



ACN 130 964 162

Financial Report

For the Half-Year Ended 31 December 2015

Contents	Page
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	4
Statement of Profit or Loss and other Comprehensive Income	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Directors' Declaration	14
Independent Auditor's Review Report	15
Schedule of Tenements	17

CORPORATE DIRECTORY

Directors	Bill Richie Yang Eric Zhang Peiqi Zhang Jinle Song Tianbao Wang Zhijie Li (Alternate director for Mr Peiqi Zhang)
Company Secretary	Ian K White
Registered Office	Level 9 53 Walker Street North Sydney NSW 2060
Principal Place of Business	Level 9 53 Walker Street North Sydney NSW 2060
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	Simpsons Solicitors Lot One, Level 2 Pier 8/9/23, Hickson Road Millers Point Sydney NSW 2000
Bankers	National Australia Bank 101 – 103 Pitt Street Sydney NSW 2000 ANZ Bank 3/115 Pitt Street Sydney NSW 2000
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 2015.

Directors

The names of the Directors, who held office from 1 July 2015 to the date of this report, unless otherwise stated, are:

Bill Richie Yang - (Executive Director) (appointed 18 September 2015)
Eric Zhang - (Non-Executive Director)
Peiqi Zhang - (Non-Executive Director)
Jinle Song - (Non-Executive Director)
Tianbao Wang - (Non-Executive Director)
Zhijie Li - (Alternate Director for Mr Peiqi Zhang)
Eric Chan - (Non-Executive Director) Resigned 3 July 2015

Review of Operations

The loss after tax for the Group during the half-year was \$365,633 (2014: \$687,731).

Activities during the period were focused on advancing the Company's flagship Bundarra Gold Project and ensuring the Company's tenements all remained in good standing.

Mr Eric Chan resigned as Director on 3 July 2015.

On 1 September 2015, Bligh announced it had increased its holding in SR Mining Pty Ltd ("SRM") to 100% as the 2.5% minority shareholder agreed to voluntarily forfeit its shareholding.

On 2 September 2015 Bligh announced the formation of 50/50 joint venture with Angler Mining Pty Ltd ("Angler") to develop the Company's flagship Bundarra Gold Project ("Bundarra") in WA and that it had entered into a Memorandum of Understanding to this effect. The Company's 100% owned subsidiary SRM signed a binding 50/50 Unincorporated Joint Venture Agreement ("JV Agreement") on 27 October 2015 with Angler's 100% owned subsidiary Contained Gold Pty Ltd ("CGPL").

Pursuant to the JV Agreement, the Company agreed to transfer 50% of Bundarra to CGPL in exchange for;

- a cash payment by CGPL of \$225,000 (received in November 2015);
- Angler subscribing for a \$250,000 private share placement in the Company;
- CGPL issuing shares equal to 10% of its capital to Bligh at nil cost;
- CGPL agreeing to sole-fund and complete within 18 months a Bundarra Feasibility Study to bankable standard and achieve necessary mining approvals; and
- CGPL agreeing to sole-fund and build, own and operate a Carbon in Pulp ("CIP") plant with a nominal annual process capacity between 300,000 and 500,000 tonnes to be leased by the Joint Venture for a cost \$5.00 per tonne of processed ore.

On 18 September 2015 Mr Bill Richie Yang was appointed as Non-Executive Director. Mr Yang was subsequently appointed an Executive Director on 2 October 2015.

On 7 October 2015 Bligh issued;

- 1,500,000 unlisted options to a financial advisor;
- 6,000,000 unlisted options to four Directors in lieu of Directors' fees; and
- 2,500,000 Performance Rights to two Directors.

Both issues to Directors were approved by shareholders at the Annual General Meeting held 17 September 2015.

On 30 November 2015, Bligh announced that it had entered into a Convertible Note Agreement ("Facility") with a Hong Kong based investment company, Daily Delight Enterprises Limited. The Facility consists of up to 8 Convertible Notes each with a face value of \$50,000. The initial drawdown was \$200,000 with the remaining balance of \$200,000 subject to a 60-day due diligence period to be completed by the investor, with this second drawdown solely at the investor's discretion.

On 4 December 2015 Bligh announced that it had reached an agreement with AGEO Holding Pty Ltd ("AGEO") to extend the repayment date of the Deed of Discharge of Debt entered into on 2 December 2014 from 2 December 2015 to 31 January 2016. Bligh made an immediate payment of \$50,000 to AGEO to reduce the outstanding balance from \$200,000 to \$150,000. Interest compounded daily at 10% p.a. is payable.

A liability of approximately \$192,000 to the Office of State Revenue of Western Australia in relation to the increase in shareholding in subsidiary SRM, has been recognised in the accounts and was paid after the end of the financial half-year.

DIRECTORS' REPORT

For the half-year ended 31 December 2015

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 2015 and up to the date of this report. Details of all events that occurred specifically between 31 December 2015 and the date of this report are shown in note 16 to the financial statements.

Auditor's Independence Declaration

The Auditor's Independence Declaration for the half-year ended 31 December 2015 has been received and a copy is reproduced on page 4.

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



Richie Yang

Director

Sydney, 15 March 2016

AUDITOR'S INDEPENDENCE DECLARATION

For the half-year ended 31 December 2015



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 2015, 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 entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'M. Muller'.

Sydney, NSW
15 March 2016

M D Muller
Partner

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of  International. A world-wide network of independent accounting firms and business advisers.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2015

		Consolidated	
	Note	December 2015	December 2014
		\$	\$
Revenue from continuing operations			
Interest income		11,813	15,573
Other income	8	1,347	123,177
		13,160	138,750
Less: Expenses			
Administration costs		77,829	41,699
Consultancy fees		37,541	7,824
Depreciation and amortisation expense		133	3,083
Directors, employees and consultant expenses		181,604	156,593
Employee benefits expense		5,128	9,965
Exploration and evaluation interests written off		-	535,223
Legal and professional costs		57,865	42,517
Occupancy expenses		15,060	24,195
Travelling costs		3,633	5,382
Total expenses		378,793	826,481
Loss from continuing operations before income tax for the half-year		(365,633)	(687,731)
Income tax expense		-	-
Loss from continuing operations after income tax		(365,633)	(687,731)
Other comprehensive income for the half-year		-	-
Total comprehensive loss for the half-year		(365,633)	(687,731)
Total comprehensive loss for the year attributable to:			
Owners of the company		(365,507)	(709,265)
Non-controlling interests	12	(126)	21,534
		(365,633)	(687,731)
Earnings per share			
Basic - cents per share		(0.39)	(1.00)
Diluted - cents per share		(0.39)	(1.00)

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 2015

		Consolidated	
Note	December 2015	June 2015	
	\$	\$	
Current assets			
Cash at bank	125,564	230,520	
Trade and other receivables	7 86,693	88,250	
Other	20,050	48,415	
Total current assets	232,307	367,185	
Non-current assets			
Exploration and evaluation expenditure	5 4,040,248	3,651,225	
Available for sale financial assets	-	500	
Plant and equipment	-	133	
Total non-current assets	4,040,248	3,651,858	
Total assets	4,272,555	4,019,043	
Current liabilities			
Trade and other payables	9 663,178	141,612	
Borrowings	10 381,413	400,000	
Employee benefits	3,725	4,255	
Total current liabilities	1,048,316	545,867	
Total liabilities	1,048,316	545,867	
Net assets	3,224,239	3,473,176	
Equity			
Contributed equity	11 7,369,182	7,387,182	
Accumulated losses	(4,277,989)	(3,927,424)	
Reserves	133,046	(1,650)	
Capital and reserves attributable to owners of Bligh Resources Limited	3,224,239	3,458,108	
Non-controlling interests	12 -	15,068	
Total equity	3,224,239	3,473,176	

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 2015

	Note	Consolidated	
		December 2015	December 2014
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(121,139)	(577,732)
Interest received		11,813	15,568
Interest paid		(5,191)	(135)
Net cash used in operating activities		(114,517)	(562,299)
Cash flows from investing activities			
Payment for exploration and evaluation expenditure		(147,439)	(191,559)
Proceeds from sale of fixed asset		-	25,500
Refund of environmental bond		-	41,495
Net cash used in investing activities		(147,439)	(124,564)
Cash flows from financing activities			
Proceeds from share issue		-	675,000
Capital raising costs	11	(18,000)	(54,000)
Repayment of borrowings		(50,000)	(280,544)
Proceeds from Joint Venture Agreement		225,000	-
Net cash provided by financing activities		157,000	340,456
Net decrease in cash held		(104,956)	(346,407)
Cash at beginning of financial half-year		230,520	758,495
Cash at end of financial half-year		125,564	412,088

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 2015

Consolidated						
Note	Contributed equity	Accumulated losses	Reserves	Total attributable to owners	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
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 11	(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
December 2014						
Balance at 1 July 2014	6,446,182	(2,499,140)	(1,650)	3,945,392	148,562	4,093,954
Total comprehensive loss for the half-year	-	(709,265)	-	(709,265)	21,534	(687,731)
Sub total	6,446,182	(3,208,405)	(1,650)	3,236,127	170,096	3,406,223
Transactions with non-controlling interests	-	154,965	-	154,965	(154,965)	-
<u>Transactions with owners in their capacity as owners:</u>						
Ordinary shares issued, net of transaction costs	641,000	-	-	641,000	-	641,000
Balance at 31 December 2014	7,087,182	(3,053,440)	(1,650)	4,032,092	15,131	4,047,223

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 2015

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 2015 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 entities (the "Group") was authorised by a resolution of Directors on 15 March 2016.

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 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 2015 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 2015.

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 2015.

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. Going Concern

The Group has incurred a net loss after tax of \$365,633 (2014: \$687,731) for the half-year and net cash outflows from operating activities of \$114,517 (2014: \$562,299 outflow). The Group also has net current liabilities of \$816,009 (June 2015: \$178,682). These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The ongoing viability of the Group and the recoverability of its non-current assets are dependent on the successful development of its exploration and evaluation assets, and/or sale of assets and future capital raisings.

The financial statements are prepared on a going concern basis as the Group's cash-flow forecast indicates that after meeting all of its commitments, it will remain cash positive until at least March 2017. This forecast assumes that the Directors will be able to make share placements of \$250,000 each in March 2016 and June 2016, \$100,000 in September 2016 and make another placement of \$160,000 in November 2016.

The Directors are confident that these placements will be made and are currently in discussions with interested parties who have indicated a willingness to invest. On this basis the Directors are of the opinion that the financial statements can be prepared on a going concern basis and the Group will be able to pay its debts as and when they fall due and payable.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge 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 asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

4. Segment Information

The Group has identified its operating segment based on internal reports that are reviewed and used by the chief operating decision maker (its Executive Director) 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 2015

	December 2015	June 2015
	\$	\$
5. Exploration and Evaluation Expenditure		
Opening balance	3,651,225	4,564,400
Capitalised during the period	389,023	233,873
Impaired or expensed during the period	-	(1,147,048)
Closing Balance	4,040,248	3,651,225

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.

6. Dividends

The Company has not declared or paid a dividend during the half-year.

7. Trade and Other Receivables

Trade debtors	100	100
Security deposits	52,135	63,135
GST receivable	34,458	24,635
Other	-	380
Total	86,693	88,250

8. Other Income

	December 2015	December 2014
	\$	\$
Research and development incentive revenue	1,309	-
Rental income - office space	38	1,764
Profit on sale of fixed asset	-	8,913
Gain on restructure of debt	-	112,500
Total	1,347	123,177

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

	December 2015	June 2015
	\$	\$
9. Trade and Other Payables		
Current		
Trade creditors	183,399	66,404
Related party payables	-	31,337
Deferred consideration	225,000	-
Accruals	254,779	43,871
Total	663,178	141,612

10. Borrowings

Current

Loans from related parties	151,238	200,000
Convertible note	230,175	200,000
Total	381,413	400,000

Loans from related parties are provided by AGEO Holdings Pty Ltd ("AGEO") and are secured by charges over SR Mining Pty Ltd.'s tenements in accordance with the Security Trust Deed. The Company is the appointed Security Trustee.

During the half-year the Company agreed an extension with AGEO to the formal Deed of Discharge of Debt entered into on 2 December 2014 from 2 December 2015 to 31 January 2016. A further extension has been granted until 31 March 2016.

11. Contributed Equity

Ordinary Shares Number

	No.	No.
Balance at the beginning of the period	92,866,760	60,125,720
Shares issued during the period	-	32,741,040
Balance at the end of the period	92,866,760	92,866,760

Ordinary Shares Value

	\$	\$
Balance at the beginning of the period	7,387,182	6,446,182
Shares issued during the period	-	995,000
Share issue costs in relation to prior period	(18,000)	(54,000)
Balance at the end of the period	7,369,182	7,387,182

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

12. Subsidiaries and Transactions with Non-Controlling Interests

	December 2015	June 2015
Non-controlling interest balance 30 June 2015	15,068	148,562
Less: Profit (Loss) attributed to non-controlling interest	(126)	21,471
Less: Transactions with non-controlling interest (acquisition of 2.5% of SRM)	(14,942)	(154,965)
Balance of non-controlling interest at 31 December 2015	-	15,068

The consolidated financial statements incorporate the assets, liabilities and results of SR Mining Pty Ltd in accordance with the accounting policy described in note 2. During the half-year the Company acquired the final 2.5% of the shares in SRM, holding 100% at 31 December 2015.

13. Share Based Payments

On 7 October 2015, 1,500,000 Options were granted to Quattro Capital Group Pty Ltd as approved by shareholders on 17 September 2015. The share options are exercisable at \$0.026 per option at any time until 6 October 2017. The options vest immediately and the share based payment amount recognised as a capital raising cost was \$15,091. The options hold no dividend or voting rights unless exercised.

On 7 October 2015, 6,000,000 Options were granted to Directors as approved by shareholders on 17 September 2015. The share options are exercisable at \$0.05 per option at any time until 6 April 2018. The options vest immediately and the share based payment recognised in the profit and loss and included in Directors' fees was \$69,711. The options hold no dividend or voting rights unless exercised.

On 7 October 2015, 2,500,000 Performance Rights were granted to Directors as approved by shareholders on 17 September 2015. The Performance Rights expire on 6 October 2016 and vest immediately on satisfaction of the Performance Condition. The share based payment recognised in the profit and loss and included in Directors' fees was \$50,000. The rights hold no dividend or voting rights unless converted.

The fair value of options granted during the year was calculated using the Black-Scholes option pricing model applying the following inputs:

	\$0.050 Options	\$0.026 Options
Exercise price:	\$0.05	\$0.026
Life of the option:	2.5 years	2.0 years
Expected share price volatility:	136%	136%
Risk-free interest rate:	1.83%	1.83%

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.

14. 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.

15. Contingent Liabilities

There are no contingent liabilities to be disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

16. Subsequent Events

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

On 25 January 2016 Bligh announced that it had entered into a share placement agreement with its Bundarra joint venture partner Contained Gold Pty Ltd ("CGPL") for \$250,000. Upon settlement of the placement subscription, CGPL will be transferred a 50% holding in the Bundarra tenements.

AGEO agreed to extend the repayment date for their outstanding loan to 31 January 2016 and have subsequently agreed to a further extension.

The outstanding liability as at 31 December 2015 to the Office of State Revenue of Western Australia of \$191,589 has been paid in full.

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

DIRECTORS' DECLARATION

For the half-year ended 31 December 2015

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 2015 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.



Bill Richie Yang
Director
Sydney, 15 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2015



Accountants | Business and Financial Advisers

BLIGH RESOURCES LIMITED

ACN 130 964 162

INDEPENDENT AUDITOR'S REVIEW REPORT

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 2015, 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 that 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 2015 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*.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of  International. A world-wide network of independent accounting firms and business advisers.

INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2015



BLIGH RESOURCES LIMITED

ACN 130 964 162

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Basis for Qualified Conclusion

The consolidated entity's statement of financial position includes exploration and evaluation expenditure related to the Bundarra tenements ("Bundarra E&E") totalling \$3,127,352 as at 31 December 2015. During the half-year, the consolidated entity entered into a Joint Venture Agreement with a third party in return for, among other things, consideration to transfer 50% of the Bundarra E&E. This transaction is an indicator that required the Bundarra E&E to be reviewed for impairment based on the consideration offered compared to the carrying value. We have reviewed management's impairment assessment however, as at the date of this report have been unable to substantiate it. As the transaction has not yet completed, specific elements of the consideration receivable are subject to significant estimation, in relation to which we were unable to obtain sufficient appropriate review support.

As a result, we were unable to determine whether or not any impairment of the carrying value of the Bundarra tenements was necessary.

Conclusion

Based on our review, which is not an audit, except for the possible effects on the financial report of the matters referred to in the Basis for Qualified Conclusion section above, 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 2015 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 opinion, we draw your attention to Note 3 of the financial report, which indicates the consolidated entity has experienced an operating loss of \$365,633 during the half-year ended 31 December 2015. This condition, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty that the consolidated entity will 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 and at the amounts stated in the financial report.

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

HLB Mann Judd
Chartered Accountants

Sydney, NSW
15 March 2016

A handwritten signature in blue ink that reads 'M. Muller'.

M D Muller
Partner

SCHEDULE OF TENEMENTS

As at 31 December 2015

Tenement	Project	Location	Ownership	Grant Date	Expiry Date
P37/7782	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7783	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7784	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7785	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7786	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7787	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7788	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7789	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7790	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7791	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7792	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7793	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7807	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7808	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7809	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7810	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7811	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7812	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7813	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7814	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7815	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7816	Leonora	WA	100%	24/06/2010	23/06/2018
P37/7829	Leonora	WA	100%	20/10/2010	19/10/2018
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
P37/7100	Little Wonder	WA	50%	23/12/2008	22/12/2016
P37/8048	Little Wonder	WA	50%	16/08/2011	15/08/2019

This page is intentionally left blank.

