



ACN 130 964 162

Financial Report

For the Half-Year Ended 31 December 2017

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CORPORATE DIRECTORY

Directors

Peter Sullivan
James Sullivan
Patrick Burke

Company Secretary

Lloyd Flint

Registered Office

Unit 5
78 Marine Terrace
Fremantle WA 6160

Principal Place of Business

Unit 5
78 Marine Terrace
Fremantle WA 6160

Share Register

Link Market Services Pty Ltd
Level 4, 152 St Georges Terrace
Perth WA 6000

Auditor

HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Solicitors

DLA Piper Australia
Level 31, Central Park
152-158 St Georges Terrace
Perth WA 6000

Bankers

National Australia Bank
Level 1, 88 High St
Fremantle WA 6160

Securities Exchange Listing

Bligh Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: BGH)

Website Address

www.bligh-resources.com

DIRECTORS' REPORT

For the half-year ended 31 December 2017

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 2017.

Directors

The names of the Directors, who held office from 1 July 2017 to date of this report, unless otherwise stated, are:

Peter Sullivan - (Non-Executive Chairman) appointed 13 July 2017

James Sullivan - (Non-Executive Director) appointed 13 July 2017

Patrick Burke - (Non-Executive Director)

Bill Richie Yang - (Non-Executive Director) resigned 13 July 2017

James Allchurch - (Non-Executive Director) resigned 13 July 2017

Review of Operations

The loss after tax for the Group during the half-year was \$520,436 (2016: \$1,198,466).

During the half, the Company completed two exploration programs at the Bundarra Gold Project. The first of these was a geochemical soil sampling program designed to test for hidden anomalous gold targets. The program was successful in generating at least four new gold corridors that require follow up drill testing.

The second exploration program completed was a series of deep drill holes to test for extensions of high tenor gold mineralisation recorded in previous drilling at the Wonder North project. Three holes comprising approximately 250 metre RC pre-collars followed by diamond core tails down to 440 metres were successfully completed in December.

The results from the drilling confirmed extension to the high grade mineralisation encountered in the 2016 drilling at Wonder North.

Highlights from the Dec 2017 drilling 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**

The Company is proceeding with an updated resource estimate and will use the new results to plan the next phase of drilling.

Corporate

The Zeta Resources takeover bid ("takeover") for all of the ordinary shares of Bligh closed on 10 July 2017. Zeta Resources Limited declared the takeover unconditional on the 13 July 2017 and all successful applicants were processed and paid accordingly. At the close of the takeover Zeta Resources held 88.68% of the total issued share capital of Bligh. Zeta Resources currently holds 85.75% of the total issued share capital of Bligh.

The Company issued 8,102,790 shares at a deemed price of \$0.038 in settlement of liabilities for corporate advisory services in relation to the takeover.

On 1 September 2017 the Company announced a rights offer of 1 share for every 6 shares held at \$0.03 per share to raise \$1.2m. There was a 90% Initial acceptance of the offer which closed on 29 September 2017. The balance of the offer being the shortfall shares were placed on 22 December 2017. Under the offer, a total of 40,844,680 shares were placed raising \$1,225,340 for the company before costs.

150,000 unlisted options exercisable at \$0.09c per share expired on 7 October 2017. No notice to exercise was received.

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 2017 and up to the date of this report. Details of all events that occurred specifically between 31 December 2017 and the date of this report are shown in note 12 to the financial statements.

DIRECTORS' REPORT

For the half-year ended 31 December 2017

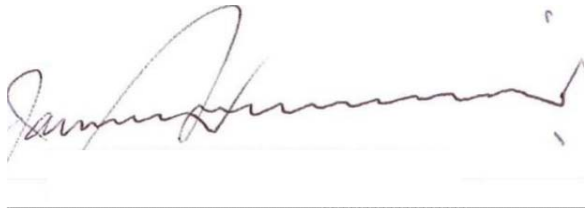
Auditor's Independence Declaration

The Auditor's Independence Declaration for the half-year ended 31 December 2017 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:

A handwritten signature in black ink, appearing to read 'James Sullivan', is written over a horizontal line. The signature is fluid and cursive.

James Sullivan

Director

Perth, 9 March 2018

AUDITOR'S INDEPENDENCE DECLARATION

For the half-year ended 31 December 2017



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Bligh Resources Limited for the half-year ended 31 December 2017, 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.

A handwritten signature in blue ink, appearing to read 'Norman G. Neill'.

Perth, Western Australia
9 March 2018


N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2017

	Consolidated		
	Note	December 2017	December 2016
		\$	\$
Revenue from continuing operations			
Interest income		1,270	2,368
Other income		2,095	-
		3,365	2,368
Less: Expenses			
Exploration and evaluation interests written off		-	772,112
Administration costs		55,118	79,971
Consultancy fees		30,150	123,595
Depreciation and amortisation expense		-	10,000
Directors, employees and consultant expenses		93,741	111,267
Finance costs		6,336	-
Occupancy expenses		17,761	15,909
Share based payments		291,700	-
Travelling costs		-	15,018
Legal and professional costs		28,995	72,962
Total expenses		523,801	1,200,834
Loss from continuing operations before income tax for the half-year		(520,436)	(1,198,466)
Income tax expense		-	-
Loss from continuing operations after income tax		(520,436)	(1,198,466)
Other comprehensive loss for the half-year		-	-
Total comprehensive loss for the half-year		(520,436)	(1,198,466)
Earnings per share			
Basic - cents per share		(0.20)	(0.79)

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 2017

		Consolidated	
	Note	December 2017	June 2017
		\$	\$
Current assets			
Cash at bank	4	924,567	136,106
Trade and other receivables	5	68,818	61,975
Total current assets		993,385	198,081
Non-current assets			
Exploration and evaluation expenditure	6	5,155,434	4,500,259
Total non-current assets		5,155,434	4,500,259
Total assets		6,148,819	4,698,340
Current liabilities			
Trade and other payables	7	618,707	176,690
Employee benefits		14,357	-
Total current liabilities		633,064	176,690
Total non-current liabilities		-	-
Total liabilities		633,064	176,690
Net assets		5,515,755	4,521,650
Equity			
Contributed equity	8	12,214,263	10,699,722
Accumulated losses		(7,294,389)	(6,773,953)
Reserves		595,881	595,881
Total equity		5,515,755	4,521,650

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 2017

	Note	Consolidated	
		December 2017	December 2016
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(192,264)	(252,051)
Interest received		3,365	2,368
Interest paid		(6,336)	(987)
Net cash (used in) operating activities		(195,235)	(250,670)
Cash flows from investing activities			
Payment for exploration and evaluation expenditure		(92,427)	(1,022,305)
Payment for fixed assets		-	(20,000)
Net cash (used in) investing activities		(92,427)	(1,042,305)
Cash flows from financing activities			
Proceeds from share issue		1,225,341	3,190,916
Capital raising costs		(2,500)	(734,304)
Repayment of borrowings		(146,718)	(645,000)
Net cash provided by financing activities		1,076,123	1,811,612
Net increase in cash held		788,461	518,637
Cash at beginning of financial half-year		136,106	32,383
Cash at end of financial half-year	4	924,567	551,020

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 2017

	Contributed equity	Accumulated losses	Reserves	Total attributable to owners
	\$	\$	\$	\$
2017				
Balance at 1 July 2017	10,699,722	(6,773,953)	595,881	4,521,650
Total comprehensive loss for the half-year	-	(520,436)	-	(520,436)
Subtotal	-	(520,436)	-	(520,436)
<u>Transactions with owners in their capacity as owners:</u>				
Ordinary shares issued, net of transaction costs	1,514,541	-	-	1,514,541
Balance at 31 December 2017	12,214,263	(7,294,389)	595,881	5,515,755
2016				
Balance at 1 July 2016	7,403,682	(4,659,467)	133,152	2,877,367
Total comprehensive loss for the half-year	-	(1,198,466)	-	(1,198,466)
Subtotal	7,403,682	(5,857,933)	133,152	1,678,901
<u>Transactions with owners in their capacity as owners:</u>				
Ordinary shares issued, net of transaction costs	2,606,613	-	-	2,606,613
Share based payment reserve	-	-	462,729	462,729
Balance at 31 December 2016	10,010,295	(5,857,933)	595,881	4,748,243

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 2017

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 2017 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 9 March 2018.

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 2017 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 2017.

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 2017.

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.

e) 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 2017, the Group incurred a loss of \$520,436 and had net cash outflows from operations and investing activities of \$287,662. The Group received net proceeds from share issues of \$1,222,841. At 31 December 2017, the Group had cash of \$924,567, and net current assets of \$360,321. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

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.

	December 2017	June 2017
	\$	\$
4. Cash and Cash Equivalents		
Cash on hand	924,567	136,106
Total	924,567	136,106
5. Trade and Other Receivables		
Trade debtors	11	11
GST receivable	68,807	61,964
Other	-	-
Total	68,818	61,975
6. Exploration and Evaluation Expenditure	Six months to December 2017	Year ended 30 June 2017
Opening balance	4,500,259	4,043,084
Capitalised during the period	655,175	1,229,287
Impaired or expensed during the period	-	(772,112)
Closing Balance	5,155,434	4,500,259

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of respective areas. The Company reviews the carrying value of the exploration and evaluation expenditure each half-year, and will capitalise the expenditure if it considers the area of interest to be prospective. Should the particular area of interest no longer be considered prospective, then the Company will make a provision in the accounts for the carrying value of the project.

7. Trade and Other Payables

Current		
Trade creditors	608,707	-
Other creditors and accruals	10,000	176,690
Total	618,707	176,690

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

	December 2017	June 2017
	No.	No.
8. Contributed Equity		
Ordinary Shares Number		
Balance at the beginning of the period	236,964,631	94,366,760
Shares issued during the period	48,947,470	142,597,871
Balance at the end of the period	285,912,101	236,964,631
Ordinary Shares Value	\$	\$
Balance at the beginning of the period	10,699,722	7,403,682
Shares issued during the period	1,517,041	3,794,382
Share issue costs	(2,500)	(498,342)
Balance at the end of the period	12,214,263	10,699,722

9. Share Based Payments

On 20 July 2017 the Company issued 8,102,790 shares at a deemed price of \$0.038 in settlement of liabilities for corporate advisory services in relation to the takeover. The shares were trading at \$0.036 at the time of issue.

10. 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.

11. Contingent Liabilities

There are no liabilities not disclosed in the financial statements.

12. Subsequent Events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Company in future financial years.

13. Financial Instruments

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The carrying amounts of the current receivables and current payables are considered to be an approximate of their fair value.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2017

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 2017 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.



James Sullivan
Director
9 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2017



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bligh Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Bligh Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed 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 group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us 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 2017 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 related to going concern

We draw attention to Note 2 in the half-year financial report, which indicates the existence of material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2017



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 group's financial position as at 31 December 2017 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.

Independence

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

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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
9 March 2018

A handwritten signature in blue ink that reads 'Norman G Neill'.

N G Neill
Partner

SCHEDULE OF TENEMENTS

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	9/02/2037
M37/638	Bundarra	WA	100%	10/01/2001	9/01/2022
P37/8382	Bundarra	WA	100%	14/11/2013	13/11/2021
P37/8383	Bundarra	WA	100%	14/11/2013	13/11/2021
P37/8384	Bundarra	WA	100%	14/11/2013	13/11/2021
P37/8385	Bundarra	WA	100%	14/11/2013	13/11/2021
P37/8386	Bundarra	WA	100%	14/11/2013	13/11/2021
L37/201	Bundarra	WA	100%	02/08/2010	1/08/2031
L37/210	Bundarra	WA	100%	5/09/2014	4/09/2035