



Bligh Resources Ltd
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Sydney 2000
NSW
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24 October 2014

Australian Stock Exchange Limited

Level 4, 20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

BGH: Notice of Annual General Meeting and proxy form

Please find attached the Notice of Annual General Meeting and Proxy Form which has been despatched to shareholders today.

The Annual General Meeting of Bligh Resources Limited will be held at 2.00pm (AEDST) on Wednesday 26 November 2014.

On behalf of the Board

Anna Sandham
Company Secretary



BLIGH RESOURCES LIMITED

ACN 130 964 162

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2:00 pm (AEDST)

DATE: Wednesday 26 November 2014

PLACE: Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please contact the Managing Director on +61 2 9233 4677.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of the shareholders of Bligh Resources Limited ACN 130 964 162 (**Bligh** or **the Company**) will be held at 2:00pm (AEDST) on Wednesday 26 November 2014 at the offices of Link Market Services, Level 12, 680 George Street, Sydney NSW 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the AGM. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2014.

Unless the Company has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. All shareholders can view the Annual Report (which contains the Financial Report for the year ended 30 June 2014 on the Company's website www.blighresources.com.au).

B. QUESTIONS AND COMMENTS

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

C. ITEMS FOR APPROVAL

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an advisory resolution of shareholders of the Company:

"That, the Remuneration Report for the year ended 30 June 2014 (set out in the Directors' Report) is adopted."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 (in any capacity) by, or on behalf of, the following persons:

- a member of the key management personnel (**KMP**) (which includes each of the Directors of the Company) whose remuneration is disclosed in the 2014 Remuneration Report; or

- a closely related party (as that term is defined in the *Corporations Act 2001 (Cth)*) (such as close family members and any controlled companies) (**Closely Related Party**) of such a member of the KMP.

However, the Company will not disregard the vote if it is cast as a proxy for a person who is entitled to vote and:

- the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- the vote is cast by the person chairing the Meeting and:
 - the appointment does not specify how the proxy is to vote; and
 - the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

RESOLUTION 2: RE-ELECTION OF PEIQI ZHANG AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, Peiqi Zhang, who retires in accordance with the Constitution of the Company, and having offered himself for election and being eligible, is hereby re-elected as a Director of the Company."

Biographical information about Peiqi Zhang is available in the Explanatory Statement which forms part of this Notice of Meeting.

RESOLUTION 3: INCREASE IN SHARE ISSUE CAPACITY (UNDER LISTING RULE 7.1A)

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement which forms part of the Notice of Meeting."

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by a person (and any associates of such a person) who may participate in the 10% placement facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares (and any associates of such a person), if this resolution is passed. At this point in time, there are no known potential allottees to whom shares may be issued under this resolution.

However, the Company need not disregard a vote cast on Resolution 3 if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 4: RATIFICATION OF OPTIONS ISSUED UNDER THE BLIGH RESOURCES LIMITED EMPLOYEE OPTION PLAN

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 300,000 Options (each with an exercise price of A\$0.09 per Option) issued under the Bligh Resources Limited Employee Option Plan on the terms described in the Explanatory Statement which forms part of the Notice of Meeting, is ratified.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by Melanie Hollis and Chantal Huang, and their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 5: APPROVAL OF BLIGH RESOURCES LIMITED EMPLOYEE OPTION PLAN

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), section 260C(4) of the Corporations Act 2001 (Cth) and for all other purposes, the issue of options under the “Bligh Resources Limited Employee Option Plan” which is constituted and administered in accordance with the terms and conditions of the Bligh Resources Limited Employee Option Plan which are tabled by the Chairman at the Meeting and marked “A” for identification purposes, is approved.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the entity) and their associates.

However, the Company need not disregard a vote cast on Resolution 5 if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

By Order of the Board



Anna Sandham
Company Secretary
13 October 2014

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (AEDST) on 24 November 2014 will be entitled to attend and vote at the Meeting as a shareholder.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001 (Cth)* (**Corporations Act**) to exercise its powers as proxy at the Meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy form must be received by the Company no later than 2:00pm (AEDST) on Monday 24 November 2014, being 48 hours before the Meeting. Proxies must be received before that time by one of the following methods:

By post:	Bligh Resources Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By facsimile:	In Australia (02) 9287 0309 From outside Australia +61 2 9287 0309
By delivery:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 2:00pm (AEDST) on Monday 24 November 2014, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the *Corporations Act*. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

SHAREHOLDER QUESTIONS

If you wish a question to be put to the Chairman of the Meeting or Auditor and you are not able to attend the Meeting, please email your question to the Company Secretary at sandham@company matters.com.au

To allow time to collate questions and prepare answers, questions are to be received by the **Company Secretary by 5:00pm (AEDST), Wednesday 19 November 2014.**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's Annual General Meeting to be held at the offices of Link Market Services, Level 12, 680 George Street, Sydney NSW 2000 on Wednesday 26 November 2014 commencing at 2:00pm (AEDST). The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

Resolution 1 to be voted on is an advisory resolution. An advisory resolution does not bind the Company or its Directors. The Directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting. Resolutions 2, 4 and 5 are ordinary resolutions. For an ordinary resolution to be passed, a simple majority of votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution. Resolution 3 is a special resolution. For a special resolution to be passed, 75% of votes cast by shareholders present and entitled to vote on the resolution must be in favour of the resolution.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the *Corporations Act* requires the shareholders to vote on an advisory resolution that the Remuneration Report be adopted.

The Remuneration Report details the remuneration policy for the Company and reports the remuneration arrangements for Key Management Personnel that includes Directors and other Employees. The Remuneration Report is available in the Company's 2014 Annual Report.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. Pursuant to the *Corporations Act*, the vote on this resolution is advisory only and does not bind the Company or its Directors. However the Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies and practices.

In the interests of corporate governance, the Directors abstain from making a recommendation in relation to this resolution.

RESOLUTION 2: ELECTION OF PEIQI ZHANG AS A DIRECTOR

In accordance with the Constitution of the Company, an election of Directors must be held at each annual general meeting. Mr Peiqi Zhang will retire in accordance with clauses 16.2 and 16.3 of the Constitution of the Company and being eligible will seek re-election.

Mr Peiqi Zhang was appointed as a Non-Executive Director of the Company on 2 May 2011.

Mr Peiqi Zhang has more than 30 years' experience and knowledge in the Chinese mining industry. Mr Zhang is the Chairman and founder of China Shanxi Guxian Jin Yu Coking Co., Ltd, Chairman of Inner Mongolia Jiyuan Iron and Steel Company, a senior member of Shanxi Province Federation of Industry and the Standing Committee, and a senior member of the CPPCC Standing Committee of Linfen City.

China Shanxi Guxian Jin Yu Coking Co., Ltd mining enterprise has annual sales income of more than one billion yuan, fixed assets of 500 million yuan, employs 650 workers and has an annual

production of 800,000 tons of coal. He is also a fellow of world academy of productivity science, and the Vice President of Glory Institution, a well-known charity organisation in China. Mr Zhang is one of the prominent leaders in the mining industry of Shanxi Province.

The Directors, with Mr Peiqi Zhang abstaining, recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 3: INCREASE IN SHARE ISSUE CAPACITY (UNDER LISTING RULE 7.1A)

General

ASX Listing Rule 7.1A enables mid to small cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- (a) the company has a market capitalisation of \$300 million or less; and
- (b) it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM as well.

Accordingly, Resolution 3 seeks approval of ordinary shareholders by special resolution for issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Statement.

At the date of this Notice, the Company has on issue 75,125,720 fully paid ordinary shares and a capacity to issue:

- (a) 11,268,858 equity securities under ASX Listing Rule 7.1; and
- (b) 7,512,572 equity securities under ASX Listing Rule 7.1A, subject to shareholder approval being sought under Resolution 3.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 3 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during a 10% placement period, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 trading days of the date in paragraph (a), the date on which the equity securities are issued.

If Resolution 3 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such shares are issued; including:

- (a) the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date or the equity securities may be issued as part consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the equity securities.

The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of the company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

		Dilution		
No. of shares on issue ¹	Issue price (per share)	\$0.015 50% decrease in Issue Price	\$0.03 Issue Price	\$0.06 100% increase in Issue Price
75,125,720 shares (Current)	Shares issued	7,512,572	7,512,572	7,512,572
	Funds raised	\$112,688.58	\$225,377.16	\$450,754.32
112,688,580 shares (50% increase)	10% voting dilution	11,268,858	11,268,858	11,268,858
	Funds raised	\$169,032.87	\$338,065.74	\$676,131.48
150,251,440 shares (100% increase)	10% voting dilution	15,025,144	15,025,144	15,025,144
	Funds raised	\$225,377.16	\$450,754.32	\$901,508.64

¹ Variable A in Listing Rule 7.1A.2

The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of ordinary shares available under the Placement Facility in ASX Listing Rule 7.1A;
- (b) No unlisted options (including any options issued under the 10% Placement Facility) are exercised into ordinary shares before the date of issue of the equity securities under ASX Listing Rule 7.1A;
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
- (e) The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the company's 15% placement capacity under ASX Listing Rule 7.1.
- (f) The issue of equity securities under the 10% Placement Facility consists only of shares. If the issue of equity securities includes unlisted options, it is assumed that those unlisted options are exercised into shares for the purpose of calculating the voting dilution effect on existing shareholders; and
- (g) The issue price is \$0.03, being the closing price of the Shares on ASX on 30 September 2014.

If any of the ordinary shares being approved by this resolution are issued, they will be issued within 12 months of the date of the AGM i.e. by 26 November 2015 and the approval being sought by this resolution will cease to be valid if ordinary shareholders approve a transaction under either ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 26 November 2015.

The Company may seek to issue the equity securities for the following purposes:

- (a) cash consideration. In such circumstances, the Company intends to use the funds raised for the purpose of continued exploration expenditure on the company's current assets and/or raising working capital for the company; and
- (b) non-cash consideration for the acquisition of new assets and projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of any equity securities that may be issued (subject to shareholder approval of Resolution 3) have not been determined as at the date of this Notice, but may include existing shareholders as well as new shareholders who are not related parties or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (a) the methods of raising funds that are available to the Company (including but not limited to, rights issue or other issues in which existing shareholders can participate), while balancing interest from potential allottees with the interests of existing shareholders;
- (b) the effect of the issue of the equity securities on the control of the Company. Allocation will be subject to takeover thresholds;
- (c) the financial situation and solvency of the Company and its projected need for working capital at any given time; and
- (d) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or projects, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or projects.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon the issue of any equity securities.

Previous Approval Under ASX Listing Rule 7.1A

- (a) The Company previously obtained shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 20 November 2013.
- (b) In the twelve months preceding the date of the 2014 AGM, the Company has issued a total of 15,000,000 fully paid ordinary shares, which represents 24.95% of the total number of shares on issue at the commencement of the 12 month period (being 20 November 2013). This share issue was announced to the ASX on 27 August 2014;
- (c) Shareholder approval was obtained at an Extraordinary General Meeting on 3 October 2014 for the ratification of 15,000,000 shares at an issue price of \$0.045 per share which were issued on 27 August 2014 to Tasman ASX Investment Fund One without Shareholder approval. The issue of these shares was within the 25% limit permitted by ASX Listing Rules 7.1 and 7.1A collectively, as follows:
 - 8,987,428 equity securities under ASX Listing Rule 7.1; and
 - 6,012,572 equity securities under ASX Listing Rule 7.1A (i.e. the entire capacity was used).

Specific disclosure under ASX Listing Rule 7.3A.6 is included in the table below.

Details of All Issues of Equity Securities during the Twelve Months Preceding 26 November 2014	
Date of Issue	27 August 2014
Number of equity securities issued	15,000,000 in total, comprising: <ul style="list-style-type: none"> • 8,987,428 shares issued under ASX Listing Rule 7.1; and • 6,012,572 shares issued under ASX Listing Rule 7.1A (ie the entire capacity was used)
Class of equity securities	Ordinary fully paid shares. The shares issued rank equally with the existing class of fully paid ordinary shares traded under the code BGH
Names of persons to whom equity securities were issued	Tasman ASX Investment Fund One
Issue price and discount to market price (if any)	\$0.045 per share. The shares were issued at \$0.045 to the closing price of \$0.034
Total cash consideration	\$675,000
Use of cash consideration	The funds raised through the issue of the shares on 27 August 2014 are for general working capital and development of the Bundarra and Leonora gold projects.
Total non-cash consideration	Nil

A Voting Exclusion Statement is set out under Resolution 3 in the Notice of Meeting.

At the date of the Notice, the proposed allottees of any securities which may be issued in accordance with this resolution are not as yet known or identified. In these circumstances (and in

accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the equity securities which may be issued in accordance with this resolution), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Resolution 3 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 3 must be in favour of the resolution.

The Directors unanimously recommend shareholders vote in favour of this Resolution.

RESOLUTION 4: RATIFICATION OF OPTIONS ISSUED UNDER THE BLIGH RESOURCES LIMITED EMPLOYEE OPTION PLAN

Under ASX Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its equity securities. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of ASX Listing Rule 7.1.

Accordingly, Resolution 4 seeks ratification for the issue of 300,000 Options which were issued without shareholder approval. The issue of these Options was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting Shareholders ratify the issue of the Options the subject of Resolution 4 for the purpose of ASX Listing Rule 7.4 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.

The following awards of Options have been issued:

Name of recipient	No. of Options granted	Date of grant
Melanie Hollis	150,000	7 October 2014
Chantal Huang	150,000	7 October 2014
TOTAL	300,000	

The following performance conditions apply to the issue of the Options the subject of this resolution:

- Appropriate level of tenure as determined by the Managing Director
- Meeting of Key Performance Indicators (KPIs) as approved by the Managing Director.

For the purposes of ASX Listing Rule 7.5, the following information is provided with respect to all awards:

- 300,000 Options were issued in total.
- The Options were issued for nil financial consideration.
- The Options are not quoted on ASX.
- Options may be exercised at \$0.09 per Option upon the achievement of performance conditions.
- All Options are over ordinary shares which may be converted on a one-for-one basis upon achievement of performance conditions and the Company will seek quotation from ASX of any shares issued as a result of the exercise of the Options.
- Options have an expiry date of 7 October 2017.
- The Options were issued to Melanie Hollis and Chantal Huang as described above.
- No funds were raised on the issue of these Options. Exercise monies received upon the conversion of Options will contribute towards working capital of the Company.

- A Voting Exclusion Statement is set out under the resolution in the Notice of Meeting.

The Directors unanimously recommend shareholders vote in favour of this Resolution.

RESOLUTION 5: APPROVAL OF THE BLIGH RESOURCES LIMITED EMPLOYEE OPTION PLAN

Bligh seeks shareholder approval for the Bligh Resources Limited Employee Option Plan (**Plan**). The Plan is intended to provide employees and Directors of, and other persons to whom the Directors in their absolute discretion invite to participate in the Plan (**Group Employees**), with an incentive to work towards improving the performance of the Company and the Company's share price through the receipt of Options.

A summary of the Plan is set out as follows.

- (a) Under the Plan, the Board may offer Options to Group Employees whom the Board determines should be entitled to participate in the Plan for no initial consideration (an exercise price is payable upon exercise). The Board may in its absolute discretion determine criteria to apply to a Group Employee to be able to participate in the Plan including, without limitation, a minimum period of service.
- (b) The Company will not apply for ASX quotation of any Options issued under the Plan. The exercise price per Option will be determined by the Board and specified in the offer to the Group Employee.
- (c) The Board may determine and specify in the offer to the Group Employee:
 - the time periods or other conditions, such as the achievement of performance hurdles, that must be satisfied before Options are vested; and/or
 - any other performance conditions that must be satisfied before Options can be exercised.
- (d) The Board will determine the performance hurdles to be applied to awards under the Plan taking into account the Company's strategies and in accordance with the Company's remuneration policies. Generally, any awards granted under the Plan for which performance hurdles are not met, will not vest.
- (e) Options will be exercisable during the options exercise period specified by the Board in the offer to the Group Employee. Subject to the satisfaction of any applicable performance conditions before Options can be exercised, Options are exercisable during the specified exercise period by giving notice of the exercise to the Company and by paying the exercise price for the Options exercised. Each Option entitles the holder to subscribe for one share. The shares allotted upon exercise of the Options will rank equally in all respects with all other issued shares of the Company. The Company will apply for official quotation of those shares on the ASX after they are issued.
- (f) Generally if an Optionholder ceases employment, Options will lapse. An Optionholder will not be entitled to participate in new issues of shares or other securities made by the Company to holders of its shares in respect of his or her Options unless the Options are exercised before the record date for determining entitlements to the issue.
- (g) If the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) or undertakes a pro-rata issue (other than a bonus issue) of securities, the terms of the Options and the rights of the participants will be changed to the extent necessary to comply with the ASX Listing Rules.

- (h) The full terms and conditions of the Plan are available on the website of the Company (<http://www.blighresources.com.au/investor-centre/investor-centre.php/>)
- (i) Any offers made or dealing under the Plan are subject to the requirements of the Company's Securities Trading Policy.
- (j) The maximum number of options on issue cannot exceed 5% of the Company's issued shares in that class as at the time of the proposed offer.

Legislative requirements

Section 260A of the *Corporations Act* provides that a company may financially assist a person to acquire shares (or units in shares) in the company or a holding company of the company if:

- giving the financial assistance does not materially prejudice the interests of the company or its shareholder or the company's ability to pay creditors;
- the assistance is approved by shareholders under section 260B; or
- the assistance is exempted under section 260C.

Section 260C(4) of the *Corporations Act*, provides that financial assistance is exempted from section 260A if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company adopting the employee share scheme.

The Company will only be able to rely on ASX Listing Rule 7.2, Exception 9 (an exception to the restrictions regarding the issue of capital without shareholder approval under ASX Listing Rule 7.1) if there has been no change to the number or terms of the securities to be issued, the mechanism for pricing or payment or any other material terms of the Plan. Any securities issued following material changes to the Plan will not have the benefit of ASX Listing Rule 7.2, Exception 9 until such time as the revised plan is approved by shareholders.

A total of 300,000 Options have been issued under the Plan to two recipients. Further details are outlined in Resolution 4 above.

A voting exclusion statement is set out under Resolution 5 in the Notice of Meeting.

The Directors unanimously recommend shareholders vote in favour of this Resolution.

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Bligh Resources Limited

ABN 83 130 964 162

LODGE YOUR VOTE



By mail:
Bligh Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Bligh Resources Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting
as your proxy, please write the name of the person or body
corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (AEDST) on Wednesday, 26 November 2014 at Link Market Services, Level 12, 680 George Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Item 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2

VOTING DIRECTIONS

Resolution 1

Adoption of Remuneration Report

For Against Abstain*

☐ ☐ ☐

Resolution 2

Re-election of Peiqi Zhang as a Director

☐ ☐ ☐

Resolution 3

Increase in Share Issue Capacity (Under Listing Rule 7.1A)

☐ ☐ ☐

Resolution 4

Ratification of Options Issued Under the Bligh Resources Limited Employee Option Plan

☐ ☐ ☐

Resolution 5

Approval of Bligh Resources Limited Employee Option Plan

☐ ☐ ☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BGH PRX401B



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you have specified the way your proxy is to vote on a particular resolution, and if a poll is called on that resolution, and your named proxy does not attend the Meeting or does not vote on that resolution, the Chairman of the Meeting will be taken to have been appointed as your proxy for the purposes of voting on that resolution. A proxy need not be a securityholder of the Company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (AEDST) on Monday, 24 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



by mail:

Bligh Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.