

Bundarra Joint Venture Update

Bligh Resources Limited

ACN 130 964 162

ASX: **BGH**

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Board of Directors:

Bill Richie Yang
Executive Director

Jerome G Vitale
Managing Director
& CEO elect

Jinle Song
Non-Executive Director

Tianbao Wang
Non-Executive Director

Company Secretary

Ian White

Capital Structure

Ordinary Shares:	116,421,774
Unlisted Options:	23,650,000
Performance Shares:	2,500,000

Contact

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Bligh Resources Limited (ASX: BGH) ("Company") advises that discussions with a third party in respect to the possible sale of Bligh's interests in the Bundarra Gold Project near Leonora in WA have been terminated (see ASX release dated 27 May, 2016).

Bligh intends to retain its interest in Bundarra with a view to accelerating development of the project and is actively evaluating opportunities to expand its gold interests in the Leonora area.

Convertible Note – Conversion to Shares

Bligh has received a notice of election to convert the sum of \$250,000 received from Contained Gold Pty Ltd ("CGPL") referred to as a "convertible note" in Bligh's 27 May 2016 announcement. Once issued the parties agreed the note will be convertible to 7,142,857 ordinary fully paid shares at 3.5 cents per share at CGPL's election. Bligh's ability to perform this obligation is governed by its capacity under Listing rule 7.1, details of which are discussed in the Notice of Meeting announced on 9 September 2016. Bligh will issue the shares subject to the necessary replenishment approvals being sought at that meeting, to be held on 11 October 2016. Absent the conversion, once issued, the note will mature on 26 November 2016. The funds received from CGPL are reflected as a current liability in the Company's balance sheet at 30 June 2016.

The Company considers the election by CGPL to take up equity in Bligh at this time as a vote of confidence in the future of the Bundarra project given the conversion price is above the recent market price for Bligh shares.

Bligh has also received a request from CGPL for its wholly owned subsidiary SR Mining Pty Ltd to transfer 50 per cent of the title over the Bundarra tenements to CGPL under the terms of the Joint Venture Agreement. Bligh is reviewing CGPL's request and will update the market once this process is complete.

In keeping with the terms of the Joint Venture Variation Agreement announced on 27 May 2016, all other rights and obligations of the parties as contained in the original JV Agreement announced on 28 October 2015, shall remain in effect.

Yours faithfully,

Gino Vitale
Director and Interim CEO

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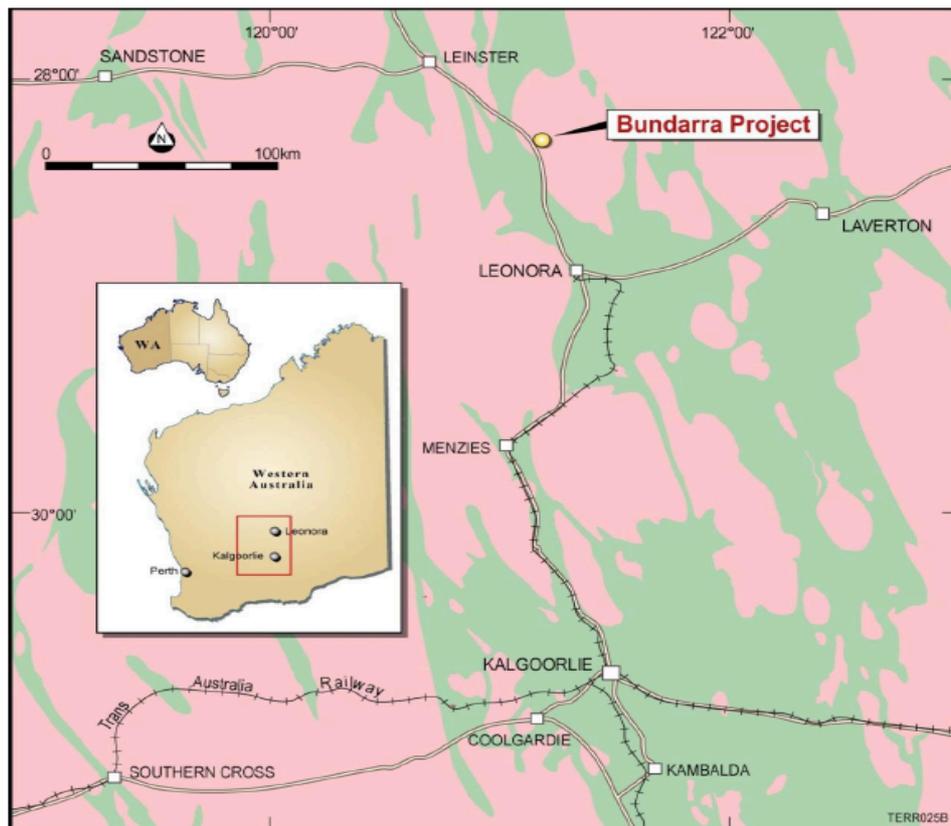
About the Bundarra Gold Project

The Bundarra Gold Project (Contained Gold earning 50%) lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 60km north of Leonora in the Eastern Goldfields region of Western Australia. The Company has previously reported Mineral Resources (JORC 2004) across three deposits and a new exploration zone (Celtic, Wonder North, Wonder West and Bluebush). Details of the resource estimate are contained in the Company's announcement dated 23 March 2015.

The project tenement schedule consists of five mining leases, six prospecting licences and two miscellaneous licences for groundwater exploration and future haulage route covering an area of 60.5km². To date, more than 3,000 holes have been drilled with accumulated drill depth of more than 150,000 metres. In 2013, Bligh engaged CSA Global to carry out a Scoping Study for a toll milling solution based on the premise that nearby processing plants have known spare capacity. The study returned very attractive cashflow forecasts, however should the results of future exploration or aggregation with nearby deposits justify a stand-alone processing plant the Company has not discounted possible on-site treatment solutions.

See next page for project location maps

Bundarra Project location Map



Bundarra – regional gold operations and processing centres

