



## Bligh Resources Limited

ACN 130 964 162

ASX: BGH

## ASX Release

17 October 2013

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Robert Benussi

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### For the Latest News:

[www.blighresources.com.au](http://www.blighresources.com.au)

### Directors:

Robert Benussi  
Peiqi Zhang - (Non-Executive Director)  
Jinle Song - (Non-Executive Director)  
Eric Chan - (Non-Executive Director)

Zhijie Li -(Alternate Director for Mr Zhang)  
Bill Richie Yang -(Alternate Director for Mr J Song)

### Company Secretary

Anna Sandham

### Issued Capital:

Shares: 60,125,720  
Unlisted Opts: 16,000,000  
(Escrowed)

### Currently Exploring and Developing:

- Gold
- Manganese

### Current Projects:

- Bundarra Gold Project
- Leonora Gold Project
- Kumarina Manganese
- Bootu Creek Two Manganese

## Quarterly Report for period ended 30 September 13

### Exploration Highlights

- Bundarra Gold Project Mineral Resources increased by 54% to 489,000 oz – up from 318,000 oz estimated in November 2012
- 103% increase in Measured and Indicated Mineral Resources - 276,000 oz now classified as Measured and Indicated
- Metallurgical tests undertaken at Wonder North by ALS Metallurgy Perth with very high overall recovery ranged from 97.15% to 97.73%
- SR Mining receives \$339,000 after 'opting in' to Mining Rehabilitation Fund
- Sampling and Mapping trip to Diorite King, Leonora Project completed

### Forward Work Plans

- Updated estimate to support Scoping Study revision - ore reserve calculation to be undertaken by Goldfields Mining Services (GMS)
- Results from fieldwork at Leonora Project expected shortly – Project evaluation to be undertaken based on results
- Revised Program of Works approved for reconnaissance drilling at Bootu Creek following 2013/2014 wet season
- Currently planning drilling program at Kumarina Project in 2014- considerations include heritage consultation and POW approval

Gold and manganese exploration company, Bligh Resources Limited, ("Bligh" or "Company") (ASX: BGH) is pleased to report on activities undertaken in the quarter ended 30 September 2013 ("Quarter").

The Bundarra Project remained a key focus for Bligh during the last Quarter, with the company reporting a significant resource upgrade at the Project. Mineral Resources at Bundarra increased by 54% to 489,000 oz and Measured and Indicated Mineral resources increased 103% to 276,000 oz. Metallurgical work was also undertaken at Bundarra during the quarter by ALS Metallurgy Perth, revealing a very high recovery, ranging from 97.15% to 97.72%.

A sampling and mapping trip was undertaken to the Diorite King Prospect at the Leonora Project, results are expected soon. The company also intends to complete a maiden reserve calculation at the Bundarra Project, undertake reconnaissance drilling at Bootu Creek and assess the feasibility of a drilling program at the Kumarina Project.

### Corporate Activity

During the Quarter, there were several changes to the composition of the company's Board. Bligh Chairman Mr Noel Halgreen stepped down from his position on the Board in September, to focus on other professional commitments.

Bligh was pleased to appoint Eric Chan as a Non-Executive Director of the company, bringing a wealth of experience as co-Founder of Aura Capital. Aura Capital was instrumental to the acquisition of Bligh's flagship Bundarra Gold asset and have been long term shareholders of the company since Bligh's Initial Public Offering in December 2011.

Subsequent to the end of the Quarter, Mr. Bill Richie Yang was appointed to replace Mr Ding Hao Song as Alternative Director to Mr Jinle Song. Mr. Yang was one of the original co-founders of Bligh, and has extensive experience as a company Director in the junior resources sector.

The Company announced in September that SR Mining Pty Ltd ("SRM"), the owner of the Bundarra Gold Project, had 'opted in' to the Western Australian Department of Mines ("DMP") Mining Rehabilitation Fund ("MRF"). This resulted in the immediate retirement of \$339,000 in Environmental Performance Bonds associated in the Bundarra tenement holdings. Bligh acquired 42.9% of SRM in December 2012.

The retirement of the Environmental Performance Bonds strengthened SR Mining's cash position, with a portion of the funds to be used to undertake a maiden or reserve calculation and update the May 2013 scoping study, while the remainder will be put towards repaying part of the outstanding loan to Bligh and other secured lenders.

## Exploration Activity

### BUNDARRA GOLD PROJECT - SR MINING (42.9% OWNED BLIGH RESOURCES)

#### *Resource Upgrade*

CSA Global has completed a Mineral Resource estimate at the Bundarra Gold Project in the Leonora region of Western Australia (Table 1).

The new Mineral Resources have increased significantly, comprising 3,972kt at 2.2 g/t Au containing 276koz of gold in the Measured and Indicated category, and a further 3,510kt at 1.9 g/t Au containing 213koz of gold in the Inferred category. This represents a substantial increase on November 2012 resource estimates, with a 103% increase in Measured and Indicated Resources and a 123% increase in Measured and Indicated Resource tonnes.

The Mineral Resource estimate has been updated from previous estimates for Wonder North and Celtic Deposits, and incorporates new estimates for Wonder West and Celtic South that had not been previously reported by Bligh. The upgrade provides Bligh with further confidence in the resource, with additional exploration upside potential existing at both the Bundarra and Leonora Projects. The company will now focus on progressing a maiden Ore Reserve statement and a revised Scoping Study based on the updated resource models. Goldfields Mining Services (GMS) have been commissioned to complete this work.

#### *Metallurgical Test Work*

Leach evaluation test work was undertaken by ALS Metallurgy Perth on drill core samples from the Wonder North prospect using oxygen shear reactor technology. The results were very positive, indicating that rapid leaching was possible with the use of the oxygen shear reactor.

The test work conducted on the Wonder North prospect demonstrates that a high proportion of gravity gold was present in the ore sample, and the remaining gold was relatively easy to recover. Leaching in an oxygen shear environment increased the leaching kinetics to achieve very high recoveries in a short time. These results reaffirm the low capital approach that SR Mining is following, and the simple ore structure means that a more complex metallurgical flow sheet is not required and higher capital outlay for construction of a mill is not necessary.

This round of test works demonstrates that very high recoveries can still be achieved with short residence times in the leaching circuit, hence large capital outlays in building large leach tanks can be avoided.

Gravity gold recovery is a batch process that recovers the gold into a concentrate at the time of milling. This process brings a financial benefit as it accelerates cash flow by producing the gravity gold recovered by modern centrifugal concentrators into gold bars ready for shipping to the mint.

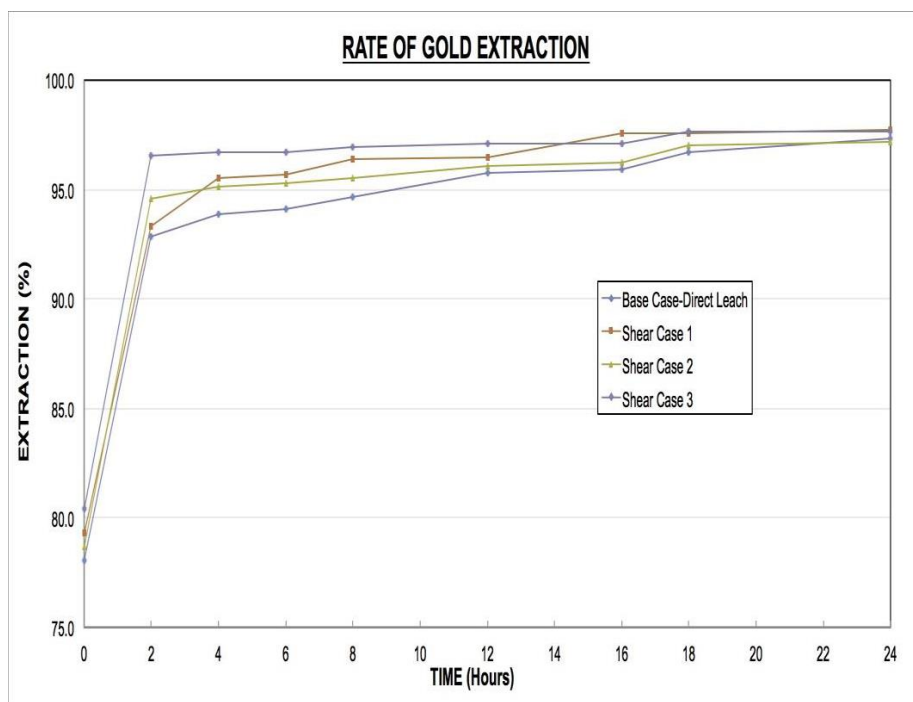


Figure 1 Leach Evaluation Test Work Results

**Table 1: Bundarra Project Mineral Resource Estimate Statement 27th August 2013**

		Bundarra Project MRE 20th November 2012					Bundarra Project MRE 27th August 2013*				
Deposit	Resources	Measured	Indicated	M+I	Inferred	Total	Measured	Indicated	M+I	Inferred	Total
Wonder North	Tonnes('000t)	354	872	1,226	1,314	2,540	332	2,274	2,607	1,284	3,891
	Grade g/t Au	2.3	2.4	2.3	1.9	2.1	2.08	2.09	2.1	1.63	1.94
	Ounces('000oz)	26	67	93	80	173	22	153	175	67	242
Wonder West	Tonnes('000t)						39	495	534	291	825
	Grade g/t Au						3.04	2.06	2.1	1.75	2.00
	Ounces('000oz)						4	33	37	16	53
Bluebush**	Tonnes('000t)		200	200	440	640		200	200	440	640
	Grade g/t Au		1.90	1.9	1.8	1.8		1.90	1.9	1.80	1.80
	Ounces('000oz)		12	12	26	38		12	12	26	38
Great Western**	Tonnes('000t)	96	263	359	327	686	96	263	359	327	686
	Grade g/t Au	2.42	2.83	2.7	3.02	2.86	2.42	2.83	2.7	3.02	2.86
	Ounces('000oz)	8	24	32	32	63	8	24	32	32	63
Celtic***	Tonnes('000t)				865	865		194	194	1,057	1,252
	Grade g/t Au				1.59	1.59		2.47	2.5	1.98	2.05
	Ounces('000oz)				44	44		15	15	67	83
Cetic South	Tonnes('000t)							78	78	111	188
	Grade g/t Au							2.10	2.1	1.42	1.70
	Ounces('000oz)							5	5	5	10
Bundarra Totals	Tonnes('000t)	450	1,335	1,785	2,946	4,731	468	3,504	3,972	3,510	7,482
	Grade g/t Au	2.3	2.4	2.4	1.9	2.1	2.2	2.2	2.2	1.9	2.0
	Ounces('000oz)	34	102	136	182	318	34	242	276	213	489

\* Cut-offs: Bluebush uses 1g/t Au cut-off; the other resources are reported at 0.5g/t Au cut-off

\* Rounding errors may occur.

\* Reported in this announcement

\*\* Reported to ASX by Terrain Minerals on 15/4/2011

\*\*\* Celtic: Keith Whitehouse, 2010: Mineral Resource Estimate, Celtic Open Pit, and Western Australia. Auralia Consultant Report to Terrain Minerals

## **LEONORA PROJECT**

Following on from extensive soil sampling over the Diorite King Prospect of the Leonora Project, a five day mapping and sampling visit was undertaken in mid- September. In addition to field mapping, 25 rock samples were taken to test the prospectivity of areas identified by previous work.

Results from the sampling are expected from the lab in October.



**Figure 2 Quartz vein above Little Wonder workings – Leonora Project**

## **KUMARINA PROJECT**

Bligh has been re-evaluating the Kumarina Project, located south of Newman in Western Australia and immediately to the east of Montezuma Mining's manganese tenement (MZM: current JORC estimate at Yanneri Ridge of 64.7 M tonnes @ 11.2% Mn) (Figure 3).

Reinterpretation of XTEM survey and Air core drill results is being used to plan a further drill program over the project area. The XTEM 30m depth slice shown in Figure 4 may reflect thickness of cover. If this is correct, then several areas, shown as blue in Figure 4 may reflect thin cover over enriched shales.

A drilling program with collars located to the west of the 2012 drilling, or in the northwest corner of the tenement, (north of the postulated Butcherbird shear) would test whether the cooler colours in the XTEM depth slice are representing thinner cover. Bligh is considering a drill program to build on results from the 2012 air core program (which was cut short due to adverse weather conditions) to test this hypothesis.



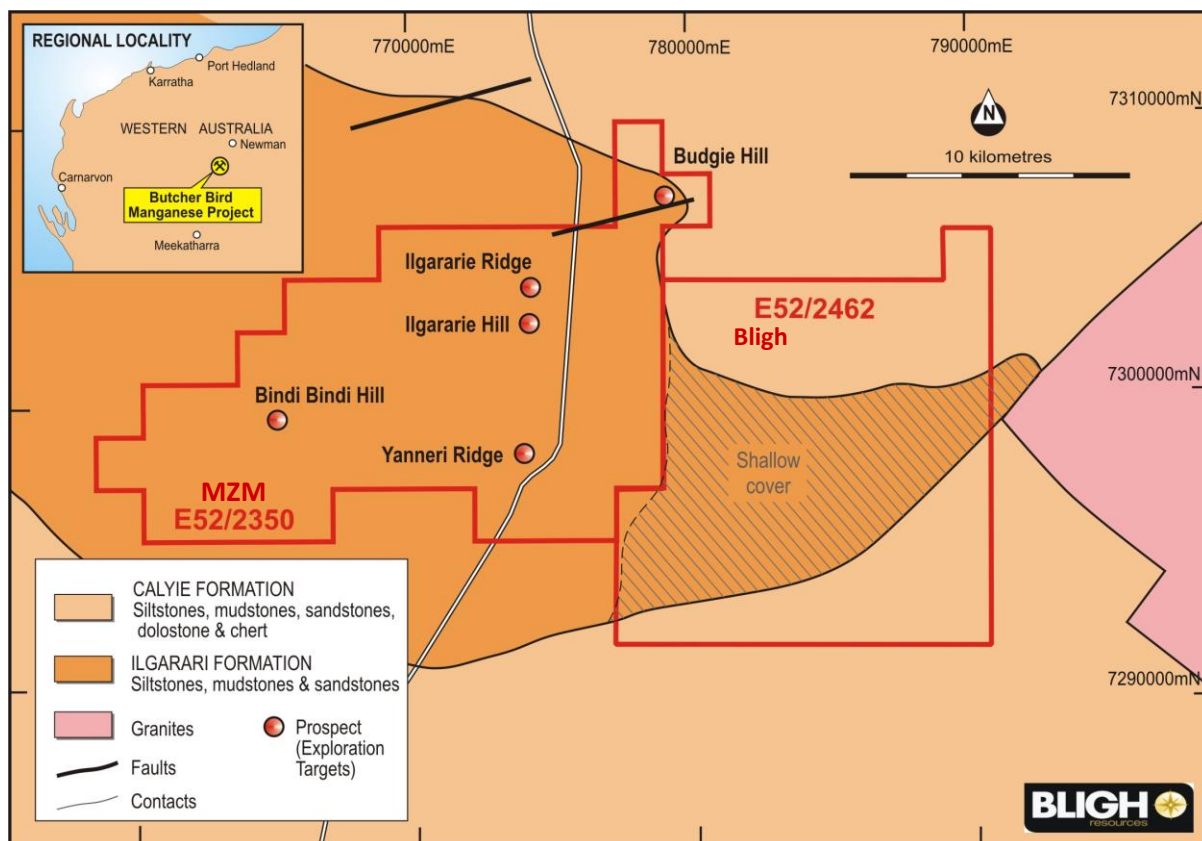


Figure 3 Location Map of Bligh Resources Kumarina Project E52/2462

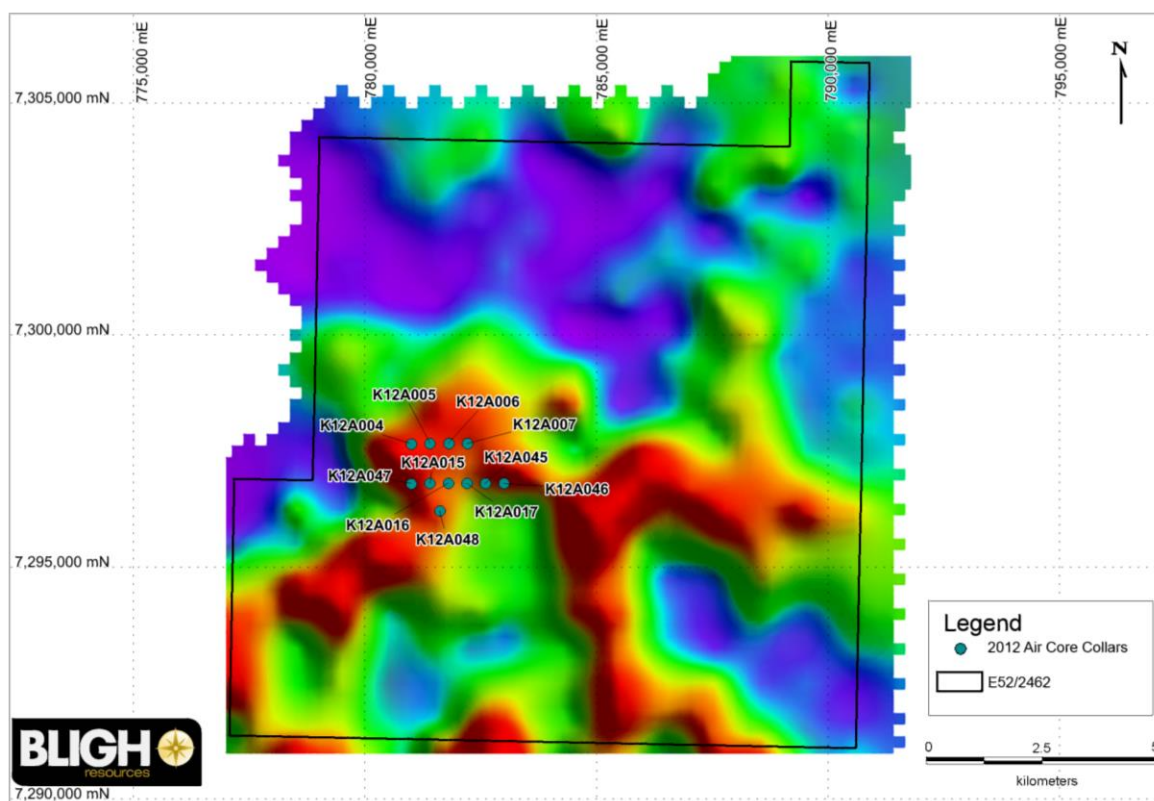
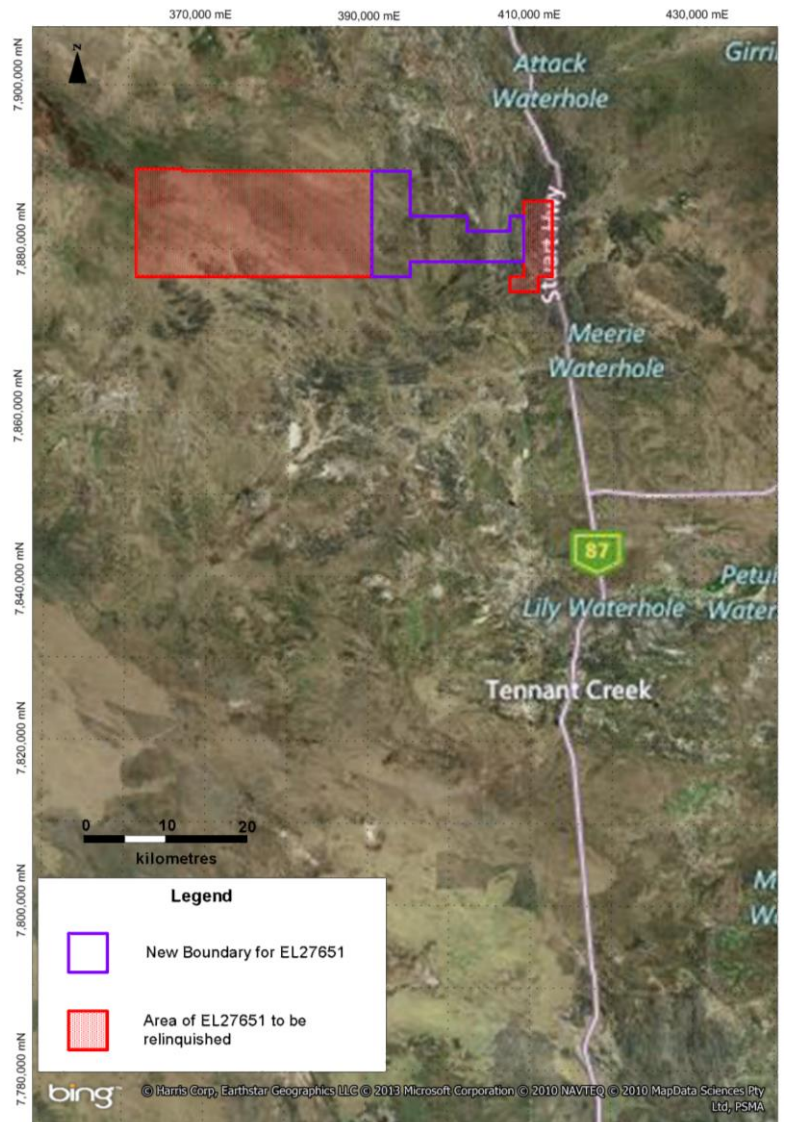


Figure 4 2012 Air Core collars over XTEM 30 m depth slice

**Bootu Creek Two Project WA (EL 27654 & JV EL27651)**

During the Quarter, Bligh reduced the area of EL27651 by 68%. Figure 5 below shows in red the area which has been relinquished. The purple outline is the new tenement boundary for EL27651. This reduction allows Bligh to concentrate on the areas of interest identified from the VTEM survey. The reduction of the tenement also reduces the overall cost commitments of the Bootu Creek Two Project.

Bligh submitted a MMP application for a small reconnaissance drill program over VTEM anomalies and the application was approved by the Northern Territory Dept. of Mines. Bligh hopes to be able to complete a site visit to peg out drill holes after the 2013/14 wet season and commence drilling shortly thereafter.



**Figure 5 EL27651 Revised tenement boundaries**

**About Bligh Resource Limited**

Listed in 2011, Bligh (ASX: BGH) is an explorer focused on the near term gold production potential in the Leonora region in W.A and manganese exploration projects in both N.T and W.A.

Bligh holds a strategic 42.9% interest in SR Mining Pty Ltd, which owns the advanced Bundarra Gold Project in Western Australia as well as a 100% interest in the Leonora Gold Project. Bligh also has an 80%-100% interest in the Bootu Two Creek Manganese Project in the Northern Territory.

Bligh also has a 100% interest in the Kumarina Manganese projects in WA.

**Further information:**

**Rob Benussi: 0410 415 335 – CEO**

**Released through Fergus Ross, Six Degrees Investor Relations: 0420 980 448**

**Competent Person**

*The information in the report above that relates to Exploration Results is based on information compiled by Dr Pieter Moeskops, the principal of Agaiva Holdings Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy. Dr Moeskops has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Moeskops consents to the inclusion in this report of matters based on his information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**BLIGH RESOURCES LIMITED**

ABN

**83 130 964 162**

Quarter ended ("current quarter")

**September 30<sup>th</sup> 2013**

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (3 Months) \$A'ooo
1.1	Receipts from product sales and related debtors JV proceeds- exploration & evaluation	- 2	- 2
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(87) - - (166)	(87) - - (166)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	12
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) -PAYG/GST  -Security/Environmental Bond refunds	(7)   	(7)   
<b>Net Operating Cash Flows</b>		<b>(247)</b>	<b>(247)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- 52 -	- 52 -
1.10	Loans to other entities-SR Mining Pty Ltd	-	-
1.11	Loans repaid by other entities	62	62
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>114</b>	<b>114</b>

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(133)	(133)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)- IPO related cost & Convertible Note Fee	(13)	(13)
	<b>Net financing cash flows</b>	(13)	(13)
	<b>Net increase (decrease) in cash held</b>	(146)	(146)
1.20	Cash at beginning of quarter/year to date	1012	1012
1.21	Exchange rate adjustments to item 1.20	Nil	Nil
1.22	<b>Cash at end of quarter</b>	<b>866</b>	<b>866</b>

#### Payments to directors of the entity and associates of the directors

#### Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	--
1.24 Aggregate amount of loans to the parties included in item 1.10	938

#### 1.25 Explanation necessary for an understanding of the transactions

Non-Executive Directors \$ 12 k  
Executive Directors \$ 50 k

### Non-cash financing and investing activities

#### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

#### 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements <i>Convertible Note</i>	Nil	Nil

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	n/a
4.4 Administration	137
<b>Total</b>	<b>187</b>

## Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	64	1
5.2 Deposits at call	705	841
5.3 Bank overdraft	n/a	n/a
5.4 Other (provide details) <i>Bank Guarantee-office</i>	11	11
<i>Security &amp; Environmental Bonds- NSW &amp; NT</i>	86	159
<b>Total: cash at end of quarter (item 1.22)</b>	<b>866</b>	<b>1,012</b>

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL7492	Relinquished	100%	0%
	EL7556	Relinquished	100%	0%
	EL27651	Reduction of area by 68%	80%	80%
6.2 Interests in mining tenements acquired or increased	P37/8048	Acquired	0%	50%
	P37/7100	Acquired	0%	50%

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	60,125,720	35,906,720	n/a	n/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	400,000	400,000	.10 cents	n/a
7.5 <b>+Convertible debt securities</b> (description)				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	16,000,000	Nil	<b>Exercise price</b> \$0.25	<b>Expiry date</b> 23 <sup>th</sup> November 2016 <small>Escrowed to 22 November 2013</small>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 5).
- 2 This statement does \* [\(delete one\)](#) give a true and fair view of the matters disclosed.

Sign here: Anna Sandham  
(Company secretary)

Date: October 17 2013.

Print name: Anna Sandham

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and

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+ See chapter 19 for defined terms.

there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3     **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4     The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5     Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.