

Bligh Resources Limited

ACN 130 964 162

ASX: BGH

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New South Wales 2060
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Board of Directors

Bill Richie Yang
Patrick Burke
James Allchurch
Jinle Song

General Manager Project Development

Paddy Reidy

Company Secretary

Ian White

Capital Structure

Ordinary Shares: 212,464,631
Unlisted Options: 33,150,000

Contact

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31 January 2017

Report for Quarter ended 31 December 2016

Key Points

- **Consolidation of Bligh's Interest in the Bundarra Gold project to 100%**
- **Mineral Resource Estimate upgraded to JORC 2012 - 7.0Mt @ 1.9 g/t for 431,000 ounces**
- **Significant widths of High Grade Gold intersected at Bundarra Project**

Bligh Resources Limited (ASX: BGH) ("Bligh or the Company") is pleased to provide this quarterly update on its operations and activities for the quarter ended 31 December 2016.

The Quarter was a significant one for the rejuvenation of the Company, marked by the consolidation of its 100% interest in the Bundarra project, upgrading of the Mineral Resource Estimate to JORC 2012, some exciting results from drilling during the quarter, and a new Board. As a result, the Company is now well placed to consider a range of possibilities with respect to the realisation of value for shareholders from the Bundarra project.

Bligh's 100% Interest in Bundarra

During the December quarter, the Company announced it had signed a binding term sheet with Contained Gold Pty Ltd (Contained Gold) to terminate the Joint Venture covering the Bundarra project, resulting in Bligh consolidating 100% ownership and operating control of the Bundarra project. The transaction completed on 23 December, with total consideration of \$1.1m, consisting of:

- 10.0m fully paid ordinary shares in Bligh (at a deemed issue price of \$0.035); and
- \$746,718 cash payable in three instalments comprising \$300,000 on Completion (paid), \$225,000 on 28 February 2017 and \$221,718 on 28 April 2017.

The effect of the agreement is that the joint venture agreement under which Contained Gold had the right to earn a 50% equity interest in the Bundarra Gold Project is terminated with Bligh regaining 100% interest in the Bundarra Gold Project.

Bundarra Mineral Resource Estimate Upgrade to JORC 2012

During the December 2016 quarter Bligh announced an upgraded Mineral Resource estimated in accordance with JORC 2012 guidelines for its Bundarra Gold Project.

The Mineral Resource previously reported under the 2004 JORC code underwent a review by resource specialists CSA Global Pty Ltd ('CSA') for reporting under the JORC 2012 guidelines, with global resources of **7.0 MT @ 1.9 g/t Au for 431,000 oz**, at a 0.5 g/t Au cutoff.

This represents an important step for Bligh in preparation for the next phase of the exploration and development toward production at the Bundarra Project. A key result of the review is that there has been no material change to the Mineral Resource Estimate reported on 5 September 2013.

Further detailed information, including JORC table 1, relating to the JORC 2012 upgrade is contained in the Bligh ASX announcement of 20 December 2016.

Significant Widths of High Grade Gold Intersected at Bundarra Project

During the December 2016 quarter Bligh received results from the Reverse Circulation ('RC') drilling program announced on 27 October 2016.

Of six drillholes completed at the Wonder North deposit, four drillholes (BRC004 – BRC007) targeted extensions of mineralisation to the north-west of the existing open pit, and two drillholes (BRC018 and BRC019) targeted the extension of mineralisation at depth beneath the existing pit.

Drillhole BRC019 intersected **10m @ 8.72 g/t from 301m to 310m** downhole, and **2m @ 12.31 g/t from 334m to 336m** in a Footwall Lode.

Drillhole BRC018 intersected **31m @ 3.56 g/t from 294m to 325m, (including 9m @ 7.18 g/t from 296m to 305m)**, 7m @ 1.89 g/t from 318m to 325m, and 2m @ 4.22 g/t from 330m to 332m in a Footwall Lode.

Drillhole BRC005 to the northwest of Wonder North intersected **10m @ 5.26 g/t from 171m to 181m**.

Two drillholes completed at the Bluebush Prospect 2km directly south of Wonder North to test for extensions did not intersect significant mineralisation.

These results (Table 1) confirm the continuity of high grade gold mineralisation at depth beneath the Wonder North pit and highlight the excellent potential to expand Mineral Resources and develop a high grade underground mining operation to compliment open pit mine development.

The high grade intersection in BRC005 to the northwest of the Wonder North pit (Figure 1) is a previously untested zone of mineralisation which highlights the exploration potential adjacent to currently defined deposits, and along interpreted structural features.

Bligh is currently evaluating the opportunity to further extend the defined high grade mineralisation beneath the Wonder North deposit, and geological planning of a subsequent drilling program is underway ahead of the submission of Program of Work Application to the Department of Minerals and Petroleum.

A long section of currently defined mineralisation at Wonder North is shown in Figure 2, with the location of drilling from the most previous operators (Terrain Minerals: TMX) in 2007/2008, and previous drilling shown with the most recent Bligh drilling (BRC018, and BRC019). True widths are estimated to be 50% of reported downhole intersections.

Please note that further details, including the JORC Table 1, is included in the Company's announcement of 14 December 2016.

Table 1 Significant drilling Intersections

Hole No.	Total Depth m	Northing	Easting	RL	Dip	Azimuth	From m	To m	Width m	Au g/t	Comment
BRC004	220				-60	220	189	196	7	1.60	Wonder NW Extension
BRC005	200	6863836	321722	504	-60	220	163	181	18	3.36	Wonder NW Extension
					INCLUDING		171	181	10	5.26	
BRC007	188	6863867	321618	505	-60	220	125	127	2	1.39	Wonder NW Extension
BRC018	334	6863671	322138	503	-60	220	294	325	31	3.56	Wonder North Down Dip
					INCLUDING		296	305	9	7.18	
					AND		330	334	4	2.50	Hole ended in mineralisation due to drilling difficulties
					INCLUDING		330	332	2	4.22	
BRC019	348	6863700	322097	503	-60	220	301	311	10	8.72	Wonder North Down Dip
					AND		334	356	2	12.31	Footwall Lode
BRC006	180	6863849	321668	505			No significant intersection				Wonder NW Extension
BRC016	200	6861860	321749	496			No significant intersection				Bluebush strike Extension
BRC017	170	6861824	321728	496			No significant intersection				Bluebush strike Extension



Figure 1 Wonder North Drillhole Collar Locations

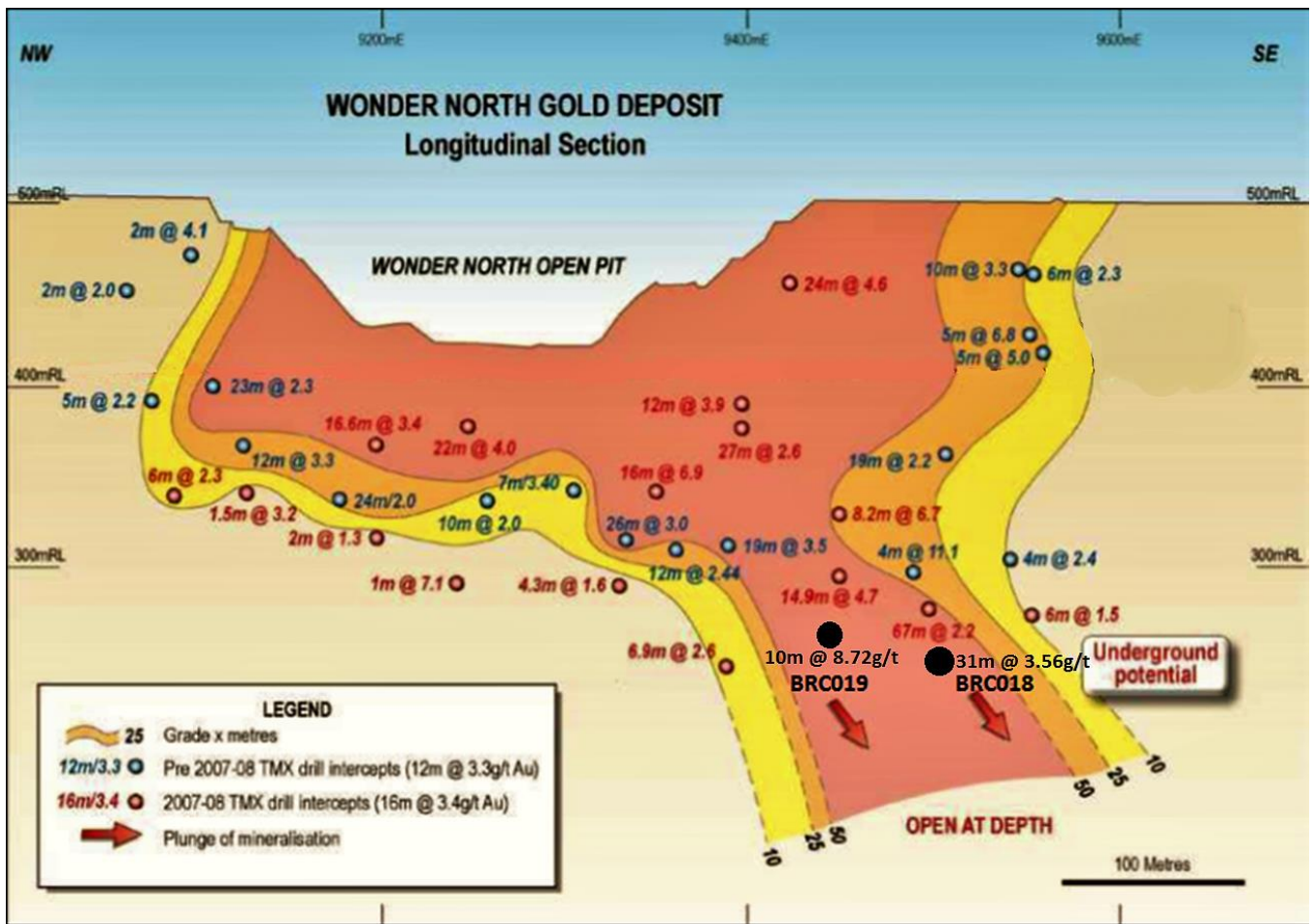


Figure 2 Wonder North Long Section

Corporate

On 20th October 2016 the Company announced the appointment of Gino Vitale and Paddy Reidy as Managing Director/CEO and project development executive respectively. Subsequently during the December 2016 quarter Gino Vitale resigned from his position as CEO of Bligh and did not stand for re-election as a Director at the Company's AGM.

During the quarter the company also announced the resignation of Mr Tianbao Wang as well as the appointment of Mr James Allchurch and Mr Patrick Burke as non-executive Directors of the Company.

Tenements

Tenement	Location	Interest
M 37/514	Bundarra	100%
M 37/638	Bundarra	100%
M 37/350	Bundarra	100%
M 37/488	Bundarra	100%
M 37/513	Bundarra	100%
P 37/8306	Bundarra	100%
P 37/8382	Bundarra	100%
P 37/8384	Bundarra	100%
P 37/8386	Bundarra	100%
P 37/8383	Bundarra	100%
P 37/8385	Bundarra	100%
L 37/201	Bundarra	100%
L 37/210	Bundarra	100%

For further information, visit www.blighresources.com.au or contact:

Patrick Burke

Director

Phone: 08 9420 9300

About the Bundarra Gold Project

The Bundarra Gold Project lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 60km north of Leonora in the Eastern Goldfields region of Western Australia. The Company has previously reported Mineral Resources (JORC 2012) across three deposits and a new exploration zone (Celtic, Wonder North, Wonder West and Bluebush). Details of the resource estimate are contained in the Company's announcement dated 20 December 2016.

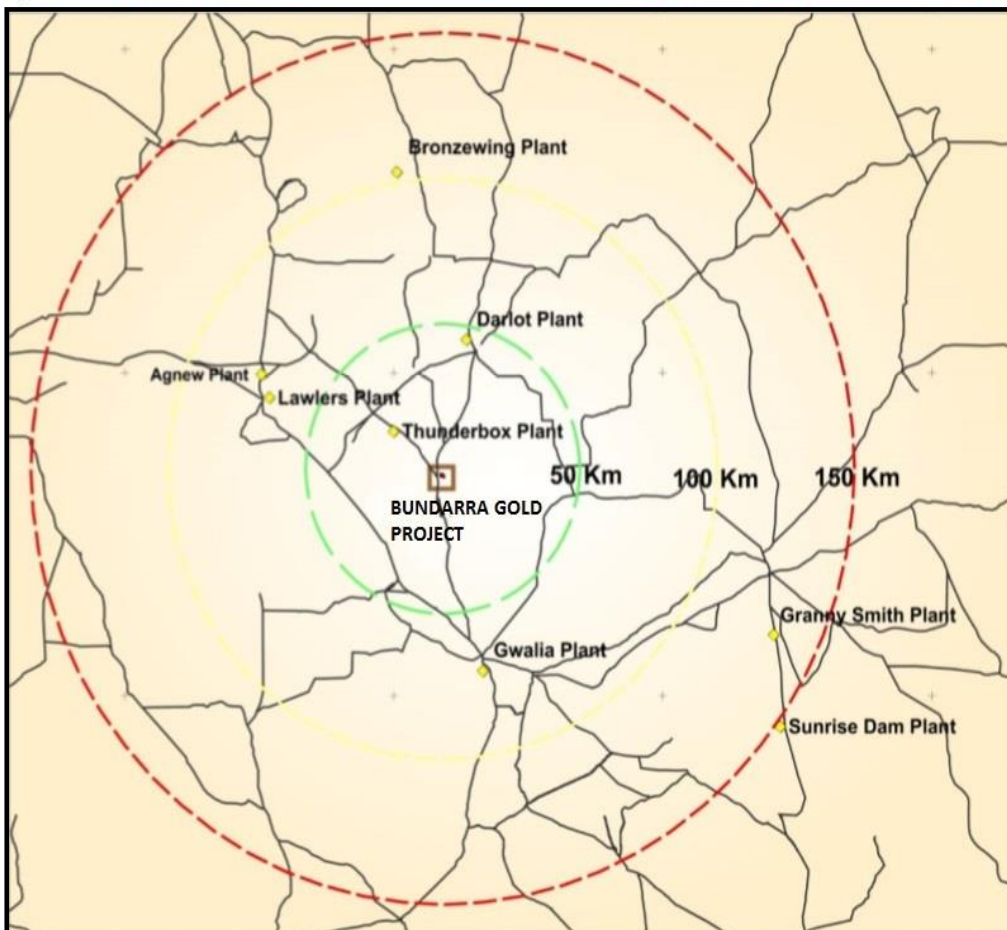
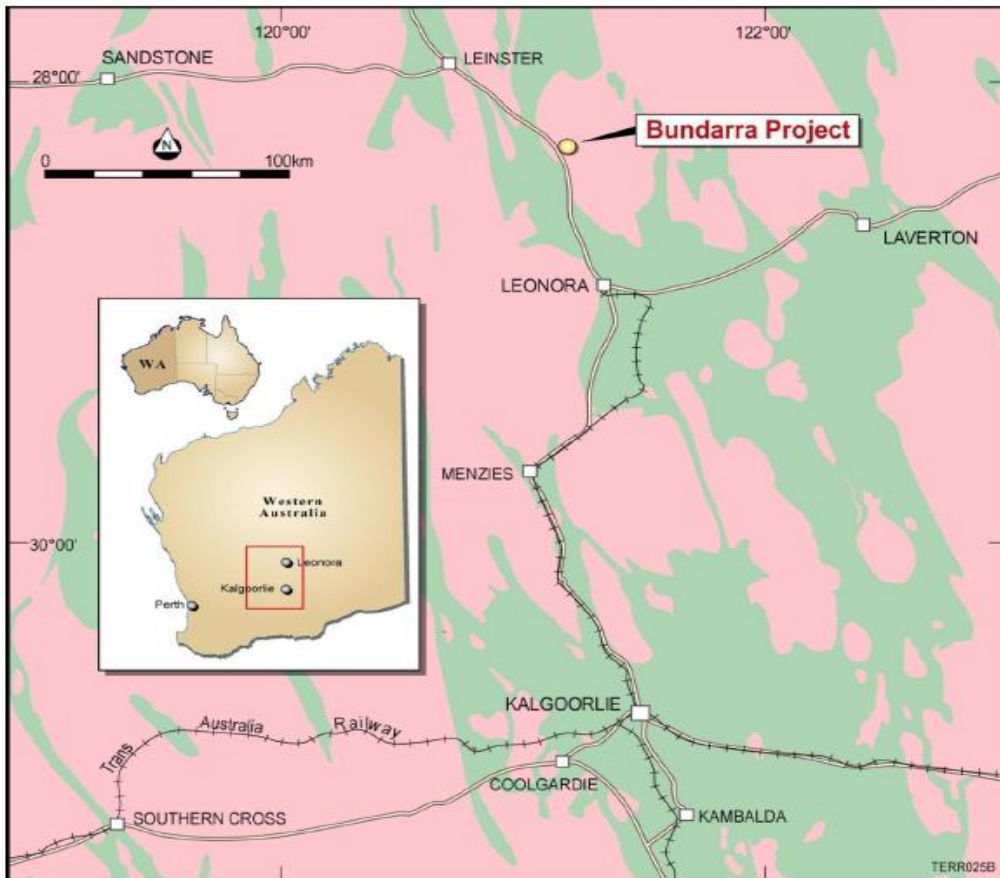
The project tenement schedule consists of five Mining Leases, six Prospecting Licences and two Miscellaneous Licences for groundwater exploration and a future haulage route covering an area of 60.5km². To date, more than 3,000 holes have been drilled with an accumulated drill depth of more than 150,000m.

Competent Person Statement

Information in this report that relates to exploration results is compiled by Mr Paddy Reidy, General Manager Project Development of Bligh Resources, and a Member of the Australasian Institute of Mining and Metallurgy. Mr Reidy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity upon which he is reporting on as a Competent Person as defined in the 2012 Edition of "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Reidy consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.

See next page for project location maps

Bundarra Project location Map



Bundarra – regional gold operations and processing centres