

BLIGH RESOURCES LIMITED

ABN 83 130 964 162

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

TABLE OF CONTENTS TO THE INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	PAGE(S)
Directors' Report	2
Independence Auditor's Declaration	3
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-13
Directors' Declaration	14
Independent Auditor's Review Report	15-16

DIRECTORS' REPORT

Your directors submit the interim financial report of Bligh Resources Limited (the Company) for the half-year ended 31 December 2011.

Directors' Details

Mr Robert John Benussi, Executive Chairman
 Mr Charles William Guy, Executive Director
 Mr Hanjing Xu, Independent Non-Executive Director
 Mr Peiqi Zhang, Non-Executive Director
 Mr Liming Niu- Alternate to Mr Hanjing Xu

Directors were in office during the whole of the half-year and up to the date of this report.

Review of Operations and Results

The principal activities of Bligh Resources Limited during the period continued to be the acquisition and evaluation of mineral exploration interests.

The Company's net loss for the half-year was \$331,744 (31 December 2010 profit of \$4,078).

Set out below are the announcements of Bligh Resources Limited in the Period.

25 November 2011	The Company received the "Admission to Official List" from the ASX
29 November 2011	The ASX released an ASX Circular –Admission and Commencement of Official Quotation
30 November 2011	The ASX released the Pre-Quotation disclosure statement
30 November 2011	The Company released Appendix 1A – ASX listing application and agreement
30 November 2011	The Company released the Company's Constitution
30 November 2011	The Company released the Company's Top 20 shareholders
30 November 2011	The Company released the Company's Distribution Schedule
30 November 2011	The Company released the Updated pro-forma balance sheet
30 November 2011	The Company released the statement of commitment
30 November 2011	The Company released the Option Terms and Conditions
30 November 2011	The Company released the Securities subject to Escrow
30 November 2011	The Company released the Securities Trading Policy
30 November 2011	The Company released the Annual Report for the period ending 2008, 2009 and 2010
30 November 2011	The Company released the Annual Report for the period ending 2011
1 December 2011	The Company announced the "Successful Listing and Exploration Update"
2 December 2011	The Company released the "Initial Director's Interest Notice for the five Directors"
12 December 2011	The Company released a "Change of Director's Interest Notice"
14 December 2011	The Company announced the "Geophysical work identifies 45 prospective Manganese anomalies at Manilla NSW"

Events Subsequent to End of Reporting Period

10 January 2012	The Company announced "High Grade Manganese Rock chip Samples up to 46.5% at the Company's Manilla Project"
13 January 2012	The Company Updated the ASX on the Kumarina Drilling Program
16 January 2012	The Company released a Change to the Director's interest Notice
18 January 2012	The Company announced an "Exploration Update on the Leonora Gold Project WA"
27 January 2012	The Company released the December 2011 Quarterly Cash Flow Report- "Appendix 5B"
30 January 2012	The Company released the December 2011 Quarterly Activities
2 February 2012	The Company announced "Bligh to significantly expand Bootu Creek Two Manganese Project NT"

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 31 December 2011.

Signed in accordance with a resolution of the Board of Directors.



Robert Benussi
Executive Chairman
 Dated this 5th day of March 2012



Auditor's Independence Declaration

As lead auditor for the review of Bligh Resources Limited for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bligh Resources Limited during the period.

A handwritten signature in blue ink, appearing to read 'Brett Entwistle', is written over a faint, illegible printed name.

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
5 March 2012

BLIGH RESOURCES LIMITED
ABN 83 130 964 162

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

	31 DECEMBER 2011	31 DECEMBER 2010
	\$	\$
Other income	64,737	27,002
Exploration and evaluation interests written off	(4,971)	(3,766)
Administration costs	(53,338)	(4,305)
Consultancy fees	(31,570)	(5,880)
Depreciation and amortisation expense	(9,779)	-
Directors, employees and consultant expenses	(88,500)	-
Employee benefits expense	(11,635)	-
Occupancy expenses	(21,988)	(7,140)
Travelling costs	(28,708)	(617)
Legal and professional costs	(21,790)	(1,216)
IPO associated costs	(124,202)	-
(Loss) /Profit before income tax for the half-year	(331,744)	4,078
Income tax benefit/(expense)	-	-
(Loss)/ Profit attributable to owners of the company for the half-year	(331,744)	4,078
Total comprehensive income for the half-year	(331,744)	4,078
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:	Cents	Cents
Basic loss per share	(0.73)	0.01
Diluted loss per share	(0.73)	0.01

The above statement of the comprehensive income should be read in conjunction with the accompanying notes.

BLIGH RESOURCES LIMITED
ABN 83 130 964 162

BALANCE SHEET
AS AT 31 DECEMBER 2011

	NOTE	31 DECEMBER 2011 \$	30 JUNE 2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,780,734	2,110,586
Trade and other receivables		74,318	28,848
Other current assets		-	47,856
TOTAL CURRENT ASSETS		4,855,052	2,187,290
NON-CURRENT ASSETS			
Plant and equipment		28,105	35,572
Exploration and evaluation assets	2	945,145	509,574
TOTAL NON-CURRENT ASSETS		973,250	545,146
TOTAL ASSETS		5,828,302	2,732,436
CURRENT LIABILITIES			
Trade and other payables		202,500	201,491
TOTAL CURRENT LIABILITIES		202,500	201,491
TOTAL LIABILITIES		202,500	201,491
NET ASSETS		5,625,802	2,530,945
EQUITY			
Issued capital	3	6,181,182	2,754,581
Option Expense Reserve	4	1,600	1,600
Accumulated losses		(556,980)	(225,236)
TOTAL EQUITY		5,625,802	2,530,945

The above balance sheet should be read in conjunction with the accompanying notes.

BLIGH RESOURCES LIMITED
ABN 83 130 964 162

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Attributable to Owners of Bligh Resources Limited

	Issued Capital (Ordinary) \$	Reserves \$	Accumulated Losses \$	Total Attributable to Owners \$	Non Controlling Interest \$	Total Equity \$
Balance at 1 July 2010	1,414,805	1,600	(47,331)	1,369,074	-	1,369,074
Profit /(Loss) for the half-year	-	-	4,078	4,078	-	4,078
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive Income for the half-year	-	-	4,078	4,078	-	4,078
Transactions with owners:						
Contribution of equity, Net of transaction costs	-	-	-	-	-	-
Employee and non-employee	-	-	-	-	-	-
Share options	-	-	-	-	-	-
Balance at 31 December 2010	1,414,805	1,600	(43,253)	1,373,152	-	1,373,152
Balance at 1 July 2011	2,754,581	1,600	(225,326)	2,530,945	-	2,530,945
Loss for the half-year	-	-	(331,744)	(331,744)	-	(331,744)
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(331,744)	(331,744)	-	(331,744)
Transactions with owners:						
Contribution of equity, Net of transaction costs	3,426,601	-	-	3,426,601	-	3,426,601
Employee and non-employee	-	-	-	-	-	-
Share options	-	-	-	-	-	-
Balance at 31 December 2011	6,181,182	1,600	(556,980)	5,625,802	-	5,625,802

The above statement of changes in equity should be read in conjunction with the accompanying notes.

BLIGH RESOURCES LIMITED
ABN 83 130 964 162

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 DECEMBER 2011	31 DECEMBER 2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other revenue	4,800	825
Payments to suppliers and employees	(391,808)	(18,817)
Interest received	45,663	27,002
Net cash (outflow)/inflow from operating activities	<u>(341,345)</u>	<u>9,010</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(2,311)	(24,697)
Payments for exploration and evaluation	(412,797)	(165,755)
Net cash (outflow) from investing activities	<u>(415,108)</u>	<u>(190,452)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of transaction costs)	3,426,601	-
Net cash inflow from financing activities	<u>3,426,601</u>	<u>-</u>
Net increase / (decrease) in cash held	2,670,148	(181,442)
Cash at beginning of period	2,110,586	1,253,582
Cash at end of period	<u>4,780,734</u>	<u>1,072,140</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION

This condensed interim financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This interim financial statement is intended to provide users with an update on the latest annual financial statements of Bligh Resources Limited (the company). As such, they do not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of Bligh Resources Limited for the year ended 30 June 2011, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2011*.

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements.

	31 DECEMBER 2011	30 JUNE 2011
	\$	\$
NOTE 2: EXPLORATION AND EVALUATION ASSETS		
Costs carried forward in respect of the following areas of interests:		
Kumarina	165,715	60,114
Leonora Gold	290,401	198,374
Bootu Creek	79,859	47,113
Grenfell	175,871	86,683
Manilla	233,299	117,290
Total exploration expenditure	945,145	509,574

NOTE 3 : ISSUED CAPITAL

2,500,000 (2011: 2,500,000) fully paid founder shares	50,100	50,100
53,945,720 (2011:39,945,332) fully paid ordinary shares	6,131,082	2,704,481
1,030,000 (2011: 1,030,000) fully paid promoter shares	-	-
	6,181,182	2,754,581

All the above founder and promoter shares issued are classified as ordinary shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

BLIGH RESOURCES LIMITED
ABN 83 130 964 162

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 DECEMBER 2011	30 JUNE 2011
	\$	\$
i) Movement in Ordinary Share Capital		
At the beginning of the financial period	2,754,581	1,414,805
Shares issued during the period		
Founders shares-Nil	-	-
	<u>2,754,581</u>	<u>1,414,805</u>
Ordinary Shares		
- 6,939,000 issued on 30/04/2011	\$0.20	1,387,776
- 14,000,388 issued on 30/11/2011	\$0.25	-
	<u>3,500,097</u>	<u>1,387,776</u>
	<u>3,500,097</u>	<u>1,387,776</u>
Promoter Shares		
- 250,000 issued on 02/07/2010	\$0.15	37,500
	<u>-</u>	<u>37,500</u>
	<u>-</u>	<u>37,500</u>
Transaction costs relating to share issues	<u>(73,496)</u>	<u>(85,500)</u>
Balance at the end of the financial period	<u>6,181,182</u>	<u>2,754,581</u>

ii) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital on a regular basis in order to maintain the objectives. The Company's strategy has remained unchanged from the prior period.

	31 DECEMBER 2011	30 JUNE 2011
	\$	\$
NOTE 4: RESERVES		
Share based payments reserve		
Balance at the beginning of the financial period	1,600	-
Option expense	<u>-</u>	<u>1,600</u>
Balance at the end of the financial period	<u>1,600</u>	<u>1,600</u>

The share based payment reserve is used to recognise the fair value of options issued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 5: DIVIDENDS

No dividends were declared or paid in the period.

	31 December 2011	30 June 2011
	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash at the end of the period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	4,780,734	2,110,586
	<u>4,780,734</u>	<u>2,110,586</u>

Note 7: SEGMENTS INFORMATION

(a) Description of Segments

The Company operates solely in the mining industry within Australia.

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision makers (the Board of Directors) in assessing performance and determining the allocation of resources.

The Company segments are structured primarily on the basis of areas of interest as Leonora Gold, Grenfell Manganese, Bootu Creek Manganese, Kumarina Manganese and Manilla Manganese. Expenses and assets are allocated to segments based on the tenement to which they directly relate. Information is not readily available for allocating the remaining items of revenue, expenses, assets and liabilities, or these items are not considered part of the core operations of any segment.

BLIGH RESOURCES LIMITED
ABN 83 130 964 162

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

						2011	2011
						\$	\$
(b) Segment information provided to the Board of Directors							
<u>31 DECEMBER 2011</u>							
	<u>Leonora</u>	<u>Grenfell</u>	<u>Bootu Creek</u>	<u>Kumarina</u>	<u>Manilla</u>	<u>Other & Unallocated</u>	<u>Total</u>
Revenue from continuing operations	-	-	-	-	-	64,737	64,737
Exploration and evaluation expenditure written off	-	-	-	-	-	(4,971)	(4,971)
Administration & other expenses	-	-	-	-	-	(209,110)	(209,110)
Depreciation expense	-	-	-	-	-	(9,779)	(9,779)
Employee benefits expense	-	-	-	-	-	(11,635)	(11,635)
Occupancy expenses	-	-	-	-	-	(21,988)	(21,988)
Travelling expenses	-	-	-	-	-	(28,708)	(28,708)
Directors, employees & consultant expenses	-	-	-	-	-	(88,500)	(88,500)
Legal & professional expenses	-	-	-	-	-	(21,790)	(21,790)
Loss from continuing operations	-	-	-	-	-	(331,744)	(331,744)
Cash and cash equivalents	-	-	-	-	-	4,780,734	4,780,734
Trade and other receivables	-	-	-	-	-	15,448	15,448
Exploration and evaluation expenditure	290,401	175,871	79,859	165,715	233,299	-	945,145
Total segment assets	290,401	175,871	79,859	165,715	233,299	4,796,182	5,741,327
Trade and other payables	-	-	-	-	-	202,500	202,500
Total segment liabilities	-	-	-	-	-	202,500	202,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

						2010	2010
						\$	\$
31 DECEMBER 2010						Other & un-allocated	Total
	Leonora	Grenfell	Bootu Creek	Kumarina	Manilla		
Revenue from continuing operations	-	-	-	-	-	27,002	27,002
Exploration and evaluation expenditure written off	-	-	-	-	-	(3,766)	(3,766)
Administration & other expenses	-	-	-	-	-	(4,305)	(4,305)
Depreciation expense	-	-	-	-	-	-	-
Occupancy expenses	-	-	-	-	-	(7,140)	(7,140)
Travelling expenses	-	-	-	-	-	(617)	(617)
Directors, employees & consultant expense	-	-	-	-	-	(5,880)	5,880
Legal & professional expenses	-	-	-	-	-	(1,216)	(1,216)
Profit from continuing operations	-	-	-	-	-	4,078	4,078
Cash and cash equivalents	-	-	-	-	-	1,072,140	1,072,140
Trade and other receivables	-	-	-	-	-	22,590	22,590
Exploration and evaluation expenditure	90,639	71,698	33,153	50,178	43,837	-	289,505
Total segment assets	90,639	71,698	33,153	50,178	43,837	1,094,730	1,384,235
Trade and other payables	-	-	-	-	-	51,043	51,043
Total segment liabilities	-	-	-	-	-	51,043	51,043

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 8: CONTINGENT LIABILITIES

There are no contingent liabilities at 31 December 2011 (31 December 2010: Nil).

DIRECTORS' DECLARATION

The directors of Bligh Resources Limited declare that:

1. The condensed financial statements and notes, as set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standards, the *Corporations Regulation 2001* and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Robert Benussi



Chairman

Dated this 5th day of March 2012



Independent auditor's review report to the members of Bligh Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bligh Resources Limited, which comprises the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Bligh Resources Limited (the Company).

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 (including the Australian Accounting Interpretations) 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2011 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 Bligh Resources Limited, 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*.

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Conclusion

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 Blich Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2011 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*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brett Entwistle

Brett Entwistle
Partner

Sydney
5 March 2012