongoing environmental, engineering and metallurgical studies

Proposed Merger China Sciences Hengda Graphite Co

A Notice of Meeting is currently being prepared to convene a Shareholders' Meeting planned to seek approval of planned merger. The Notice of Meeting will include an Explanatory Memorandum that will provide shareholders with detailed additional information on China Sciences Hengda Graphite Co and the transaction.

The Company will provide further updates as additional relevant information is received and as the transaction progresses towards shareholder approval and completion.

INDEMNIFICATION OF OFFICERS OR AUDITOR

Each of the Directors and the Secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company and certain indemnification to those Directors and Secretary.

The Company has insured all of the Directors of Lamboo Resources Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act 2001 does not require disclosure of the information in these circumstances.

The Company has not indemnified its auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

SHARE OPTIONS

Details of options issued, exercised and expired during the financial year are set out below:

		Movements				
Expiry Date	Exercise Price	1 July 2013	Issued	Exercised	Expired	30 June 2014
15 August 2015	$0.15	-	8,333,333	(2,615,498)	-	5,717,835
		-	8,333,333	(2,615,498)	-	5,717,835

Since year end 830,000 options have been exercised and as at the date of this report there were 4,887,835 options on issue.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for the Directors and key management personnel of Lamboo Resources Limited (the Company).

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Board of Directors assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic 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 executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash, equity and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of Directors and executives are set out in this Remuneration Report.

The Company aims to reward the executive Directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of non-executive Director, executive Director and key management personnel remuneration is separate and distinct except that non-executive Directors, as well as executives may participate in incentives involving the issue to them of securities in the Company.

Non-Executive Director Remuneration

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.

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

In accordance with the Constitution, the existing Shareholders of the Company have determined in general meeting that the maximum non-executive Director remuneration to be $300,000 in total, per annum.

Each non-executive Director is entitled to receive fees of $65,000 per annum and the Chairman up to $90,000 per annum. A Director will not be entitled to receive Directors' fees if he or she is employed by the Company in a full-time executive capacity.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director will also be reimbursed for out of pocket expenses incurred as a result of their Directorship or any special duties.

The remuneration of non-executive Directors for the year ending 30 June 2014 is detailed in Table 1 of this Remuneration Report.

Executive Directors and Key Management Personnel Remuneration

The Company aims to reward the executive Directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the executive chairman and key management personnel for the year ending 30 June 2014 is detailed in Tables 1 and 2.

Employment Contracts

Agreement with the Managing Director

On 15 March 2012, the Company and Richard Trevillion entered into an agreement containing the terms and conditions under which he will provide his services as chief executive officer of the Company. This agreement was updated on 1 June 2014.

The agreement:

- has no specified term;
- involves the payment to Richard Trevillion of an annual salary of $300,000 plus statutory superannuation and reimbursement of all reasonable business expenses;
- participate in an annual incentive plan (at the discretion of the Board);
- has provision for six months' notice for termination. The Company may terminate this employment agreement by providing 6 months written notice or providing payment in lieu of the notice period; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with the Chief Technical Officer

On 23 May 2014, the Company and Craig Rugless entered into an agreement containing the terms and conditions under which he will provide his services as chief technical officer of the Company.

The agreement:

- has no specified term;
- involves the payment to Craig Rugless of an annual salary of $175,000 plus statutory superannuation and reimbursement of all reasonable business expenses;
- participate in an annual incentive plan (at the discretion of the Board);
- has provision for three months' notice for termination. The Company may terminate this employment agreement by providing 3 months written notice or providing payment in lieu of the notice period; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Craig Rugless resigned from the Company on 21 August 2014.

Agreement with Company Secretary

The Company Secretary and CFO, Mr Paul Marshall, is engaged on an on-going consultancy style agreement for the provision of services as company secretary and chief financial officer. Services are invoiced monthly based on services provided.

Details of Directors and Key Management Personnel

Directors

Name	Position	Period of Directorship
Bruce Preston	Non-Executive Chairman	Appointed 6 January 2014
Richard Trevillion	Managing Director and CEO	Appointed 20 December 2010
Wenzhao Xie	Non-Executive Director	Appointed 1 August 2014
Alvars Lee Hon Nam	Non-Executive Director	Appointed 11 September 2014
Greg Baynton	Non-Executive Director	Appointed 6 January 2014, Resigned 11 September 2014
Craig Rugless	Former Executive Director	Appointed 21 May 2012, Resigned 23 May 2014
Rod Williams	Former Non-Executive Director	Appointed 21 May 2012, Resigned 2 May 2014
Rick Anthon	Former Non-Executive Chairman	Appointed 19 June 2012, Resigned 6 January 2014

Key Management Personnel

Name	Position	Detail
Paul Marshall	Company Secretary	Commenced 15 June 2012
Craig Rugless	Chief Technical Officer	Commenced in position 23 May 2014

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Consolidated Entity.

Table 1: Director Remuneration

2014	Short Term		Long Term	Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Leave Entitle-ments	Superan-nuation	Retirement benefits	Options	Total	Performance Related %	% consisting of options
	$	$	$	$	$	$	$		
Directors									
Richard Trevillion	208,333	-	21,885	19,271	-	-	249,489	-	-
Craig Rugless[1]	156,781	-	16,469	14,503	-	-	187,753	-	-
Bruce Preston[2]	45,000	-	-	-	-	-	45,000	-	-
Greg Baynton[2]	32,500	-	-	-	-	-	32,500		
Rod Williams[3]	54,167	-	-	-	-	-	54,167	-	-
Rick Anthon[4]	45,000	-	-	-	-	-	45,000	-	-
	541,781	-	38,354	33,774	-	-	613,909		

(1) Craig Rugless resigned as director on 23 May 2014. From 24 May 2014 to 30 June 2014 he continued employment with the Company on the same remuneration terms in a management capacity.
(2) Bruce Preston and Greg Baynton were appointed as directors on 6 January 2014.
(3) Rod Williams resigned as director on 2 May 2014.
(4) Rick Anthon resigned as director on 6 January 2014.

2013	Short Term		Long Term	Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Leave Entitle-ments	Superan-nuation	Retirement benefits	Options	Total	Performance Related %	% consisting of options
	$	$	$	$	$	$	$		
Directors									
Richard Trevillion	200,000	-	20,962	18,000	-	-	238,962	-	-
Craig Rugless	175,000	-	18,341	15,750	-	-	209,091	-	-
Rod Williams	65,000	-	-	-	-	-	65,000	-	-
Rick Anthon[1]	81,945	-	-	-	-	-	81,945	-	-
	521,945	-	39,303	33,750	-	-	594,998		

(1) Rick Anthon was appointed Chairman on 23 October 2012.

Table 2: Remuneration of key management personnel

2014	Short Term		Long Term	Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Leave Entitle-ments	Superan-nuation	Retirement benefits	Options	Total	Performance Related %	% consisting of options
	$	$	$	$	$	$	$		
Key Management Personnel									
Craig Rugless[1]	18,219	-	1,914	1,685	-	-	21,818		
Paul Marshall	52,667	-	-	-	-	-	52,667		
	70,886	-	1,914	1,685	-	-	74,485	-	-

(1) Craig Rugless resigned as director on 23 May 2014. From 24 May 2014 to 30 June 2014 he continued employment with the Company on the same remuneration terms in a management capacity.

2013	Short Term		Long Term	Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Non-cash benefits	Superan-nuation	Retirement benefits	Options	Total	Performance Related %	% consisting of options
	$	$	$	$	$	$	$		
Key Management Personnel									
Paul Marshall	52,000	-	-	-	-	-	52,000	-	-

Termination benefits

No termination benefits were paid during the 2014 financial year (2013: Nil).

Equity instruments issued as part of remuneration

No equity instruments were issued to Directors and executives as part of their remuneration. No shares were issued on the exercise of compensation options in the 2014 financial year (2013: Nil).

Table 3: Director/Key Management Personnel shareholdings (number of shares)

2014	Opening Balance	Additions	Options Exercised	Net Change Other	Closing Balance
Directors					
Bruce Preston [1]	-	-	-	300,000	300,000
Richard Trevillion [2]	2,826,040	1,000,000	-	-	3,826,040
Craig Rugless [3]	10,685,000	-	-	(10,685,000)	-
Greg Baynton [1]	-	-	-	2,634,304	2,634,304
Rod Williams [1]	7,010,000	-	-	(7,010,000)	-
Rick Anthon [1]	250,000	-	-	(250,000)	-
Key Management Personnel					
Craig Rugless [3]	-	-	-	10,685,000	10,685,000
Paul Marshall	80,000	411,669	205,829	-	697,498
Total	20,851,040	1,411,669	205,829	(4,325,696)	18,142,842

1 Net change other - movement on appointment/(retirement) as Director.
2 Purchased off market.
3 Craig Rugless resigned as director on 23 May 2014. From 24 May 2014 to 30 June 2014 he continued employment with the Company in a management capacity.

Table 4: Director/Key Management Personnel option holdings (number of options)

2014	Opening Balance	Additions	Options Exercised	Net Change Other	Closing Balance
Directors					
Bruce Preston [1]	-	-	-	150,000	150,000
Richard Trevillion	-	-	-	-	-
Greg Baynton	-	-	-	-	-
Rod Williams	-	-	-	-	-
Rick Anthon	-	-	-	-	-
Key Management Personnel					
Craig Rugless	-	-	-	-	-
Paul Marshall	-	205,829	(205,829)	-	-
Total	-	205,829	(205,829)	150,000	150,000

1 Net change other - movement on appointment as Director.

Table 5: Director/Key Management Personnel performance share holdings (number of performance rights)

2014	Opening Balance	Additions	Converted to shares	Net Change Other	Closing Balance
Directors					
Bruce Preston	-	-	-	-	-
Richard Trevillion	-	-	-	-	-
Greg Baynton [1]	-	-	-	4,046,396	4,046,396
Rod Williams	-	-	-	-	-
Rick Anthon	-	-	-	-	-
Key Management Personnel					
Craig Rugless	-	-	-	-	-
Paul Marshall	-	-	-	-	-
Total	-	-	-	4,046,396	4,046,396

1 Net change other - movement on appointment as Director. Comprises 2,247,997 Tranche 1 performance rights and 1,798,399 Tranche 2 performance rights.

Relationship between remuneration and Company performance

The factors that are considered to affect shareholder return over the last 5 years are summarised below:

Measures	2014	2013	2012	2011	2010
Share price at end of financial year ($)	0.90	0.08	0.38	0.02	0.12
Market capitalisation at end of financial year ($M)	107.97	6.37	25.52	1.08	5.66
Profit/(loss) for the financial year ($)	(490,755)	(5,215,600)	(4,736,892)	(2,402,326)	(6,910,899)
Director and Key Management Personnel remuneration	688,394	646,998	1,129,690	385,392	1,093,960

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The Company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

The Company engaged remuneration consultants during the 2014 financial year to review management and other staff remuneration packages.

End of Remuneration Report

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, BDO Audit Pty Ltd and its related practices:

Taxation services	$16,622

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report and is attached on page 28.

EVENTS AFTER BALANCE SHEET DATE

Intention to Merge China Sciences Hengda Graphite Co Ltd with Lamboo Resources Limited

On 7 July 2014, the Company announced it had entered into to a Binding Framework Agreement, subject to due diligence to merge up to 100% of the issued capital of China Sciences Hengda Graphite Co, Ltd (Hengda), a graphite mining, processing and products company with Lamboo Resources with the combined entity to be listed on the ASX.

Lamboo and Hengda have been working closely during 2014 towards a corporate combination designed to create a uniquely-positioned flake graphite products and technology supplier with coverage over the full upstream-downstream value-chain targeted initially at the rapidly-expanding Asian markets for Lithium Ion Batteries used in EVs and other energy storage applications, along with new flake-graphite-based technologies in pebble bed reactors and graphene applications.

Lamboo believes that the combination of Lamboo and Hengda will create a world-leading production and technology company with state-of-the-art capabilities and facilities in this high-growth market where scarcity prevails in high-purity flake graphite products.

Key Terms of the Agreement

The merge price of Lamboo and 100% Hengda for US$150 million consists in 2 parts:

Part 1: Lamboo scrip to the value of US$75 million. The scrip is based on issue price of $0.848 per Lamboo share. This has been calculated being the average closing price of Lamboo shares since the announcement of the McIntosh scoping study on 24 June 2014.

Part 2: Lamboo scrip to the value of US$75 million or Lamboo has the option with respect to the prevailing share price at the time of the completed transaction a cash payment of up to US$75 million. The cash payment will be subject to Lamboo share price and strategic investor interest. If Lamboo elects to pay in scrip. The scrip is based on issue price of $0.848 per Lamboo share. This has been calculated being the average closing price of Lamboo shares since the announcement of the McIntosh scoping study on 24 June 2014.

Under the Agreement, Lamboo have paid to Mr Wang Fengjun, General Manager and major shareholder of Hengda, a refundable deposit of US$2,000,000 guaranteed by Hengda.

Conditions Precedents

The transaction is subject to various conditions precedent, including:

- Hengda being determined by a third party value to have a value of at least US$150,000,000;
- Various regulatory approvals and documentation for Hengda and its shareholders;
- Legal, financial and technical due diligence investigations to be undertaken by the parties, and the parties to be satisfied with the outcome of that due diligence; and
- All necessary approvals are obtained (including but not limited to Lamboo shareholder approval).

Lamboo has engaged professional advisors to perform the due diligence on Hengda. In the event that either party is not satisfied with the findings of the due diligence investigation, the Framework Agreement may be terminated. Otherwise, the Framework Agreement may be terminated for material breach and other customary termination events.

A Notice of Meeting is currently being prepared to convene a Shareholders' Meeting planned to seek approval of planned merger. The Notice of Meeting will include an Explanatory Memorandum that will provide shareholders with detailed additional information on Hengda and the transaction.

The Company will provide further updates as additional relevant information is received and as the transaction progresses towards shareholder approval and completion.

Capital Raising

On 9 July 2014 the Company announced a capital raising of $2.18M through the placement of 2.42 million shares at 90 cents per share.

Performance Rights

On 11 August 2014 the Company issued 12,500,000 fully paid ordinary shares following the vesting of Tranche 1 of the performance rights issued in 2012 in relation to the acquisition of Opirus Minerals Pty Ltd.

Options

Since 30 June 2014 the Company has issued 830,000 fully paid ordinary shares options following the exercise of options.

Signed in accordance with a resolution of the Board of Directors

Director
Dated this 24th day of September 2014

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Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY ALBERT LOOTS TO THE DIRECTORS OF LAMBOO RESOURCES LIMITED

As lead auditor of Lamboo Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lamboo Resources Limited and the entities it controlled during the period.

A S Loots
Director

BDO Audit Pty Ltd

Brisbane, 24 September 2014

ADDITIONAL STOCK EXCHANGE INFORMATION

DISTRIBUTION OF NUMBER OF HOLDERS OF EQUITY SECURITIES AS AT 18 SEPTEMBER 2014

Number of Securities Held	Ordinary shares fully paid No. of holders
1 to 1,000	374
1,001 to 5,000	447
5,001 to 10,000	330
10,001 to 100,000	618
100,001 and over	116
	1,885
Number of shareholders holding less than a marketable parcel of shares	327

TWENTY LARGEST HOLDERS OF EACH QUOTED SECURITY

Rank	Name	Balance	% Held
1	NATIONAL NOMINEES LIMITED	13,776,467	10.151
2	PATHFINDER EXPLORATION PTY LTD	9,463,707	6.973
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,623,819	3.407
4	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	4,062,333	2.993
5	NORVALE PTY LTD	4,047,324	2.982
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	3,897,954	2.872
7	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,784,404	2.789
8	UBS NOMINEES PTY LTD	3,666,666	2.702
9	MRS MIN YOUNG KANG	3,647,403	2.688
10	INVESTORLINK GROUP LIMITED	3,450,000	2.542
11	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	3,423,846	2.523
12	MR ANTHONY LIONEL PATTERSON <PATTERSON FAMILY A/C>	3,366,666	2.481
13	MR ROBERT SIMEON LORD	3,000,000	2.211
14	MR RICHARD IAN TREVILLION <TRADING ACCOUNT>	2,826,040	2.082
15	SENLAC GEOLOGICAL SERVICES PTY LTD <CHRISTOPHER SENNITT FAM A/C>	2,495,641	1.839
16	MR RICHARD HOPETOUN BITCON	2,100,000	1.547
17	S AND M STREETER INVESTMENT CO PTY LTD	1,902,778	1.402
18	ADCOCK PTY LTD	1,898,692	1.399
19	ALLEGRO CAPITAL NOMINEES PTY LTD	1,314,480	0.969
20	ALLEGRO CAPITAL NOMINEES PTY LTD <ALLEGRO CAPITAL ACCOUNT>	1,314,480	0.969

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as shown in substantial shareholder notices received by the Company at 19 September 2014 are:

Name of Shareholder	Ordinary Shares
OCH-ZIFF HOLDING CORPORATION AND RELATED ENTITIES	18,066,004
PATHFINDER EXPLORATION PTY LTD	9,463,707

INTERESTS IN EXPLORATION TENEMENTS

Lamboo Resources Limited held the following interests in exploration tenements as at 19 September 2014:

Project	Tenement	Application Date	Grant Date	Expiry Date
McIntosh	E80/4385		7/04/2011	6/04/2016
WA	E80/4797	23/05/2013		
	E80/4814	24/07/2013		
	E80/3864		8/04/2008	7/04/2018
	E80/3906		3/12/2008	2/12/2018
	E80/3907		3/12/2008	2/12/2018
	E80/3928		2/06/2009	1/06/2019
	E80/4396		2/08/2011	1/08/2016
	E80/4688		25/10/2012	24/10/2017
	E80/4732		14/11/2013	13/11/2018
	E80/4733		15/11/2013	14/11/2018
	E80/4739		14/11/2013	13/11/2018
	E80/4734	29/08/2012		
	E80/4825	28/08/2013		
	E80/4841	3/12/2013		
	E80/4842	3/12/2013		
	E80/4878	9/05/2014		
	E80/4879	12/05/2014		
Halls	P80/1799		3/09/2013	2/09/2017
Creek	P80/1800		3/09/2013	2/09/2017
WA	P80/1801		3/09/2013	2/09/2017
	E80/4793	17/05/2013		
	E80/4794	17/05/2013		
	E80/4795	17/05/2013		
	E80/4858	23/01/2014		
	P80/1814	5/09/2013		
	P80/1815	5/09/2013		
	P80/1816	5/09/2013		
	P80/1817	5/09/2013		
	P80/1818	5/09/2013		
	P80/1821	31/10/2013		
Valla	EL6702	Renewal Pending	16/1/2007	15/1/2013
NSW				
South Korea	Dangjin 54-4		30/7/2014	31/7/2021
	Dangjin 56-3		30/7/2014	31/7/2021
	Dangjin 66-1		30/7/2014	31/7/2021
	Dangjin 55-3		7/2/2012	6/2/2032
	Dangjin 65-1		8/12/2011	7/12/2031
	Dangjin 65-2		17/12/2009	16/12/2029
	Dangjin-54-2		23/5/2013	22/5/2020
	Dangjin-55-4		23/5/2013	22/5/2020
	Hongcheon 91-2		15/11/2011	14/11/2031
	Samcheok 09-2		9/1/2013	9/1/2020

CORPORATE GOVERNANCE STATEMENT

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

Lamboo Resources Limited's Corporate Governance Statement is structured with reference to the Australian Securities Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 2nd Edition", which are as follows:

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

A copy of the eight Corporate Governance Principles and Recommendations can be found on the ASX's website at www.asx.com.au.

The board endorses the ASX Corporate Governance and Recommendations, and has adopted corporate governance charters and policies reflecting those recommendations to the extent appropriate having regard to the size and circumstances of the Company.

The Company is committed to ensuring that its corporate governance systems maintain the Company's focus on transparency, responsibility and accountability. For further information on corporate governance policies adopted by Lamboo Resources Limited, refer to our website: www.lambooresources.com.

ASX Principles and Recommendations not followed by the Company and the reasons for non-compliance are as follows:

Recommendation Reference	Notification of Departure	Explanation for Departure
2.4	A separate Nomination Committee has not been formed	The board considers that the Company is not currently of a size to justify the formation of a separate nomination committee. The board as a whole will undertake the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants may be engaged to identify possible new candidates for the board.
3.2, 3.3	Measurable objectives for achieving gender diversity and for the annual assessment of both the objectives and progress in achieving them have not been implemented	The Board has established a Diversity Policy. There are some aspects of the recommendations that are difficult to comply with due to the Company's size. The Board at this juncture has not set measurable objectives. This policy will be reviewed as part of the annual compliance review to ensure that the Diversity Policy is being progressed as required and to set measurable objectives when appropriate for the Company.
4.1, 4.2, 4.3	A separate Audit Committee has not been formed	The board considers that the Company is not of a size, nor is its financial affairs of such complexity, to justify the formation of an audit committee. The board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
7.2	Management has not reported to the board as to the effectiveness of the Company's management of its material business risks.	While the design and implementation of a basic risk management and internal control system is in place, a formal report as to the effectiveness of the management of the Company's material business risks has not been provided to the board, and is not considered necessary at this stage for the size and nature of the Company's current activities.
8.1	There is no separate Remuneration committee	The board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation for the remuneration committee. The board as a whole is responsible for the remuneration arrangements for Directors and any executives of the Company.

Structure of the Board

The Board has adopted a formal board charter that outlines the roles and responsibilities of Directors and senior executives. The Board Charter has been made publicly available on the Company's website.

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Director's Report. Corporate Governance Council Recommendation 2.1 requires a majority of the Board should be independent Directors. The Corporate Governance Council defines and independent Director as a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgment.

In the context of Director independence, "materiality" is considered from both the Company and the individual Director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 10% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Company's loyalty.

Factors that may impact on a Director's independence are considered each time the Board meets. In accordance with the Council's definition of independence above, and the materiality thresholds set, the following Directors are considered not to be independent:

Name	Position	Reason for not being Independent
Richard Trevillion	Managing Director and CEO	Mr Trevillion is employed in an executive capacity

Lamboo Resources Limited considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted above have been appointed to the Board of Lamboo Resources Limited due to their considerable industry and corporate experience.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
Richard Trevillion	3 years 9 months
Bruce Preston	9 months
Wenzhao Xie	2 months
Alvars Lee Hon Nam	1 month

Trading Policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information and during certain pre-determined windows.

Company Code of Conduct

The Company is committed to operating ethically, honestly, responsibly and legally in all its business dealings. Accordingly, the Company requires employees to act in the Company's best interests in a professional, honest and ethical manner, and in full compliance with the law, both within and on behalf of the Company.

The Company has an established Code of Conduct (Code) which outlines the behaviour that is expected of employees. The Code governs all the Company's operations and the conduct of Directors, management and employees when they represent the Company.

The Code clearly sets out the process for dealing with breaches of the Code. The Board, senior executives, management and all employees of the Company are committed to implementing this Code and each individual is accountable for such compliance.

A copy of the Code is given to all employees, contractors and relevant personnel, including Directors and senior executives. Appropriate training is provided for Directors, senior executives and employees on a regular basis, where applicable.

Recruitment and Selection Processes

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. As the context permits is committed to workplace diversity. The Company recognises the benefits arising from employee and board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

The Company values diversity in all aspects of its business and is committed to creating an environment where the contribution of all its personnel is received fairly and equitably.

The Company has a number of objectives in place to continually work towards its vision. These objectives include:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Company seeks to achieve these objectives by:

- recruiting and managing on the basis of competence and performance regardless of age, ethnicity, gender or cultural background;
- providing equal opportunities based on merit;
- fostering a culture that empowers people to act in accordance with this policy;
- fostering an inclusive, supportive and respectful culture to enable all personnel to reach their full potential;
- respecting the unique attributes that each individual brings to the workplace; and
- establishing and reviewing measurable objectives, particularly on gender diversity.

The proportion of women employees in the whole organisation, women in senior management positions and women on the board are as follows:

Measure	*Female Proportion*
Organisation	10%
Senior Management	Nil
Board	Nil

Shareholder Communications

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company has established a Shareholder Communication Strategy which is available on the Company's website under "Corporate Governance".

All shareholders receive a copy of the Company's Annual Report and both the annual and half yearly reports are posted on the Company's website. Quarterly reports are prepared in accordance with ASX Listing Rules and posted on the Company's website. Regular updates on operations are made via ASX releases. All information disclosed to the ASX is posted on the Company's website as soon as possible after it is disclosed to the ASX.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the preparation and content of the audit report.

Continuous Disclosure Policy

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. A copy of the Continuous Disclosure Policy can be found within the Company's Corporate Governance Statement on the Company's website.

Board committees

The board's charter allows it to establish committees if and when required to assist in the execution of the duties of the board. As at the date of this report, no committees have been established as the structure of the board, the size of the Company and the scale of its activities, allows all Directors to participate fully in all decision making. When the circumstances require it, the committees will be instituted with each having its own charter approved by the board that will set the standards for the operation of the committees. All matters that would be considered by committee are dealt with by the board.

Remuneration and Nomination
The full Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic 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 Executive team.

Audit and Risk Management
The responsibilities of Audit and Risk Management Committee are undertaken by the full Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's Risk Management policies is available on the Company's website.

Recommendation 7.2 requires that the Board disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. Business risks are considered regularly by the Board and management.

While the design and implementation of a basic risk management and internal control system is in place a formal report as to the effectiveness of the management of the Company's material business risks has not been provided to the Board.

As required by Recommendation 7.3, the Board has received written assurances from the Executive Chairman and Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that they system is operating effectively in all material respects in relation to financial reporting risks.

Performance
The Board considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board. The performance of the individual members of the Board is reviewed on an on-going basis as required in conjunction with the regular meetings of the Board.

Executives may, subject to the sole discretion of the Board, be awarded performance bonuses.

Remuneration
It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and other Key Management Personnel fairly and appropriately with reference to relevant and employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Director's and Officer's emoluments to the Company's financial and operations performance.

The expected outcomes of the remuneration structure are:
- retention and motivation of Key Management Personnel
- attraction of quality management to the Company; and
- performance incentives which allow Executives to share the rewards of the success of Lamboo Resources Limited.

For details on the amount of remuneration and all monetary and non-monetary components for each of the highest paid (Non-Director) Executives during the year, and for all Directors, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Lamboo Resources Limited and the performance of the individual during the year.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, subject to the Company's constitution and prior shareholder approvals, and the Executive team.

Other Information
Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's web site at www.lambooresources.com.

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2014

	Note	2014 $	2013 $
Interest revenue		55,474	106,935
Other revenue		171,725	-
Employee expenses		(822,564)	(652,006)
Corporate and administration expenses		(1,077,587)	(528,611)
Exploration costs expensed		-	(3,923,279)
Costs relating to acquiring and managing tenements under application		(65,816)	(218,639)
Loss before income tax		(1,738,768)	(5,215,600)
Research and development income tax concession	2	1,248,013	-
Loss after income tax expense		(490,755)	(5,215,600)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	14	9,214	(47,364)
Other comprehensive income for the year, net of tax		9,214	(47,364)
Total comprehensive income		(481,541)	(5,262,964)
Earnings per Share		*Cents*	*Cents*
Basic and diluted earnings/(loss) per share	4	(0.49)	(7.07)
Basic and diluted earnings/(loss) per share	4	(0.49)	(7.07)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Consolidated Balance Sheet
As at 30 June 2014

	Note	30 June 2014 $	30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents	6	3,287,072	1,034,769
Trade and other receivables	7	133,521	66,287
Other assets	8	10,137	10,095
TOTAL CURRENT ASSETS		3,430,730	1,111,151
NON-CURRENT ASSETS			
Trade and other receivables	7	79,923	61,858
Plant and equipment	9	62,810	55,799
Exploration and evaluation assets	10	7,145,114	2,737,052
TOTAL NON-CURRENT ASSETS		7,287,847	2,854,709
TOTAL ASSETS		10,718,577	3,965,860
CURRENT LIABILITIES			
Trade and other payables	11	559,268	333,160
Provisions	12	66,082	34,522
TOTAL CURRENT LIABILITIES		625,350	367,682
TOTAL LIABILITIES		625,350	367,682
NET ASSETS		10,093,227	3,598,178
EQUITY			
Share capital	13	38,592,557	31,615,967
Reserves	14	2,071,225	2,062,011
Accumulated losses		(30,570,555)	(30,079,800)
TOTAL EQUITY		10,093,227	3,598,178

The Consolidated Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2014

Consolidated Entity	Share Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2012	30,201,610	-	(24,864,200)	5,337,410
Transactions with owners in their capacity as owners				
Issue of share capital	1,562,500	-	-	1,562,500
Share issue costs	(148,143)	-	-	(148,143)
Issue of performance rights	-	2,109,375	-	2,109,375
Total	1,414,357	2,109,375	-	3,523,732
Comprehensive income				
Loss after income tax	-	-	(5,215,600)	(5,215,600)
Exchange differences on translation of foreign operations	-	(47,364)	-	(47,364)
Total comprehensive income	-	(47,364)	(5,215,600)	(5,262,964)
Balance at 30 June 2013	31,615,967	2,062,011	(30,079,800)	3,598,178
Balance at 1 July 2013	31,615,967	2,062,011	(30,079,800)	3,598,178
Transactions with owners in their capacity as owners				
Issue of share capital	7,377,323	-	-	7,377,323
Share issue costs	(400,733)	-	-	(400,733)
Total	6,976,590	-	-	6,976,590
Comprehensive income				
Loss after income tax	-	-	(490,755)	(490,755)
Exchange differences on translation of foreign operations	-	9,214	-	9,214
Total comprehensive income	-	9,214	(490,755)	(481,541)
Balance at 30 June 2014	38,592,557	2,071,225	(30,570,555)	10,093,227

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,911,253)	(2,000,034)
Interest received		52,979	106,935
Receipts from drilling grant revenue		150,000	-
Receipts from consulting revenue		21,725	-
Research and development income tax concession received		1,248,013	-
Net cash used in operating activities	15	(438,536)	(1,893,099)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(18,011)	(68,312)
Payments for exploration and evaluation		(4,152,648)	(2,563,092)
Payments for security deposits		(18,065)	(61,858)
Net cash (used in)/ provided by investing activities		(4,188,724)	(2,693,262)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,209,823	-
Share issue costs		(461,233)	-
Share application monies		121,760	(493,456)
Net cash (used in)/ provided by financing activities		6,870,350	(493,456)
Net increase/ (decrease) in cash and cash equivalents		2,243,090	(5,079,817)
Cash and cash equivalents at the beginning of the year		1,034,769	6,114,586
Net foreign exchange differences		9,213	-
Cash and cash equivalents at the end of the year		3,287,072	1,034,769

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

This financial report covers the Consolidated Entity of Lamboo Resources Limited (the "Company") and its controlled entities (together referred to as the "Consolidated Entity" or "Group"). Lamboo Resources Limited is a listed public company, incorporated and domiciled in Australia. The Consolidated Entity is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities
The principal activity of the Consolidated Entity is mineral exploration.

Currency
The financial report is presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the Parent Entity.

Authorisation of financial report
The financial report was authorised for issue on 24 September 2014.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001.*

Compliance with IFRS
The consolidated financial statements of the Lamboo Resources Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Historical cost convention
The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Consolidated Entity. These estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period and future periods if the revision affects both current and future periods. There were no key adjustments during the year which required estimates and/or judgements.

Key estimates – impairment
The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements – Exploration & evaluation expenditure
The Consolidated Entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Going Concern
The Consolidated Entity incurred a net loss of $490,755 for the year ended 30 June 2014. As at 30 June 2014 the Consolidated Entity had cash reserves of $3,287,072, net current assets of $2,805,380 and net assets of $10,093,227 The Consolidated Entity has not generated revenues from operations during the year.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the consolidated entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The Directors believe there is sufficient cash available for the Consolidated Entity to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

Accounting policies

(a) Principles of Consolidation

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Business combinations
Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation (continued)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

(c) Exploration and Evaluation Assets

Initial project acquisition costs

The costs relating to the initial acquisition of the following exploration projects have been expensed as incurred:

- McIntosh (Kimberley Region, Western Australia)
- Halls Creek (Kimberley Region, Western Australia)
- Valla (Northern New South Wales)
- Geuman (Chungcheongnam-Do Province, South Korea)
- Samcheok (Gangwon-Do Province, South Korea)
- Taehwa (Taehwa, South Korea).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Exploration and Evaluation Assets (continued)

Any subsequent future exploration and evaluation expenditures on these projects are capitalised in accordance with and AASB 6 "Exploration for and Evaluation of Mineral Resources".

Exploration costs

Following tenement acquisition exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.
Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed periodically by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset is:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(d) Property, Plant and Equipment (continued)

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

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Entity, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(f) Impairment of Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Entitlements

Provision is made for the Consolidated Entity's liability for employee entitlements arising from services rendered by employees to the end of the reporting period. Employee entitlements that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee entitlements payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

<u>Equity-settled compensation</u>
Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. In relation to options issued, the corresponding amount is recorded to the share based payment reserve. The fair value of share based payments is determined using the Black-Scholes pricing model. The volatility input in the pricing model is determined by the historical volatility of the Company's share price over a similar period to the exercise period.

The total amount to be expensed is determined by reference to the fair value of the equity instruments granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of equity instruments that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

(i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method.

(j) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Earnings per Share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(m) Comparative Figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by Directors. The new classifications have been made to reflect a more accurate view of the Consolidated Entity's operations.

(n) New Accounting Standards and Interpretations

The Consolidated Entity adopted the following new Accounting Standards and Interpretations during the period:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle, and
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(o) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2017. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Consolidated Entity does not expect any material impacts when the standard is adopted.

	2014 $	2013 $

NOTE 2 INCOME TAX

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Consolidated Entity's effective income tax rate for the years ended 30 June 2014 and 2013 is as follows:

Accounting profit /(loss) before income tax	(1,738,768)	(5,215,600)
Tax at the Australian tax rate of 30% (2013: 30%)	521,630	1,564,680
Non-deductible expenses	(914,715)	(1,140,272)
Deferred tax assets not bought to account	393,085	(424,408)
Research and development income tax concession	1,248,013	-
Income tax refund	1,248,013	-
Recognised deferred tax assets		
Unused tax losses	1,569,708	581,945
Deductible temporary differences	243,456	239,228
	1,831,164	821,173
Recognised deferred tax liabilities		
Assessable temporary differences	1,831,164	821,173
	1,831,164	821,173
Net deferred tax recognised	-	-
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	98,892	1,229,895

The deductible temporary differences and tax losses disclosed above as unrecognised, do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise these benefits.

	2014 $	2013 $

NOTE 3 AUDITOR'S REMUNERATION

Remuneration paid or payable for:		
- auditing and reviewing the financial reports	28,750	28,250
Non audit services:		
- Taxation services	16,622	9,865
	45,372	38,115

	2014 $	2013 $

NOTE 4 EARNINGS PER SHARE

Earnings used to calculate basic and dilutive EPS	(490,755)	(5,215,600)

	2014 #	2013 #
Weighted average number of ordinary shares outstanding during the year	100,176,874	73,796,722
Weighted average number of dilutive instruments	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating EPS and dilutive EPS	100,176,874	73,796,722

Performance rights and options could potentially dilute earnings per share in the future but have not been included in the calculation of diluted earnings per share because they were anti-dilutive.

NOTE 5 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

NOTE 6 CASH & CASH EQUIVALENTS

Cash on hand and at bank	3,287,072	1,034,769

NOTE 7 TRADE & OTHER RECEIVABLES

Current		
Other receivables	133,521	66,287
Non-current		
Other receivables	79,923	61,858

NOTE 8 OTHER ASSETS

Prepaid expenditure	10,137	10,095

	2014 $	2013 $

NOTE 9 PLANT AND EQUIPMENT

Plant and Equipment		
At cost	54,587	34,363
Accumulated depreciation	(13,735)	(7,520)
	40,852	26,843
Motor Vehicles		
At cost	34,814	33,948
Accumulated depreciation	(12,856)	(4,992)
	21,958	28,956
Total plant and equipment	62,810	55,799

Movements in carrying amounts

	Plant and equipment $	Motor Vehicles $	Total $
Balance at 1 July 2012	-	-	-
Additions	34,363	33,948	68,311
Depreciation	(7,520)	(4,992)	(12,512)
Balance at 30 June 2013	26,843	28,956	55,799
Balance at 1 July 2013	26,843	28,956	55,799
Additions	18,011	-	18,011
Foreign exchange movements	3,713	296	4,009
Depreciation	(7,715)	(7,294)	(15,009)
Balance at 30 June 2014	40,852	21,958	62,810

	2014 $	2013 $

NOTE 10 EXPLORATION AND EVALUATION ASSETS

Exploration expenditure capitalised		
Balance at the beginning of the year	2,737,052	-
Exploration expenditure during the year	4,408,062	2,737,052
	7,145,114	2,737,052

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

NOTE 11 TRADE & OTHER PAYABLES

Trade payables	388,226	273,400
Other payables and accrued expenses	171,042	59,760
	559,268	333,160

	2014 $	2013 $
NOTE 12 PROVISIONS		
Employee entitlements	66,082	34,522
NOTE 13 SHARE CAPITAL		
Fully paid ordinary shares	38,592,557	31,615,967

Ordinary Shares

	2014 $	2013 $	2014 #	2013 #
At the beginning of the year	31,615,967	30,201,610	79,652,886	67,152,886
Shares issued to the vendors of Opirus Minerals [1]	-	1,562,500	-	12,500,000
Share placement at $0.06 per share [2]	1,000,000	-	16,666,667	-
Share placement at $0.28 per share [3]	5,817,498	-	20,776,779	-
Shares issued for Panton North tenement [4]	167,500	-	250,000	-
Exercise of options [5]	392,325		2,615,498	
Share issue expenses	(400,733)	(148,143)	-	-
At reporting date	38,592,557	31,615,967	119,961,830	79,652,886

1 2013: 12,500,000 ordinary fully paid shares were issued at $0.125 per share as part consideration of Opirus Minerals Pty Ltd (Note 22).
2 2014: 16,666,667 ordinary fully paid shares were issued at $0.06 per share through a share placement. Attached to each share two shares issued was 1 option with an exercise price or $0.15 and an expiry of 15 August 2015, refer below for further details.
3 2014: 20,776,779 ordinary fully paid shares were issued at $0.28 per share through a share placement.
4 2014: 250,000 ordinary fully paid shares were issued at $0.67 per share as part consideration for the Panton North tenement (Note 22).
5 2014: 2,615,498 ordinary fully paid shares were issued at $0.15 on the exercise of options.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Options

Details of options issued, exercised and expired during the financial period are set out below:

		Movements				
Expiry Date	Exercise Price	1 July 2013	Issued	Exercised	Expired	30 June 2014
15 August 2015	$0.15	-	8,333,333	(2,615,498)	-	5,717,835
		-	8,333,333	(2,615,498)	-	5,717,835

	2014 $	2013 $

NOTE 14 RESERVES

Share based payment reserve	-	-
Foreign currency translation reserve	(38,150)	(47,364)
Performance rights reserve	2,109,375	2,109,375
	2,071,225	2,062,011

Share based payment reserve movements during the year

Opening balance	-	-
Transfer to accumulated losses	-	-
Closing balance	-	-

Share based payment reserve
The share based payments reserve is used to record the value of share based payments such as options provided to Directors, employees and contractors as part of their remuneration.

Foreign currency translation reserve movements during the year

Opening balance	(47,364)	-
Currency translation differences arising during the year	9,214	(47,364)
Closing balance	(38,150)	(47,364)

Foreign currency translation reserve
The Foreign currency translation reserve is used to record exchange differences arising on the translation of foreign controlled entities. The reserve is recognised in profit and loss when the net investment is disposed of.

Performance Rights

	2014 $	2013 $	2014 #	2013 #
Opening balance	2,109,375	-	22,500,000	-
Issue of Tranche 1 Rights	-	1,171,875	-	12,500,000
Issue of Tranche 2 Rights	-	937,500	-	10,000,000
At reporting date	2,109,375	2,109,375	22,500,000	22,500,000

Refer Note 22 for further details.

Performance rights reserve
The performance rights reserve is used to record the value of performance rights granted.

	2014 $	2013 $
NOTE 15 CASH FLOW INFORMATION		
Reconciliation of loss after income tax to net cash outflow from operating activities		
Profit/(loss) after income tax	(490,755)	(5,215,600)
Non-cash items in profit/(loss) after income tax		
Depreciation	15,009	12,512
Exploration projects expensed on acquisition	-	3,671,875
Change in operating assets and liabilities		
(Increase) in receivables	(67,234)	(13,252)
(Increase) in other assets	(42)	(10,095)
Increase/(Decrease) in trade payables and accruals	72,926	(349,925)
Increase/(Decrease) in employee entitlements	31,560	11,386
Net cash outflow from operating activities	(438,536)	(1,893,099)

Non-cash investing and financing transactions

2014

250,000 ordinary fully paid shares were issued at $0.67 per share as part consideration for the Panton North tenement.

2013

12,500,000 ordinary fully paid shares at $0.125 per share, and 22,500,000 performance rights (estimated value of $2,109,375) were issued to the vendors of Opirus Minerals Pty Ltd in consideration for a 100% interest in this entity.

NOTE 16 SHARE BASED PAYMENTS

Shares and Performance Rights

2014

During the period, the Company agreed to acquire the exploration rights of the Panton North tenement (E80/4733), from Uramin Pty Ltd for a total consideration of 250,000 ordinary LMB shares and $50,000 cash.

2013

During the period, the Company agreed to acquire 100% of the issued capital of Opirus Minerals Pty Ltd (Opirus), a company that holds, through its wholly owned subsidiary Won Kwang, a number of flake graphite exploration projects and certain exploration permit applications over potential flake graphite-bearing areas in South Korea.

NOTE 16 SHARE BASED PAYMENTS (continued)

In consideration for the acquisition the Company issued, pro rata to Opirus shareholders:

(a) 12,500,000 ordinary shares; and

(b) 22,500,000 performance rights, which give the holder the right to acquire shares for no consideration, upon the achievement of the following milestones:

(i) The first 12,500,000 performance rights (Tranche 1 Rights), within 36 months of completion of the acquisition agreement, the tenements or tenement applications achieve a JORC compliant inferred mineral resource of 100,000 tonnes or more of in situ carbon as graphite; and

(ii) The second 10,000,000 Performance Rights (Tranche 2 Rights), within 36 months of completion of the acquisition agreement, a pre-feasibility study is completed that is commercially acceptable to the Company, acting reasonably, in respect of at least one of the projects represented by the tenements or tenement Applications.

The purchase consideration was determined with reference to the fair value of the equity instruments issued and in the instance of performance rights, adjusted for the likelihood of the relevant milestone being achieved:

Consideration	# of Instruments issued	LMB share price at issue date	Estimated probability of achieving milestone[1]	Value
	$	$	%	$
Ordinary Lamboo shares	12,500,000	0.125	NA	1,562,500
Tranche 1 performance rights	12,500,000	0.125	75	1,171,875
Tranche 2 performance rights	10,000,000	0.125	75	937,500
				3,671,875

[1] Represents the Directors best estimate based on the available geological data at the time acquisition.

Expenses arising from share-based payment transactions

Total expenses/(revenues) arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2014	2013
	$	$
Shares and performance rights issued on acquisition of Opirus	-	3,671,875

NOTE 17 RELATED PARTY and KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

Key management personnel comprise Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

Summary	2014	2013
	$	$
Short-term benefits	652,935	613,248
Long-term benefits	-	-
Post-employment benefits	35,459	33,750
Termination benefits	-	-
Share-based payments	-	-
	688,394	646,998

Detailed remuneration disclosures are provided in the Remuneration Report on pages 21 to 25.

NOTE 17 RELATED PARTY and KEY MANAGEMENT PERSONNEL (continued)

Amounts Owed to Key Management Personnel and Other Related Parties

2014:

The Company owed Greg Baynton $32,500 at 30 June 2014 in relation to Director fees.

The Company owed Bruce Preston $7,500 at 30 June 2014 in relation to Director fees.

2013:

The Company owed Norvale Pty Ltd, an entity associated with Rod Williams, $10,833 at 30 June 2013 in relation to Director fees. The Company also owed Norvale Pty Ltd $59,323 (excluding GST) for geological services provided to the Company during the year.

The Company owed Rick Anthon $45,000 at 30 June 2013 in relation to Director fees.

The Company owed Hemming and Hart Lawyers, an entity associated with Rick Anthon, $1,782 (excluding GST) at 30 June 2013 in relation to legal advice provided to the Company during the year.

The Company owed Craig Rugless $1,532 for expenses incurred on behalf of Lamboo Resources Limited.

Transactions with Related Parties

Hemming and Hart Lawyers, an entity associated with Rick Anthon, provided legal advice totaling $Nil (2013: $126,438) to the Company during the year.

Norvale Pty Ltd, an entity associated with Rod Williams, provided geological services totaling $18,000 (2013: $68,135) to the Company during the year.

Pathfinder Exploration Pty Ltd, an entity associated with Craig Rugless, leased geological equipment totaling $37,120 (2013: $78,074) to the Company during the year.

NOTE 18 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main risks arising from the financial instruments is cash flow interest rate risk and liquidity risk.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board is responsible for managing the Consolidated Entity's identification and control of financial risks and for evaluating treasury management strategies in the context of the most recent economic conditions and forecasts. For the period under review, it has been the entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Consolidated Entity incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Consolidated Entity.

The maximum exposure to credit risk at balance date in relation to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 30 June 2014.

Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions. The Consolidated Entity did not have any material credit risk exposure to debtors or group of debtors under financial instruments entered into by the Consolidated Entity.

NOTE 18 FINANCIAL RISK MANAGEMENT (continued)

	2014 $	2013 $
Maximum exposure to credit risk		
Non-trade receivables	213,444	128,145
Cash and cash equivalents	3,287,072	1,034,769
	3,500,516	1,162,914
Ageing of receivables		
Not past due	213,444	128,145
Past due 0-90 days	-	-
Past due >90 days	-	-
Impaired	-	-
	213,444	128,145

Credit risk - Cash and cash equivalents

The credit quality of financial assets that are neither past due nor impaired is considered strong. The counterparty to these financial assets is National Australia Bank and Korea Exchange Bank; financial institutions with strong credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity may encounter difficulties raising funds to meet financial obligations as they fall due.

Liquidity risk is reviewed regularly by the Board. The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained.

The table below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2014. The amounts disclosed represent undiscounted cash flows.

The remaining contractual maturities of the financial liabilities are:

	2014 $	2013 $
Less than one year		
Trade and other payables	559,268	333,160

Terms and conditions relating to the above financial instruments:

- Trade creditors are unsecured, non-interest bearing and are normally settled on 7 - 30 day terms
- Other creditors are unsecured and non-interest bearing

(c) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

NOTE 18 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is managed by constant monitoring of interest rates. The Consolidated Entity's interest rate exposure is limited to its variable rate cash and cash equivalent assets.

Interest rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the interest rates at reporting date had been 100 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

At 30 June 2014, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2014 $	2013 $	2014 $	2013 $
+1.00% (100 basis points)	7,204	10,347	7,204	10,347
-1.00% (100 basis points)	(7,204)	(10,347)	(7,204)	(10,347)

Foreign Currency Risk

Foreign currency risk arises as a result of having assets/cash flows denominated in a currency other than the functional currency in which they are reported. At 30 June 2014, the Consolidated Entity had the following exposure to foreign currency:

	2014 $	2013 $
Financial Assets:		
Cash and cash equivalents – US Dollar	-	6,101
Cash and cash equivalents – Euro	-	46
Cash and cash equivalents – South Korean Won	73,839	15,736
Trade and other receivables – South Korean Won	72,355	50,212
	146,194	72,095
Financial Liabilities:		
Trade and other payables – South Korean Won	108,891	-
Trade and other payables – GBP	5,578	-
Trade and other payables – USD	11,000	23,585
	125,469	23,583

Exchange rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the exchange rates at reporting date had been 10% basis higher or lower, with all other variables held constant. The following sensitivity analysis is based on the foreign currency risk exposures in existence at the balance sheet date:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2014 $	2013 $	2014 $	2013 $
+10.00%	(2,072)	(4,851)	(2,072)	(4,851)
-10.00%	2,072	4,851	2,072	4,851

NOTE 18 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital Risk Management

The Board controls the capital of the Consolidated Entity in order to provide capital growth to shareholders and ensure the Consolidated Entity can fund its operations and continue as a going concern. The Consolidated Entity's capital includes ordinary share capital, reserves and accumulated losses. Further detail on the value share capital can be found in Note 13. There are no externally imposed capital requirements. The Board effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and the market.

There have been no changes in the strategy adopted by management to control the capital of the Consolidated Entity since the prior year.

(e) Fair Values

The fair values of financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

The aggregate fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 19 SEGMENT REPORTING

Reportable Segments

Operating segments are identified on the basis of internal reports that are regularly reviewed by the executive team in order to allocate resources to the segment and assess its performance.

For the purpose of segment reporting, the Consolidated Entity is deemed to have operated in two segments during the year:

- Exploration for minerals within Australia; and
- Exploration for minerals within South Korea.

Segment Revenue and Results

30 June 2014	South Korea $	Australia $	Consolidated $
Revenue:			
Revenue	365	226,834	227,199
Expenses:			
Expenses	(264,406)	(1,701,561)	(1,965,967)
Segment result	(264,041)	(1,474,727)	(1,738,768)
Income tax	-	1,248,013	1,248,013
Net Loss	(264,041)	(226,714)	(490,755)
Non-cash items included in loss above:			
Depreciation and amortisation	4,779	10,230	15,009
Assets:			
Segment assets	2,839,603	7,878,974	10,718,577
Unallocated corporate assets	-	-	-
Consolidated Total Assets	2,839,603	7,878,974	10,718,577
Liabilities:			
Segment liabilities	108,891	516,459	625,350
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	108,891	516,459	625,350
Segment acquisitions:			
Acquisition of property, plant and equipment	13,333	4,678	18,011
Capitalised exploration expenditure	1,042,052	3,366,010	4,408,062
Details on non-current assets:			
Trade and other receivables	63,395	16,528	79,923
Plant and equipment	36,744	26,066	62,810
Exploration expenditure	1,101,235	6,043,879	7,145,114

NOTE 19 SEGMENT REPORTING

Segment Revenue and Results

30 June 2013	South Korea $	Australia $	Consolidated $
Revenue:			
Interest revenue	38	106,897	106,935
Expenses:			
Expenses	(3,761,419)	(1,561,116)	(5,322,535)
Segment result	(3,761,381)	(1,454,219)	(5,215,600)
Income tax	-	-	-
Net Loss	(3,761,381)	(1,454,219)	(5,215,600)
Non-cash items included in loss above:			
Depreciation and amortisation	5,710	6,802	12,512
Exploration costs expensed	3,671,875	-	3,671,875
Assets:			
Segment assets	90,134	3,875,726	3,965,860
Unallocated corporate assets	-	-	-
Consolidated Total Assets			3,965,860
Liabilities:			
Segment liabilities	6,939	360,743	367,682
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities			367,682
Segment acquisitions:			
Acquisition of property, plant and equipment	29,891	38,421	68,312
Capitalised exploration expenditure	59,183	2,677,869	2,737,052
Details on non-current assets:			
Trade and other receivables	47,970	13,888	61,858
Plant and equipment	24,181	31,618	55,799
Exploration expenditure	59,183	2,677,869	2,737,052

NOTE 20 COMMITMENTS

	2014 $	2013 $
Operating leases		
Minimum lease payments:		
Payable within one year	79,612	76,443
Payable within one year and five years	5,240	72,290
Payable later than five years	-	-
Total contracted at balance date	84,852	148,733

Operating leases relate to various offices under non-cancellable operating leases.

NOTE 20 COMMITMENTS (continued)

Future exploration

The Consolidated Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

	2014 $	2013 $
Exploration obligations to be undertaken:		
Payable within one year	345,000	74,090
Payable between one year and five years	1,457,948	2,440,817
	1,802,948	2,492,117

NOTE 21 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Administration of Gelcompany GmbH

On 20 October 2011 Gelcompany GmbH ("Gelco"), a 100% owned subsidiary of the Parent Company based in Germany, was placed into administration. The administration process is ongoing and it is expected that this process will be completed by the end of the 2014 calendar year.

Based on available information, the Directors believe that no liabilities will arise from the administration process.

There are no other known contingent liabilities or contingent assets as at the date of this report.

NOTE 22 ASSET ACQUISITIONS

2014

During the period, the Company agreed to acquire the exploration rights of the Panton North tenement (E80/4733), from Uramin Pty Ltd for a total consideration of 250,000 ordinary LMB shares and $50,000 cash.

2013

During the prior period, the Company agreed to acquire 100% of the issued capital of Opirus Minerals Pty Ltd (Opirus), a company that holds, through its wholly owned subsidiary Won Kwang, a number of flake graphite exploration projects and certain exploration permit applications over potential flake graphite-bearing areas in South Korea.

In consideration for the acquisition the Company issued, pro rata to Opirus shareholders:

(a) 12,500,000 ordinary shares; and

(b) 22,500,000 performance rights, which give the holder the right to acquire shares for no consideration, upon the achievement of the following milestones:

(i) The first 12,500,000 performance rights (Tranche 1 Rights), within 36 months of completion of the acquisition agreement, the tenements or tenement applications achieve a JORC compliant inferred mineral resource of 100,000 tonnes or more of in situ carbon as graphite; and

(ii) The second 10,000,000 Performance Rights (Tranche 2 Rights), within 36 months of completion of the acquisition agreement, a pre-feasibility study is completed that is commercially acceptable to the Company, acting reasonably, in respect of at least one of the projects represented by the tenements or tenement Applications.

The Company has agreed to invest, within 24 months of completion of the acquisition, at least $2,500,000 on direct exploration expenditure in South Korea, to develop the Tenements and the Tenement Applications, in accordance with good commercial practice and excluding head office or corporate costs and general staffing costs.

NOTE 22 ASSET ACQUISITIONS (continued)

The purchase consideration was determined with reference to the fair value of the equity instruments issued and in the instance of performance rights, adjusted for the likelihood of the relevant milestone being achieved:

Consideration	# of Instruments issued	LMB share price at issue date	Estimated probability of achieving milestone[1]	Value
	$	$	%	$
Ordinary Lamboo shares	12,500,000	0.125	NA	1,562,500
Tranche 1 performance rights	12,500,000	0.125	75	1,171,875
Tranche 2 performance rights	10,000,000	0.125	75	937,500
				3,671,875
Transaction costs relating to the acquisition				246,176
Other items				5,228
Total acquisition costs of South Korean exploration projects				3,923,279

[1] Represents the Directors best estimate based on the available geological data at the time acquisition.

The Company has adopted an accounting policy of expensing these costs in accordance with Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources" (AASB6 allows such costs to be expensed as incurred or to be partially or fully capitalised)

NOTE 23 EVENTS AFTER BALANCE SHEET DATE

Intention to Merge China Sciences Hengda Graphite Co Ltd with Lamboo Resources Limited

On 7 July 2014, the Company announced it had entered into to a Binding Framework Agreement, subject to due diligence to merge up to 100% of the issued capital of China Sciences Hengda Graphite Co, Ltd (Hengda), a graphite mining, processing and products company with Lamboo Resources with the combined entity to be listed on the ASX.

Lamboo and Hengda have been working closely during 2014 towards a corporate combination designed to create a uniquely-positioned flake graphite products and technology supplier with coverage over the full upstream-downstream value-chain targeted initially at the rapidly-expanding Asian markets for Lithium Ion Batteries used in EVs and other energy storage applications, along with new flake-graphite-based technologies in pebble bed reactors and graphene applications.

Lamboo believes that the combination of Lamboo and Hengda will create a world-leading production and technology company with state-of-the-art capabilities and facilities in this high-growth market where scarcity prevails in high-purity flake graphite products.

Key Terms of the Agreement

The merge price of Lamboo and 100% Hengda for US$150 million consists in 2 parts:

Part 1: Lamboo scrip to the value of US$75 million. The scrip is based on issue price of $0.848 per Lamboo share. This has been calculated being the average closing price of Lamboo shares since the announcement of the McIntosh scoping study on 24 June 2014.

Part 2: Lamboo scrip to the value of US$75 million or Lamboo has the option with respect to the prevailing share price at the time of the completed transaction a cash payment of up to US$75 million. The cash payment will be subject to Lamboo share price and strategic investor interest. If Lamboo elects to pay in scrip. The scrip is based on issue price of $0.848 per Lamboo share. This has been calculated being the average closing price of Lamboo shares since the announcement of the McIntosh scoping study on 24 June 2014.

Under the Agreement, Lamboo have paid to Mr Wang Fengjun, General Manager and major shareholder of Hengda, a refundable deposit of US$2,000,000 guaranteed by Hengda.

NOTE 23 EVENTS AFTER BALANCE SHEET DATE (continued)

Conditions Precedents

The transaction is subject to various conditions precedent, including:

- Hengda being determined by a third party value to have a value of at least US$150,000,000;
- Various regulatory approvals and documentation for Hengda and its shareholders;
- Legal, financial and technical due diligence investigations to be undertaken by the parties, and the parties to be satisfied with the outcome of that due diligence; and
- All necessary approvals are obtained (including but not limited to Lamboo shareholder approval).

Lamboo has engaged professional advisors to perform the due diligence on Hengda. In the event that either party is not satisfied with the findings of the due diligence investigation, the Framework Agreement may be terminated. Otherwise, the Framework Agreement may be terminated for material breach and other customary termination events.

A Notice of Meeting is currently being prepared to convene a Shareholders' Meeting planned to seek approval of planned merger. The Notice of Meeting will include an Explanatory Memorandum that will provide shareholders with detailed additional information on Hengda and the transaction.

The Company will provide further updates as additional relevant information is received and as the transaction progresses towards shareholder approval and completion.

Capital Raising

On 9 July 2014 the Company announced a capital raising of $2.18M through the placement of 2.42 million shares at 90 cents per share.

Performance Rights

On 11 August 2014 the Company issued 12,500,000 fully paid ordinary shares following the vesting of Tranche 1 of the performance rights issued in 2012 in relation to the acquisition of Opirus Minerals Pty Ltd.

Options

Since 30 June 2014 the Company has issued 830,000 fully paid ordinary shares options following the exercise of options.

	2014 $	2013 $

NOTE 24 PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is Lamboo Resources Limited.

Parent Entity Financial Information

Current assets	3,243,960	1,088,233
Non-current assets	6,537,422	2,782,558
Total assets	9,781,382	3,870,791
Current liabilities	516,457	360,743
Non-current liabilities	-	-
Total liabilities	516,457	360,743
Net assets	9,264,925	3,510,048
Issued capital	38,592,557	31,615,967
Reserves – Performance Rights	2,109,375	2,109,375
Accumulated losses	(31,437,007)	(30,215,294)
Total equity	9,264,925	3,510,048
Loss after income tax	(1,221,713)	(5,351,165)
Other comprehensive income	-	-
Total comprehensive income	(1,221,713)	(5,351,165)

Commitments, Contingencies and Guarantees of the Parent Entity

The Parent Entity has no contractual commitments for the acquisition of property, plant and equipment.

The Parent Entity's exposure to contingent liabilities is detailed in Note 21. The Parent Entity has no contingent assets or guarantees at balance date.

Controlled Entities of the Parent Entity	Percentage Owned		Country of Incorporation
	2014 %	2013 %	
Lamboo Resources No.1 Pty Ltd	100%	100%	Australia
McKintosh Resources Pty Ltd	100%	100%	Australia
Gel Company Pty Ltd	100%	100%	Australia
Advanced Particle Group Pty Ltd	100%	-	Australia
Opirus Minerals Pty Ltd	100%	100%	Australia
Won Kwang Inc	100%	100%	South Korea

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
   b. give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in paragraphs pages 21 to 25 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2014, comply with section 300A of the *Corporations Act 2001.*
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Director
Dated this 24th day of September 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Lamboo Resources Limited

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which

has been given to the directors of Lamboo Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Lamboo Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 25 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Lamboo Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

A S Loots
Director

Brisbane, 24 September 2014