

Deep drilling confirms significant high grade gold zone at Bundarra Gold Project

Highlights :

- Significant grade and width intersected in diamond drilling program at Wonder North Deeps
- Results confirm and extend high grade gold mineralisation intersected in previous RC drilling programs
- Strong potential for resource expansion with high grade mineralisation remaining open at depth

Drilling Highlights include

- **BRCD003 25m @ 5.13g/t from 363m**
 - Including 12m @ 8.45 g/t from 375m
- **BRCD002 26m @ 5.28g/t from 354m**
 - Including 10 m @ 8.89g/t from 358m
- **BRCD001 35 m @ 1.64 g/t from 424m**
 - Including 6 m @ 2.5 g/t from 435m

Bligh Resources Limited (ASX: BGH) ("Company") is pleased to report assay results from a diamond drilling program completed in December 2017 at the Company's 100% owned Bundarra Gold Project. A total of three holes (i.e. BRCD001, 2 & 3) ranging in depths of 405.4 to 468.1 m were completed to further test the extent of high-grade gold mineralisation at Wonder North Deeps. The holes were designed with RC pre collars up to 280 metres depth combined with NQ diamond core tails drilled through the mineralised target zones (Figure 1).

Results from the drilling has confirmed that a significant high-grade zone extends to a depth of at least 350 metres below the Wonder North open pit and remains open at depth (Table 1 & Figure 2). The latest results combined with results from the December 2016 drilling provide strong support for an increase in resources at depth. Results from the December 2016 drilling include:

- **BRC019 18m @ 5.17 g/t from 299m including 5m @ 15.58 g/t from 302m and 8m @ 3.64 g/t from 328m**
- **BRC018 32m @ 3.47 g/t from 294m including 6m @ 9.38 g/t from 299m**
(Refer ASX announcement, 14th December 2016).

Geological logging shows mineralisation is associated with 25 to 30 metres of abundant quartz veining and strong alteration with a central 6 to 12 metre wide zone of intense veining and silica dominant alteration. High-grade mineralisation is associated with typical Archean, shear/fault hosting, quartz and subordinate carbonate, chlorite and sulphide veins.

Next Step

The Company is now in the process of compiling and interpreting all new results so that an updated resource block model estimate can be completed. A review of the updated resource model will be used to plan and design the next drilling program at the project.

Jamie Sullivan
Executive Director
6 February 2018

Table 1: Wonder North Deeps - Significant drilling intercepts

Hole ID	Total Depth	Easting (GDA94)	Northing (GDA94)	From (m)	To (m)	Width (m)	Gold (g/t)			
BRCD001	468.1	322100	6863752	424	459	35	1.64			
				<i>includes</i>			435	441	6	2.50
							<i>and</i>			437
					464	465				1
BRCD002	405.4	322142	6863707	317	318	1	1.78			
				<i>includes</i>			349	350	1	3.25
							<i>and</i>			354
				<i>and</i>						358
							<i>and</i>			360
				<i>and</i>						367
							<i>includes</i>			376
				<i>and</i>						379
BRCD003	428.9	322177	6863703				333	338	5	2.41
				<i>includes</i>			335	336	1	8.36
							<i>and</i>			347
				<i>and</i>						352
							<i>includes</i>			363
				<i>and</i>						375
							<i>and</i>			375
				<i>and</i>						386

Note:

- All holes drilled at nominal 60degrees dip to 220 degrees magnetic azimuth;
- Calculated using 0.5 g/t lower cut, no upper cut & maximum 2m internal waste dilution;
- All widths are down hole intercepts & True widths are approximately 70% of down hole widths;
- Only intercepts over 1g/t Au are include in above table.

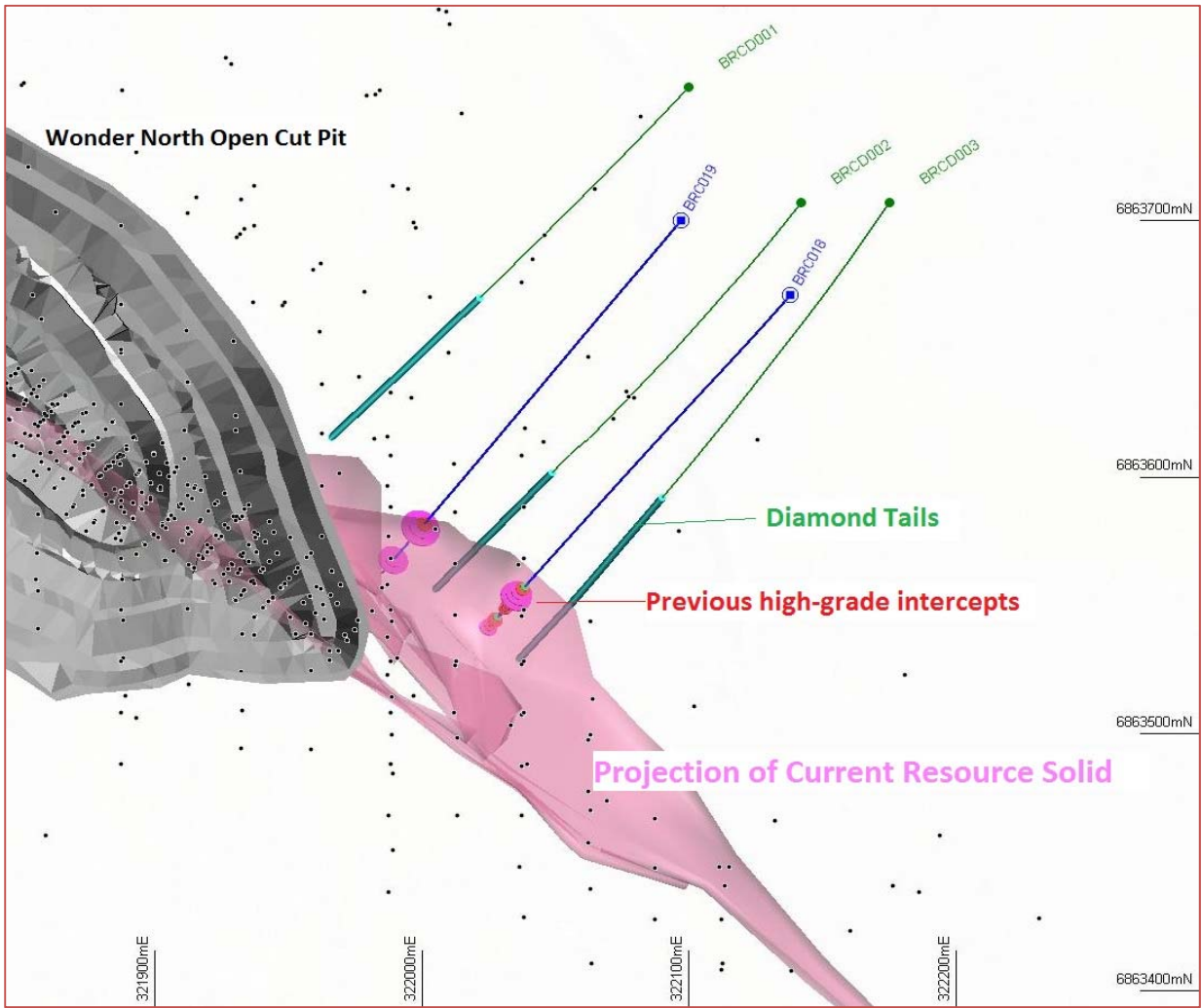


Figure 1: Drill Hole Location Plan – Wonder North Deeps.

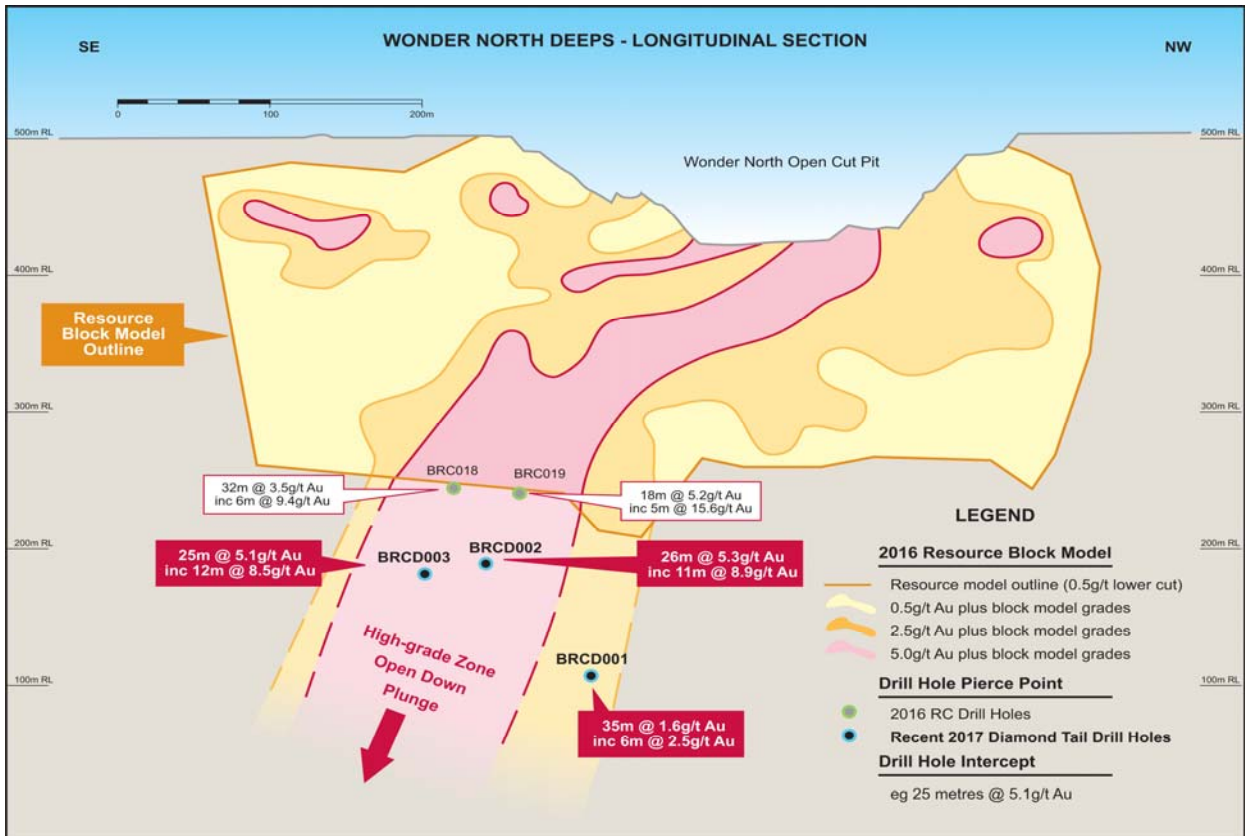


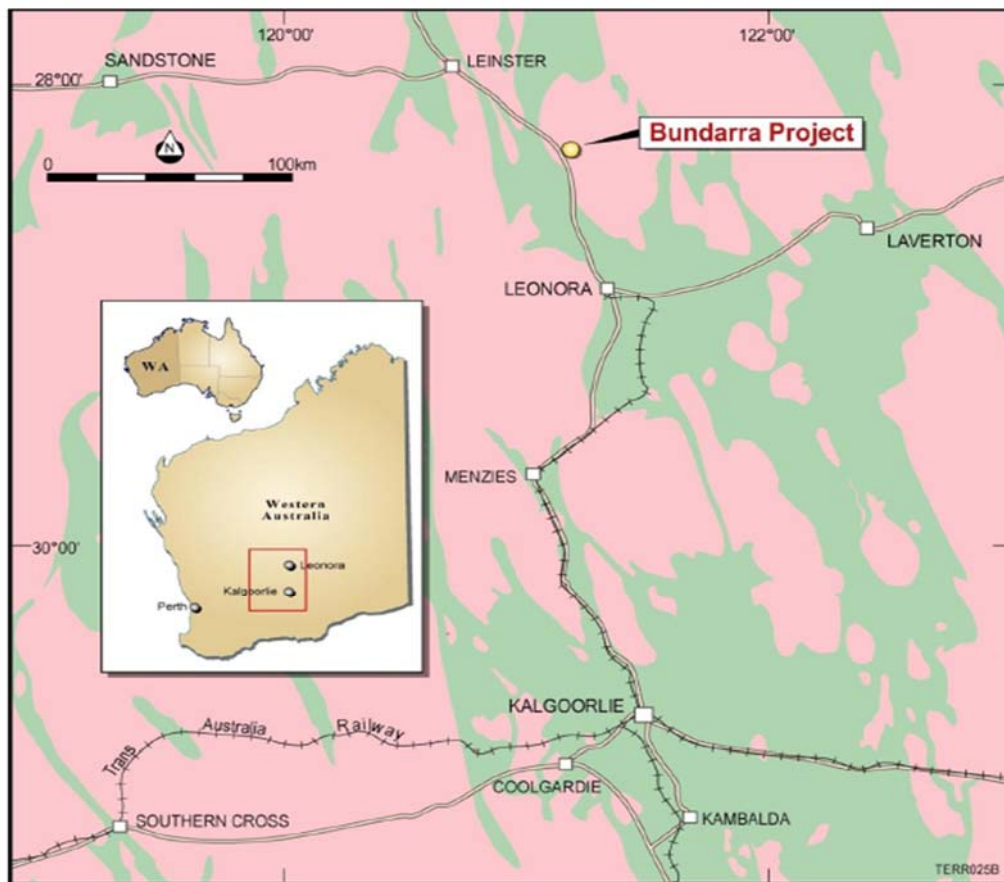
Figure 2: Longitudinal Section – Wonder North Deeps

About the Bundarra Gold Project

The Bundarra Gold Project lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 65km north of Leonora in the Eastern Goldfields region of Western Australia.

The project covers an area of 60.5 km² and consists of five Mining Leases, five Prospecting Licences and two Miscellaneous Licences for groundwater exploration and a future haulage route. To date, more than 6,400 holes have been drilled with an accumulated drill depth of more than 210,000m.

The Company has committed to further exploration programs aimed at expanding its gold resource inventory presently defined near to and beneath the existing open pits within the project area. The project hosts a JORC 2012 resource estimated to contain 7.0 million tonnes averaging 1.9 g/t for a total of 431,000 ounces of gold across five deposits.



Bundarra Project location plan

Qualifying Statement

This announcement contains statements that use speculative words such as "potential", "encouraging", "prospective", "projected" and "target zones". Such statements are based on the current expectations and certain assumptions of Bligh Resources management & consultants, and are, therefore, subject to certain risks and uncertainties. While Bligh is confident of their interpretations there is no guarantee that high-grade gold mineralisation results will be returned.

Table 2: Bundarra Project Mineral Resources at 0.5 g/t Cut-off

Bundarra Project Mineral Resources, December 2016					
Deposit	Category	Volume '000 m ³	Tonnes '000 t	Au g/t	Au '000 Oz
Celtic North	Indicated	71	195	2.4	15
	Inferred	387	1,060	2.0	69
	Total	458	1,254	2.1	84
Celtic South	Indicated	35	78	2.1	5
	Inferred	47	111	1.4	5
	Total	82	188	1.7	10
Wonder West	Measured	17	39	3.0	4
	Indicated	205	495	2.1	33
	Inferred	114	291	1.7	16
	Total	336	825	2.0	54
Wonder North	Measured	142	339	2.1	22
	Indicated	868	2,274	2.1	150
	Inferred	487	1,289	1.6	68
	Total	1,496	3,902	1.9	241
Blue Bush	Indicated	103	235	1.7	13
	Inferred	240	634	1.5	30
	Total	344	868	1.5	43
Total:		2,717	7,038	1.9	431

Notes:

1. Mineral Resources are based on JORC Code 2012 definitions.
2. A cut-off grade of 0.5 g/t gold has been applied.
3. Rows and columns may not add up exactly due to rounding.

Competent Person Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Steve Rose, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Rose is a full-time employee of CSA Global Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Rose consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify 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 Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Appendix 1: JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sounds, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<p>4 metre speared composites were collected from the RC pre-collars. Half or quarter diamond core sampling of tail core tails. Several unmineralised zones have not been submitted. Most diamond core sampling is at 1metre lengths with several sub-metre lengths down to 0.25 m taken from selective mineralized zones determined by visual logging.</p> <p>Assaying was undertaken by Bureau Veritas a commercial Laboratory undertaking work to industry standards. Nominal 3 kg samples were weighted, dried, crushed, pulverized, split to produce a 40 g charged and grade determined by fire assay method.</p>
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>Reverse Circulation drilling pre-collars (260 to 280 m) with Diamond drilling tails. Diamond tails vary from 125 – 208m start depths. Diamond core was oriented with electronic core measuring tool supplied and operated by drilling company Orlando Drilling.</p>
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>Visual assessment of sample recoveries for Reverse Circulation drilling. Diamond core recovery was measured with tape measure.</p> <p>Normal industry standards of assessment were used.</p>

<p>Logging</p>	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>Geological logging was undertaken for both RC and Diamond drilling for total length of each drill hole.</p> <p>Basic geotechnical logging has been undertaken but has not been discussed in this announcement.</p>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Both half and quarter sampling of diamond core by core saw.</p> <p>4 m composite samples of RC drill chips were collected by PVC spear sampling or grab sampling if wet.</p> <p>Samples crushed and screened to 90% passing 75um standard for fire assay method I-9105-FA-40 by Bureau Veritas Laboratory.</p> <p>Samples split to around 2.4kg for all samples. Quality control screen sizing -75um determined gravimetrically</p>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<p>All samples were assayed by industry standard methods through commercial minerals analysis laboratories in Australia – Bureau Veritas Minerals Pty Ltd Perth Assay Laboratory.</p> <p>Samples were assayed by Fire Assay (BV method I-9105-FA-40) and gold determined by Atomic Absorption Spectrometry (BV method I-9105-MET-001) which is appropriate for these samples.</p> <p>Laboratory standards and repeat assays were included in the assay procedure. Bligh Resources included Certified Reference Material as standards, as well as blanks and duplicate field samples within the samples submitted to the laboratory for analysis.</p> <p>Assay results from the quality control samples fall within acceptable levels for confidence in assay results.</p>

Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>These are initial holes drilled to test depth extents of mineralisation at Bundarra. No verification of sampling or assaying by independent agencies has been undertaken.</p> <p>Three diamond tail holes were drilled with hard copy detailed drilling data collected on site and compiled to spreadsheet for future inclusion in a Drilling Database. Spreadsheets are saved to the Bligh Resources server in house at the Fremantle office.</p>
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>Drill hole collar locations were determined by a handheld GPS system.</p> <p>Holes were down-holed surveyed by a true north seeking EZ-Gyro tool.</p> <p>The MGA94 UTM zone 51 coordinate system was used for all undertakings.</p>
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<p>Drill holes were spaced 30 – 40m apart. Diamond tail holes were drilled to a depth of up to 468.1m.</p> <p>Drilling and assay data will be used in updating the resource model to determine further exploration at the Bundarra Project.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p><i>All holes drilled at nominal 60 degrees dip to 220 degrees magnetic azimuth.</i> True width is approximately 70% of the downhole width.</p> <p>Considering the nature of exploration and potential mineralisation styles at the project, the sampling is deemed to be representative for exploration reporting purposes.</p>
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>Bligh Resources has strict chain of industry standard chain of custody procedures that are adhered to for drill samples.</p>
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>None completed.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>Bligh Resources' Bundarra Project includes Mining Licence M37/513. The licence is held in the name of SR Mining a wholly owned subsidiary of Bligh Resources.</p> <p>The licence expires in 2021</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Within the whole Bundarra Project area there is the presence of numerous old pits and shafts indicates that the area has been mined and prospected for gold since the 1890's.</p> <p>In 2000 Pacmin completed resource definition drilling and Feasibility Studies on the adjacent Celtic and Wonder North deposits.</p> <p>2001 Sons of Gwalia Ltd ("SOG") acquired Pacmin and mined Wonder, Wonder North and Wonder West pits producing 818 931t at 2.21b/t Au.</p> <p>2006 Terrain acquired the Bundarra and Great Western (and also the Black Cat) tenements. Airborne magnetics and two programs of RC drilling were carried out.</p> <p>2009 Mineral Resource estimates were prepared for Wonder North, Bluebush and Great Western projects. Open pit optimisation studies were carried out for Celtic, Wonder North and Great Western. The potential for underground mining at Wonder North and Great Western was also assessed.</p> <p>2010 preliminary mining activities, including pit dewatering and a grade control drilling program, started at the Celtic Deposit.</p> <p>October 2011 the Bundarra and Great Western projects are sold to SR Mining.</p> <p>SR Mining commissioned Optiro to estimate the remnant mineralisation at Celtic pit.</p> <p>During May 2013 Bligh, having a 42.9% stake in SR Mining, completed a scoping study for the Bundarra Project and identified a series of further exploration targets. In June 2013 metallurgical testing on drill core samples showed high recovery rates.</p> <p>Maiden Ore Reserve estimate released in November 2013 with a total of 1.63 million tonnes at 2.29 g/t Au for 120,006 oz.</p> <p>2016 A total of 8 RC holes, 6 holes drilled at Wonder North & 2 at Bluebush prospect. Significant mineralisation intersected at Wonder North Deeps (i.e. BRC018 & 19).</p>

<p>Geology</p>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>The project lies within a low strain terrane of greenstones and granitoids bounded by the north-northwest trending Keith-Kilkenny Lineament to the west, and the Laverton Tectonic Zone to the east. Gold mineralisation is structurally controlled and occurs in late stage, possibly reactivated west to northwest striking, steeply north dipping faults and shears.</p>
<p>Drill hole Information</p>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<p>The location and context of the drilling is provided in gridded images in the main report body.</p> <p>No other drilling results are reported.</p>
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>Average grades calculated using a 0.5 g/t lower cut, no upper cut and 2 m of internal waste dilution.</p> <p>No strict ruling applied for shorter internal lengths but single significant spike high-grades were stated separately.</p>
<p>Relationship between mineralisation widths and</p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> 	<p>True width is approximately 75% of the downhole width.</p>

<p>intercept lengths</p>	<ul style="list-style-type: none"> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	
<p>Diagrams</p>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<p>Diagrams contain required information</p>
<p>Balanced reporting</p>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<p>Lower cut of 0.5g/t & no upper cut employed. Only results over 1g/t reported.</p>
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<p>Results of geological logging of veining & alteration have been reported.</p>
<p>Further work</p>	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>Interpretation of drill hole results and subsequent evaluation and potential planning of further drilling</p>