



ACN 130 964 162

Financial Report

For the Half-Year Ended 31 December 2016

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CORPORATE DIRECTORY

| | |
|--|---|
| Directors | Patrick Burke Bill Richie Yang James Allchurch Jinle Song |
| Company Secretary | Lloyd Flint |
| Registered Office | Level 1 33 Ord St West Perth WA 6005 |
| Principal Place of Business | Level 1 33 Ord Street West Perth WA 6005 |
| Share Register | Link Market Services Pty Ltd Level 4, 152 St Georges Terrace Perth WA 6000 |
| Auditor | HLB Mann Judd Level 19, 207 Kent Street Sydney NSW 2000 |
| Solicitors | Steinepreis Paganin Level 4 16 Milligan Street Perth WA 6000 |
| Bankers | National Australia Bank 101 – 103 Pitt Street Sydney NSW 2000 ANZ Bank 3/115 Pitt Street Sydney NSW 2000 |
| Accounting and Company Secretarial Services | Professional Edge Pty Ltd GPO Box 1458 Sydney NSW 2000 |
| Securities Exchange Listing | Bligh Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: BGH) |
| Website Address | www.blighresources.com.au |

Your Directors present their report together with the financial statements of Bligh Resources Ltd ("Bligh" or the "Company") and its subsidiary (together "the Group") for the financial half-year ended 31 December 2016.

Directors

The names of the Directors, who held office from 1 July 2016 to date of this report, unless otherwise stated, are:

Patrick Burke – (Non-Executive Chairman) appointed 5 December 2016

Bill Richie Yang - (Non-Executive Director)

James Allchurch – (Non-Executive Director) appointed 23 December 2016

Jinle Song - (Non-Executive Director)

Tianbao Wang – (Non-Executive Director) resigned 5 December 2016

Gino Vitale - (Non-Executive Director) appointed 22 July 2016; resigned 28 November 2016

Zhijie Li - (Alternate Director for Mr Peiqi Zhang) resigned 16 July 2016

Dr Eric Zhang – (Non-Executive Director) resigned 17 July 2016

Mr Peiqi Zhang – (Non-Executive Director) resigned 16 July 2016

Review of Operations

The loss after tax for the Group during the half-year was \$1,198,466 (2015: \$365,633).

Activities during the period were focused on the consolidation of the interest in the Company's flagship Bundarra Gold Project to 100% through termination of the Joint Venture Agreement ("JV Agreement") with Contained Gold Pty Ltd ("CGPL") as well as advancement of the Bundarra Gold Project through the completion of a new JORC Resource Estimate and further exploration and development drilling.

On 22 July 2016 the Company announced the appointment of experienced gold industry executive Gino Vitale as a Non-Executive Director and Managing Director and Chief Executive-elect in conjunction with a capital raising of \$1,700,000 in an underwritten placement and Share Purchase Plan ("SPP") at 2.5c per share. Due to a high level of investor demand the capital raising was subsequently increased to \$2,200,000 through an increase in the placement component. The use of funds was to assess exploration opportunities and develop the Bundarra Gold project. Gino Vitale subsequently resigned from the Company on 28 November 2016.

On 29 September 2016 the Company received notice from CGPL to convert the sum of \$250,000 into 7,142,857 ordinary fully paid shares in the Company. This final tranche left the Company debt-free following the retirement of \$600,000 in convertible loans.

The Company appointed highly experienced mining executive and geologist, Mr Paddy Reidy, as General Manager, Project Development in October 2016. Mr Paddy Reidy has over 20 years' experience in the West Australian and international resources sector with corporate and operational responsibilities including as CEO of a junior explorer and, in a consulting capacity, as Principal Consultant Geologist with CSA Global.

On 14 December 2016 the Company announced the results of a 1,840m six-hole Reverse Circulation ("RC") drilling programme conducted at the Bundarra Gold Project. Of six drill holes 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 confirmed the continuity of high grade gold mineralisation at depth beneath the Wonder North pit and highlighted the excellent potential to expand Mineral Resources and develop a high grade underground mining operation to complement open pit mine development. The high grade intersection in BRC005 to the northwest of the Wonder North pit is a previously untested zone of mineralisation which highlights the exploration potential adjacent to currently defined deposits and along interpreted structural features.

Subsequent to receipt of the drill results above the Company 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 requirements, with global resources of **7.0 MT @ 1.9 g/t Au for 431,000 oz, at a 0.5 g/t Au cutoff.**

DIRECTORS' REPORT

For the half-year ended 31 December 2016

A key result of the review is that there has been no material change to the Mineral Resource Estimate reported on 5 September 2013.

On 7 December 2016 the Company announced that it has signed a binding term sheet with CGPL to terminate the Joint Venture covering the Bundarra Gold Project, resulting in Bligh consolidating 100% ownership and operating control of the Bundarra project, for total consideration of \$1,100,000, consisting of:

- 10.0m fully paid ordinary shares in Bligh (at a deemed issue price of \$0.035); and
- \$746,718 cash.

This consideration was then varied to provide that the cash component be paid in three instalments, \$300,000 on completion, \$225,000 on 28 February 2017 and \$221,718 on 30 April 2017.

The effect of the agreement is that the joint venture agreement under which CGPL had the right to earn a 50% equity interest in the Bundarra Gold Project was dissolved with Bligh regaining 100% interest in the Bundarra Gold Project. The termination of the Joint Venture covering the Bundarra Gold project completed on 23 December 2016.

Readers of this Directors' Report are also directed to public announcements made by the Company to the ASX during, and since the end of, the financial half-year to date.

Subsequent Events

The review of operations discussed above covers the period of the half-year ending 31 December 2016 and up to the date of this report. Details of all events that occurred specifically between 31 December 2016 and the date of this report are shown in note 14 to the financial statements.

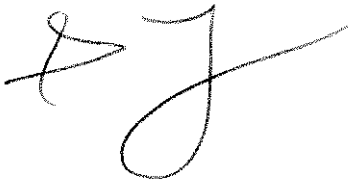
Auditor's Independence Declaration

The Auditor's Independence Declaration for the half-year ended 31 December 2016 has been received and a copy is reproduced on page 4.

Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest dollar (where rounding is applicable) unless otherwise indicated.

This Report is made in accordance with a resolution of the Board of Directors and signed on behalf of the Board by;



Patrick Burke

Director

Perth, 15 March 2017

AUDITOR'S INDEPENDENCE DECLARATION

For the half-year ended 31 December 2016



Accountants | Business and Financial Advisers

As lead auditor for the review of the consolidated financial report of Bligh Resources Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'D K Swindells'.

D K Swindells
Partner

Sydney, NSW
15 March 2017

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2016

| Note | Consolidated | |
|--|--------------------|------------------|
| | December 2016 | December 2015 |
| | \$ | \$ |
| Revenue from continuing operations | | |
| Interest income | 2,368 | 11,813 |
| Other income | - | 1,347 |
| | 2,368 | 13,160 |
| Less: Expenses | | |
| Exploration and evaluation interests written off | 772,112 | - |
| Administration costs | 79,971 | 77,829 |
| Consultancy fees | 123,595 | 37,541 |
| Depreciation and amortisation expense | 10,000 | 133 |
| Directors, employees and consultant expenses | 95,543 | 181,604 |
| Employee benefits expense | 15,724 | 5,128 |
| Occupancy expenses | 15,909 | 15,060 |
| Travelling costs | 15,018 | 3,633 |
| Legal and professional costs | 72,962 | 57,865 |
| Total expenses | 1,200,834 | 378,793 |
| Loss from continuing operations before income tax for the half-year | (1,198,466) | (365,633) |
| Income tax expense | - | - |
| Loss from continuing operations after income tax | (1,198,466) | (365,633) |
| Other comprehensive loss for the half-year | - | - |
| Total comprehensive loss for the half-year | (1,198,466) | (365,633) |
| Total comprehensive loss for the year attributable to: | | |
| Owners of the company | (1,198,466) | (365,507) |
| Non-controlling interests | - | (126) |
| | (1,198,466) | (365,633) |
| Earnings per share | | |
| Basic - cents per share | (0.79) | (0.39) |
| Diluted - cents per share | (0.79) | (0.39) |

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

| | Note | Consolidated | |
|--|------|------------------|------------------|
| | | December 2016 | June 2016 |
| | | \$ | \$ |
| Current assets | | | |
| Cash at bank | 4 | 551,020 | 32,383 |
| Trade and other receivables | 5 | 297,948 | 53,665 |
| Other | | 20,000 | 20,000 |
| Total current assets | | 868,968 | 106,048 |
| Non-current assets | | | |
| Exploration and evaluation expenditure | 6 | 4,495,227 | 4,043,084 |
| Environmental bonds | | 44,710 | 44,710 |
| Available for sale financial assets | | - | 500 |
| Plant and equipment | | 10,000 | - |
| Total non-current assets | | 4,549,937 | 4,088,294 |
| Total assets | | 5,418,905 | 4,194,342 |
| Current liabilities | | | |
| Trade and other payables | 7 | 670,662 | 442,071 |
| Borrowings | 8 | - | 645,000 |
| Deposits | | - | 225,000 |
| Employee benefits | | - | 4,904 |
| Total current liabilities | | 670,662 | 1,316,975 |
| Total non-current liabilities | | - | - |
| Total liabilities | | 670,662 | 1,316,975 |
| Net assets | | 4,748,243 | 2,877,367 |
| Equity | | | |
| Contributed equity | 9 | 10,010,295 | 7,403,682 |
| Accumulated losses | | (5,857,933) | (4,659,467) |
| Reserves | | 595,881 | 133,152 |
| Capital and reserves attributable to owners of Bligh Resources Limited | | 4,748,243 | 2,877,367 |
| Total equity | | 4,748,243 | 2,877,367 |

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

STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2016

| Note | Consolidated | |
|---|--------------------|------------------|
| | December 2016 | December 2015 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (252,051) | (121,139) |
| Interest received | 2,368 | 11,813 |
| Interest paid | (987) | (5,191) |
| Net cash (outflow) from operating activities | (250,670) | (114,517) |
| Cash flows from investing activities | | |
| Payment for exploration and evaluation expenditure | (1,022,305) | (147,439) |
| Payment for fixed assets | (20,000) | - |
| Net cash (used in) investing activities | (1,042,305) | (147,439) |
| Cash flows from financing activities | | |
| Proceeds from share issue | 3,190,916 | - |
| Capital raising costs | (734,304) | (18,000) |
| Repayment of borrowings | (645,000) | (50,000) |
| Proceeds from Joint Venture Agreement | - | 225,000 |
| Net cash provided by financing activities | 1,811,612 | 157,000 |
| Net increase/(decrease) in cash held | 518,637 | (104,956) |
| Cash at beginning of financial half-year | 32,383 | 230,520 |
| Cash at end of financial half-year | 551,020 | 125,564 |

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

STATEMENT OF CHANGES IN EQUITY

For the half- year ended 31 December 2016

| Note | Consolidated | | | | | |
|--|--------------------|--------------------|----------------|------------------------------|---------------------------|------------------|
| | Contributed equity | Accumulated losses | Reserves | Total attributable to owners | Non-controlling interests | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| December 2016 | | | | | | |
| Balance at 1 July 2016 | 7,403,682 | (4,659,467) | 133,152 | 2,877,367 | - | 2,877,367 |
| Total comprehensive loss for the half-year | - | (1,198,466) | - | (1,198,466) | - | (1,198,466) |
| Subtotal | 7,403,682 | (5,857,933) | 133,152 | 1,678,901 | - | 1,678,901 |
| <u>Transactions with owners in their capacity as owners:</u> | | | | | | |
| Non-controlling interests | - | - | - | - | - | - |
| Ordinary shares issued, net of transaction costs | 2,606,613 | - | - | 2,606,613 | - | 2,606,613 |
| Share based payment reserve | - | - | 462,729 | 462,729 | - | 462,729 |
| Balance at 31 December 2016 | 10,010,295 | (5,857,933) | 595,881 | 4,748,243 | - | 4,748,243 |
| December 2015 | | | | | | |
| Balance at 1 July 2015 | 7,387,182 | (3,927,424) | (1,650) | 3,458,108 | 15,068 | 3,473,176 |
| Total comprehensive loss for the half-year | - | (365,507) | - | (365,507) | (126) | (365,633) |
| Subtotal | 7,387,182 | (4,292,931) | (1,650) | 3,092,601 | 14,942 | 3,107,543 |
| <u>Transactions with owners in their capacity as owners:</u> | | | | | | |
| Non-controlling interests | - | 14,942 | - | 14,942 | (14,942) | - |
| Ordinary shares issued, net of transaction costs | (18,000) | - | - | (18,000) | - | (18,000) |
| Share based payment reserve | - | - | 134,696 | 134,696 | - | 134,696 |
| Balance at 31 December 2015 | 7,369,182 | (4,277,989) | 133,046 | 3,224,239 | - | 3,224,239 |

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

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2016

1. Corporate Information

Bligh Resources Limited is a public company, listed on the Australian Securities Exchange, incorporated and domiciled in Australia. The Company's operations comprise exploration for and evaluation of mineral resources.

2. Significant Accounting Policies

These financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. This financial report of Bligh Resources Limited ("Bligh" or the "Company") and its controlled entity (the "Group") was authorised by a resolution of Directors on 15 March 2017.

These financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of Bligh Resources Limited as at 30 June 2016 and any public announcement made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

a) Basis of preparation

The half-year financial report has been prepared on the historical cost basis except as disclosed in the notes or in the notes to the annual financial report for the year ended 30 June 2016.

b) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 30 June 2016.

c) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group's assessment of these new standards and interpretations is that they will result in no significant changes to the amounts recognised or matters disclosed in this half-year report.

d) Fair value

Due to their short term nature, the Directors considered the carrying amounts of cash, current receivables and current payables to approximate their fair value.

3. Segment Information

The Group has identified its operating segment based on internal reports that are reviewed and used by the chief operating decision maker (the Board of Directors) in assessing performance and in determining the allocation of resources. The Board has identified mineral exploration as the Group's only operating segment as this is its principal activity, which is consistent with prior reports.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2016

8. Borrowings

| | December 2016 | June 2016 |
|---|------------------|----------------|
| Current | \$ | \$ |
| Subscription funds for Convertible Note issued in July 2016 | - | 50,000 |
| Subscription funds for convertible note not yet issued | - | 250,000 |
| Other loans | - | 45,000 |
| Convertible note | - | 300,000 |
| Total | - | 645,000 |

9. Contributed Equity

Ordinary Shares Number

| | December 2016 No. | June 2016 No. |
|---|-------------------------|---------------------|
| Balance at the beginning of the period | 94,366,760 | 92,866,760 |
| Shares issued during the period | 128,097,871 | 1,500,000 |
| Balance at the end of the period | 222,464,631 | 94,366,760 |

Ordinary Shares Value

| | \$ | \$ |
|---|-------------------|------------------|
| Balance at the beginning of the period | 7,403,682 | 7,387,182 |
| Shares issued during the period | 3,340,917 | 34,500 |
| Share issue costs | (734,304) | (18,000) |
| Balance at the end of the period | 10,010,295 | 7,403,682 |

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2016

11. Share Based Payments

On 19 October 2016, 25,500,000 Options were granted to a number of parties as approved by shareholders on 11 October 2016. The share options are exercisable at a range of 3c to 7c per option at any time until 19 October 2019. The options vest immediately and the share based payment amount recognised as a capital raising cost was \$462,729. The options hold no dividend or voting rights unless exercised.

The fair value of options granted during the year was calculated using the Black-Scholes option pricing model.

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility. The volatility estimated in the option valuation was 122.24%.

12. Commitments

Exploration expenditure commitments

The Group is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position.

13. Contingent Liabilities

There are no liabilities not disclosed in the financial statements.

14. Subsequent Events

The following events have occurred since the end of the reporting date:

On 14 February 2017 the Company announced that it had agreed to sell its Bundarra Gold Project to Saracen Mineral Holdings Limited (ASX: SAR) for share consideration of A\$8.5 million (the "Transaction").

The Transaction enables the Company to realise immediate value for the Bundarra Project. As well as realising a per-share valuation premium as at the day of the announcement, the Company will avoid future development risk and requirement to raise development capital to advance the Bundarra Gold project to production.

Subsequent to the announcement, the Company executed a Binding Agreement for Sale of Mining Assets on 2 March 2017. Completion will be subject to the usual conditions precedent for this type of transaction including the requirement for Bligh shareholders to approve the Transaction at a general meeting.

The Company is actively reviewing new opportunities. The Company's significant corporate and technical expertise, financial support, and capital reserves upon completion of the Transaction will enable Bligh to pursue growth through investment and acquisition opportunities.

15. Going Concern Basis of Accounting

The financial report has been prepared using the going concern basis of accounting, which contemplates continuity of business activities and realisation of assets and settlement of liabilities in the normal course of business. During the half-year ended 31 December 2016, the Group incurred a loss of \$1,198,466 and had net cash outflows from operations and investing activities of \$1,292,975. The Group received net proceeds from share issues of \$2,456,612. At 31 December 2016, the Group had cash of \$551,020, and net current assets of \$48,206. Consistent with the nature of the Group's activities and its ongoing investment into exploration projects, additional funds will be required to support the exploration efforts of the Group in the future.

The financial report has been prepared using the going concern basis of accounting, as the Directors consider that the Group will be successful in raising funds in the future. The ability of the Group to continue as a going concern for the foreseeable future is dependent on raising funds through debt, equity or sale of assets. These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Should the Company be unable to continue as a going concern it may be required to realise its assets and settle its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as when they fall due.

DIRECTORS' DECLARATION


For the half-year ended 31 December 2016

The Directors of the Company declare that:

In their opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the Corporations Act 2001.



Patrick Burke

Director

Perth, 15 March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2016



Accountants | Business and Financial Advisers

To the members of Bligh Resources Limited

We have reviewed the accompanying half-year financial report of Bligh Resources Limited ("the Company") which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the Company and the entity it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2016



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Bligh Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw your attention to Note 15 of the financial report, which indicates that the consolidated entity has incurred an operating loss of \$1,198,466 during the half-year ended 31 December 2016. This condition, along with other matters as set forth in Note 15, indicate that a material uncertainty exists that may cast doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Sydney, NSW
15 March 2017

A handwritten signature in black ink that reads 'D K Swindells'.

D K Swindells
Partner

SCHEDULE OF TENEMENTS

As at 31 December 2016

| Tenement | Project | Location | Ownership | Grant Date | Expiry Date |
|----------|----------|----------|-----------|------------|-------------|
| M37/513 | Bundarra | WA | 100% | 21/09/2000 | 20/09/2021 |
| M37/514 | Bundarra | WA | 100% | 21/09/2000 | 20/09/2021 |
| M37/350 | Bundarra | WA | 100% | 10/01/1992 | 9/01/2034 |
| M37/488 | Bundarra | WA | 100% | 10/02/1995 | 9/02/2016 |
| M37/638 | Bundarra | WA | 100% | 10/01/2001 | 9/01/2022 |
| P37/8382 | Bundarra | WA | 100% | 14/11/2013 | 13/11/2017 |
| P37/8383 | Bundarra | WA | 100% | 14/11/2013 | 13/11/2017 |
| P37/8384 | Bundarra | WA | 100% | 14/11/2013 | 13/11/2017 |
| P37/8385 | Bundarra | WA | 100% | 14/11/2013 | 13/11/2017 |
| P37/8386 | Bundarra | WA | 100% | 14/11/2013 | 13/11/2017 |
| P37/8306 | Bundarra | WA | 100% | 15/05/2013 | 14/05/2017 |
| L37/201 | Bundarra | WA | 100% | 02/08/2010 | 1/08/2031 |
| L37/210 | Bundarra | WA | 100% | 5/09/2014 | 4/09/2035 |

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