



Bligh Resources Limited

ACN 130 964 162

ASX: **BGH**

ASX Release

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For the Latest News:

www.blighresources.com.au

Directors:

Bill Richie Yang - (Executive Director)
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 P Zhang)

Company Secretary

Ian White

Issued Capital:

Shares: 92,866,760
Unlisted Options: 23,650,000
Performance Shares: 2,500,000
Convertible Notes: 6 x \$50,000

Currently Exploring and Developing:

- Gold

Current Projects:

- Bundarra Gold Project
- Leonora Gold Project

Market Update – Bundarra Joint Venture Amendment

- **Bligh and Contained Gold entered into a Joint Venture Variation Agreement to allow for the possible sale of the Bundarra Project.**
- **The \$250,000 placement proceeds previously received from Contained Gold will now be applied to a Convertible Note for 6 months at 10% per annum, convertible at \$0.035 per share.**
- **Bligh will issue 1.5m shares to the advisors of the Joint Venture in lieu of cash as per earlier agreement.**

Bligh Resources Limited (“Bligh” or the “Company”) (ASX: BGH) advises that it has entered into a Variation Agreement (“Variation”) for the Bundarra Unincorporated Joint Venture Agreement (the “JV Agreement” dated 27 October 2015).

Major variations include:

- The \$250,000 placement proceed previously received from Contained Gold Pty Ltd (“CGPL”) will now be applied to a Convertible Note for a 6-month term whereby Bligh may elect to redeem or CGPL must convert by the end date. Conversion price will be \$0.035 per share.
- The parties agree to explore a possible sale of 100% of the Bundarra Project to an unrelated third party.
- On settlement, the proceeds from of any sale are agreed to be distributed as follows:
 - for up to an initial \$2,975,000; Bligh 84.3% and CGPL 15.7%; and
 - for any proceeds above the initial \$2,975,000; Bligh 75% and CGPL 25%.
- On any sale of the Bundarra Project:
 - neither Bligh nor CGPL would be required to issue their respective shares to each other as previously agreed under the JV Agreement; and
 - SR Mining Pty Ltd will no longer require to transfer 50% of the Bundarra Project tenements to CGPL.

New Issues

- The Company will issue 1.5m shares at \$0.023 per share to the joint venture advisors in lieu of fees for their services rendered to the joint venture arrangement.
- The Convertible Note to be issued to CGPL, if converted, shall convert into 7,142,857 ordinary shares in Bligh.

The above share issue will be made immediately without shareholder approval under the Company’s currently available issue capacity under ASX Listing Rule 7.1A. The Company received Listing Rule 7.1A approval by shareholders at its 30 November 2015 Annual General Meeting.

The convertible note will be issued on shareholder approval at the next general meeting of the company.

Convertible Note Terms

- Noteholder: Contained Gold Pty Ltd.
- Face Value: \$250,000.
- Conversion price: \$0.035 per share.
- Interest Rate: 10% p.a paid at conclusion.
- Total Bligh shares to be issued if converted: 7,142,857 ordinary shares.
- Term: 6 months from issue.
- Redemption Condition Precedent: If Bundarra Project is sold prior to the end date, then Bligh has right to redeem the note in full.
- Conversion Condition Precedent: If Bundarra Project is not sold before the end date, CGPL must convert the notes into Bligh shares by the end date.

Background on the Bundarra Joint Venture

On 28 October 2015, SR Mining entered into a 50/50 Joint Venture Agreement for its Bundarra Project with CGPL. CGPL agreed to complete a Feasibility Study for the project within 18 months then consider to fully funding a Carbon-in-Pulp Gold Recovery Plant to lease back to the Project.

Further details are included in the Company's ASX announcement made on 28 October 2015.

Since signing the JV Agreement, CGPL has complied with its preliminary obligations including cash payments of \$275,000 made to the Company and a cash advance of \$250,000 which was initially for a share placement at an issue price of \$0.035 per share but which will now be applied to the Convertible Note described above.

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

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About Bligh Resources Limited

Listed in 2011, Bligh Resources Limited (Bligh) (ASX: BGH) transformed itself from a manganese and base metal greenfield explorer into an advanced gold explorer/developer.

Bligh, since 2012 has successfully gradually purchased 100% interest in SR Mining Pty Ltd (SR Mining), which owns 100% of the advanced Bundarra Gold Project near the gold township of Leonora, Western Australia. The Bundarra Gold Project currently has reported Mineral Resources (JORC 2004) of 426,000 ounces (Inferred 182,000oz, Indicated 218,000oz, Measured 26,000oz) across three proven deposits and a new exploration zone (Celtic, Wonder North, Wonder West and Bluebush); all deposits are open in at least one direction.

To date, more than 3,000 holes were drilled with accumulated drill depth of more than 150,000 metres for the Bundarra Gold Project. In 2013, Bligh engaged CSA Global to carry out a Scoping Study for a toll milling solution and returned very attractive cashflow forecasts. Bligh shall attempt to upgrade resources through further expansive drilling programs.

On 28 October 2015, SR Mining entered into a 50/50 Joint Venture Agreement for its Bundarra Project with Perth based Contained Gold Pty Ltd (“CGPL”). CGPL shall complete a Feasibility Study for the project within 18 months then consider to full fund a Carbon-in-Pulp Gold Recovery Plant to lease back to the Bundarra Project. Detailed information may be read on ASX announcement made by Bligh on 28 October 2015.

Bligh also carries an acquisition strategy, that is, to secure projects that are near to established infrastructure so possible future development and resource recovery are not hampered by uneconomic infrastructure investment. Bligh continues to assess the acquisition of such brown-field gold projects.