



ACN 130 964 162

Annual Report

For the Year Ended 30 June 2017

A subsidiary of Zeta Resources Limited (ASX:ZER)



Corporate Directory

Directors	Peter Sullivan Patrick Burke James Sullivan
Company Secretary	Lloyd Flint
Registered Office	Unit 5, 78 Marine Terrace Fremantle WA 6160
Principal Place of Business	Unit 5, 78 Marine Terrace Fremantle WA 6160
Share Register	Link Market Services Pty Ltd 250 St Georges Terrace Perth WA 6000
Auditor	HLB Mann Judd Level 19, 207 Kent Street Sydney NSW 2000
Solicitors	DLA Piper Australia Level 31, Central Park 152-158 St Georges Terrace Perth WA 6000
Securities Exchange Listing	Bligh Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: BGH)
Website Address	www.bligh-resources.com



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Annual Report

For the Year Ended 30 June 2017

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Your Directors present their report together with the consolidated financial statements of Bligh Resources Ltd (the "Company" or "Bligh") and its subsidiary (together the "Group") for the financial year ended 30 June 2017.

Your Directors are delighted to welcome Zeta Resources Limited (ASX:ZER) as the Company's major shareholder, with a 85.75% shareholding in the Company.

Principal Activity

The principal activity of the Company during the financial year ended 30 June 2017 was the exploration and evaluation of gold projects in the Leonora area of Western Australia. No change in the principal activity occurred during this period.

Operating Results

The net operating loss after tax for the year ended 30 June 2017 was \$2,114,486 (2016: \$747,111).

Review of Operations

Bundarra Gold Project

Activities during the period were focused on advancing the Company's flagship Bundarra gold project ("Bundarra Gold Project") located approximately 65 km north of Leonora in Western Australia.

On 27 October 2016 the Company announced that it had commenced a 2,500 metre RC drilling program, targeting several areas of known gold mineralisation at the Bundarra Gold Project. Areas of particular focus were the in-fill and extension of the existing Mineral Resource at the Bluebrush deposit, extensions to Wonder North deposit, and deeper drilling to test depth extensions of the high grade mineralisation at Wonder North.

During the December 2016 quarter the Company received results from the drilling program.

- Of six drillholes completed at the Wonder North deposit, four drillholes (BRC004 – BRC007) targeted extensions of mineralisation to the north-west of the existing open pit, and two drillholes (BRC018 and BRC019) targeted the extension of southeast plunging mineralisation at depth beneath the southern end of the existing pit. The following table contains significant results returned from these drill holes.

Hole ID	Total Depth	Easting (GDA94)	Northing (GDA94)	From (m)	To (m)	Width (m)	Gold (g/t)
BRC004	220	321735	6863852	188	196	8	1.46
<i>includes</i>				193	195	2	3.22
BRC005	200	321722	6863836	161	181	20	3.07
<i>includes</i>				171	181	10	5.26
<i>and</i>				176	180	4	8.06
BRC006	180	321668	6863849	150	151	1	1.06
BRC007	188	321618	6863867	125	127	2	1.39
BRC018	334	322138	6863671	286	287	1	1.36
<i>includes</i>				294	326	32	3.47
<i>and</i>				299	305	6	9.38
<i>and</i>				303	304	1	21.10
<i>includes</i>				330	334	4	2.50
<i>includes</i>				330	332	2	4.22
BRC019	348	322097	6863700	299	317	18	5.17
<i>includes</i>				302	307	5	15.58
<i>and</i>				305	306	1	43.90
<i>includes</i>				328	336	8	3.64
<i>includes</i>				335	336	1	18.85

Note: All holes drilled at 60 degrees dip to 220 degrees magnetic azimuth; Intercepts calculated using a 0.5 g/t lower cut, no upper cut and maximum 2m internal waste dilution; All widths are down hole intercepts & only intercepts over 1g/t Au are given in the above table (ASX release 20/12/2016).

- In addition to the above a further two drillholes completed at the Bluebush Prospect 2km directly south of Wonder North to test for northwest extensions did not intersect significant mineralisation.

During the December 2016 quarter Bligh announced an upgraded Mineral Resource estimated in accordance with JORC 2012 guidelines for its Bundarra Gold Project. The Mineral Resource previously reported under the 2004 JORC code underwent a review by resource specialists CSA Global Pty Ltd ('CSA') for reporting under the JORC 2012 guidelines, with global resources of 7.0 MT @ 1.9 g/t Au for 431,000 oz, at a 0.5 g/t Au cutoff. Further detailed information, including JORC table 1, relating to the JORC 2012 upgrade is contained in the Bligh ASX announcement of 20 December 2016. The above significant intercepts from Wonder North were drilled post resource estimate upgrade and have potential to extend or expand the current estimate.

Corporate Activity

On 22 July 2016 the Company announced a two tranche \$1.7m capital raising underwritten by Somers and Partners for the purposes of advancing the Bundarra Gold Project. This was subsequently increased to \$2.2m and completed in October 2016.

On 7 December 2016, the Company announced Bligh Resources Ltd and its wholly owned subsidiary, SR Mining Pty Ltd (SR Mining) had signed a binding term sheet with Angler Mining Pty Ltd (Angler) and Contained Gold Pty Ltd ("Contained Gold") to terminate the Joint Venture covering the Bundarra Gold Project, resulting in the Company consolidating 100% ownership and operating control of the Bundarra Gold Project. The transaction was completed on 23 December, with total consideration of \$1.1m, consisting of:

- 10m fully paid ordinary shares in Bligh (at a deemed issue price of \$0.035); and
- \$746,718 cash payable in three instalments comprising \$300,000 on Completion, \$225,000 on 28 February 2017 and \$221,718 on 28 April 2017.

The amount of \$126,718 remains owing and is now payable on the earlier of a capital raising by the Company or 31 October 2017.

On 14 February 2017 and as updated on 2 March 2017, the Company announced to the ASX that it had entered into a binding conditional tenement sale agreement to sell the Bundarra Gold Project to Saracen Mineral Holdings Limited (ASX:SAR), for consideration of 7,142,857 fully paid ordinary shares in Saracen.

The Saracen transaction did not complete, being superseded by an off-market takeover bid for the Company by Zeta Resources Limited (ASX:ZER) (Zeta) of 3.8c per Bligh Share that was considered superior by the Company.

The information in this report that relates to Exploration & Mineral Resource Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Events Subsequent to Reporting Date

The Zeta Resources takeover bid ("takeover") for all of the ordinary shares of Bligh closed on 10 July 2017. Zeta Resources Limited declared the takeover unconditional on the 13 July 2017 and all successful applicants were processed and paid accordingly. At the close of the takeover Zeta Resources held 88.68% of the total issued share capital of Bligh. Zeta Resources currently holds 85.75% of the total issued share capital of Bligh.

The Company issued 8,102,790 shares at a deemed price of \$0.038 in settlement of liabilities for corporate advisory services in relation to the takeover.

On 1 September 2017 the Company announced a rights offer of 1 share for every 6 shares held at \$0.03 per share to raise \$1.2m. If the entitlements are fully subscribed 40,844,571 new shares will be allotted.

Environmental Regulations

The Group is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the Group's contracts or licences.

Directors' Meetings

The number of Directors' meetings and meetings of committees of Directors of the Company) held during the year ended the 30 June 2017 and the numbers of meetings attended by each Director or their Alternate are as follows:

Director	Board		Audit Committee		Rem. & Nom. Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Bill Richie Yang	11	11	-	-	-	-
Jerome Vitale	1	1	-	-	-	-
Jinle Song	11	11	-	-	-	-
Tianbao Wang	4	4	-	-	-	-
Patrick Burke	8	8	-	-	-	-
James Allchurch	5	5	-	-	-	-
Peter Sullivan	-	-	-	-	-	-
James Sullivan	-	-	-	-	-	-

Eric Zhang and Peiqi Zhang did not attend any board meetings. Peter Sullivan and James Sullivan were appointed after 30 June 2017.

As well as the formal Directors' meetings held, 14 circular resolutions were passed and Executive and Non-Executive Directors are in frequent communication by telephone and email.

Directors' Interests

The Directors' beneficial interests in shares as at 30 June 2017 are shown in the following table:

Director	Holding type	Shares			
		1 July 2016	Acquired	Disposed	30 June 2017 ¹
Bill Richie Yang ¹	Direct	252,000	2,500,000	(2,752,000)	-
	Indirect	1,225,000	2,400,000 ³	(1,225,000)	2,400,000-
	Total	1,477,000	4,900,000	(3,977,000)	2,400,000-
Jerome Vitale ¹	Direct	-	-	-	-
	Indirect	-	2,000,000	-	2,000,000
	Total	-	2,000,000	-	2,000,000
Jinle Song ¹	Direct	-	-	-	-
	Indirect	4,666,667	-	-	4,666,667
	Total	4,666,667	-	-	4,666,667
Eric Zhang ¹	Direct	-	-	-	-
	Indirect	15,000,000	-	-	15,000,000
	Total	15,000,000	-	-	15,000,000
Peiqi Zhang ¹	Direct	-	-	-	-
	Indirect	4,000,000	-	-	4,000,000
	Total	4,000,000	-	-	4,000,000
Peter Sullivan ²	Direct	-	-	-	-
	Indirect	-	-	-	6,738,863
	Total	-	-	-	6,738,863

¹ – or on resignation

² – on appointment

³ - Approved in general meeting of shareholders.

Tianbo Wang, James Allchurch, Patrick Burke and James Sullivan did not have any beneficial interest in shares as at 30 June 2017.

The Directors' beneficial interests in options as at 30 June 2017 are shown in the following table:

Director	Holding type	Options		
		1 July 2016	Acquired	Expired
Bill Richie Yang ¹	Direct	4,000,000		(3,000,000)
	Indirect	-		-
	Total	4,000,000		(3,000,000)
Jerome Vitale ¹	Direct	-	-	-
	Indirect	-	4,500,000	-
	Total	-	4,500,000	-
Tianbao Wang ¹	Direct	2,000,000	-	-
	Indirect	-	-	-
	Total	2,000,000	-	-
Eric Zhang ¹	Direct	1,000,000	-	-
	Indirect	-	-	-
	Total	1,000,000	-	-
Peiqi Zhang ¹	Direct	2,000,000	-	-
	Indirect	-	-	-
	Total	2,000,000	-	-

¹ On resignation

Junle Song, James Allchurch, Patrick Burke, Peter Sullivan and James Sullivan did not have any beneficial interest in options as at 30 June 2017

Options

As at 30 June 2017 there were 18,650,000 options over ordinary unissued shares (2016 – 23,650,000). 25,500,000 options were issued, 16,000,000 expired and 14,500,000 options were exercised during the year.

Number	Terms
150,000	\$0.09 Options exp. 7 Oct. 2017
6,000,000	\$0.05 Options exp. 6 Apr 2018
1,500,000	\$0.03 Options exp. 19 Oct. 2019
5,500,000	\$0.05 Options exp. 19 Oct. 2019
5,500,000	\$0.07 Options exp. 19 Oct. 2019
18,650,000	

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of the Company and for the executives receiving the highest remuneration.

Remuneration Policy

The Board's remuneration policy determines the nature and amount of remuneration for Board members and senior executives of the Company. The policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Remuneration Committee (currently the full board) and approved accordingly. All executives receive remuneration based on factors such as length of service and experience. The Remuneration Committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the Group's strategic objectives. The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities.

At 30 June 2017, the Company had no employees other than the directors. No amounts have been paid during or since the end of the financial year to external parties for services in regard to remuneration policy or procedure.

Non-Executive Director Remuneration

The Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is \$250,000, as set by shareholders. There were no bonuses paid or proposed to be paid for the year ended 30 June 2017 (2016: Nil).

Other Key Management Personnel Remuneration

Other Key Management Personnel ("KMP") including Executive Directors and Managing Directors may receive a base salary which is reviewed on an annual basis having regard to the skills and experience of the executive and market practice at that time. Other

KMP may receive performance based incentives including Performance Rights, options and cash bonuses based on short and medium term performance criteria. Additional minor benefits may be provided including lap top computers and mobile telephones.

Below is a table summarising key performance and shareholder wealth indicators for the Company for the year ended 30 June 2017 and the previous 4 financial years.

Period	Revenue	Profit (loss) after Tax	Share Price
Year ending 30 June 2017	\$3,506	(\$1,854,564)	\$0.034
Year ending 30 June 2016	\$15,639	(\$747,111)	\$0.02
Year ending 30 June 2015	\$142,297	(\$1,561,778)	\$0.02
Year ending 30 June 2014	\$1,140,070	\$137,709	\$0.04
Year ending 30 June 2013	102,783	(\$1,648,899)	\$0.03

Employee Share Option Plan ("the Plan")

Background

Options may be offered to selected employees and KMPs of the Group. Non-executive Directors may also participate in the Plan.

Subject to the achievement of certain short and medium term performance criteria, options may vest and be converted into ordinary shares in Bligh on a one for one basis. An exercise price is payable on the conversion of options. There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other Bligh shares are issued.

Rationale

The Plan is designed to reward and retain directors, other KMP and selected employees of the Group.

The vesting conditions have been designed to ensure correlation between the Group's share price performance and value delivered to shareholders. Only when the share price increases can options vest and be exercised. Share price increase is one of the considerations of the consequences of Bligh's performance on shareholder wealth for the purpose of section 300A (1AB) of the Corporations Act 2001. The Plan therefore not only aligns the interests of shareholders and participants alike, but in turn assists in increasing shareholder value.

Anti-Hedging Policy

No Group employee is permitted to enter into transactions with securities (or any derivatives thereof) which limit the economic risk of any unvested entitlements awarded under the Plan or any other equity based remuneration agreement currently in place or which will be offered by the Company in the future. All of the Group's equity plan participants are required to confirm that they have not entered into any such prohibited transactions on an annual basis.

Continuous Improvement

Bligh will continually review all elements of its remuneration philosophy to ensure that it remains appropriate from the perspectives of governance, disclosure, reward and market conditions.

Directors and Key Management Remuneration

Details of the remuneration of the Directors and other Key Management Personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Company) are set out in the following table:

	Short- term	Post-employment	Performance based	% Performance based	Total
	Base fee / salary	Superannuation	Perf. Rights & Options		
	\$	\$	\$	%	\$
2017					
Executive Directors					
Bill Richie Yang ⁴	100,000	-	-	-	100,000
Non-Executive Directors					
Jerome Vitale ¹	66,765	7,733	87,422	-	161,920
Eric Zhang ²	5,000	-	-	-	5,000
Patrick Burke	60,000	-	-	-	60,000
James Alchurch ³	44,545	-	-	-	44,545
Total Non-Executive	176,310	7,733	87,422	-	271,465
Total Remuneration	276,310	7,733	87,422	-	371,465

¹ – Options issued to Haramont Pty Ltd a related party of Mr Vitale for services provided in relation to a capital raising. Mr Vitale resigned on 28 November 2016

² – These fees were paid to Australian Capital Services Pty Ltd, a related party of Eric Zhang.

³ – These funds were paid to Manstein Holdings Pty Ltd, a related party of Mr Alchurch.

⁴ – Paid to V Capital Investments Pty Ltd which is a related party of Mr Yang

Peiqui Zhang, Jinle Song and Tianbao Wang did not receive any remuneration during the reporting period.

	Short- term	Post-employment	Performance based	% Performance based	Total
	Base fee / salary	Superannuation	Perf. Rights & Options		
	\$	\$	\$	%	\$
2016					
Executive Directors					
Bill Richie Yang	51,667	-	36,618	41%	88,285
Non-Executive Directors					
Eric Zhang	65,000	-	36,618	36%	101,618
Peiqi Zhang	-	-	23,237	100%	23,237
Jinle Song	6,000	-	-	-	6,000
Tianbao Wang	-	-	23,237	100%	23,237
Total Non-Executive	71,000	-	83,092	54%	154,092
Total Remuneration	122,667	-	119,710	49%	242,377

Jerome Vitale, Zhije Li, and Eric Chan did not receive any remuneration during the reporting period.

Options over Equity Instruments Granted as Remuneration

Details of the terms and conditions of options granted to Key Management Personnel as compensation during the reporting period are as follows:

	Option Details					Yet to Vest	
	Number	Grant date	Vested in FY No.	Forfeited in FY No.	Vesting FY No.	Min \$	Max \$
Director							
2017							
Jerome Vitale ¹	4,500,000	20/10/16	4,500,000	-	-	-	-

¹ – Fees for efforts relating to capital raising for the company.

No other Directors were granted options during the reporting period.

	Option Details					Yet to Vest	
	Number	Grant date	Vested in FY No.	Forfeited in FY No.	Vesting FY No.	Min \$	Max \$
Director							
2016							
Bill Richie Yang	1,000,000	7 Oct 2015	1,000,000	-	-	-	-
Tianbao Wang	2,000,000	7 Oct 2015	2,000,000	-	-	-	-
Eric Zhang	1,000,000	7 Oct 2015	1,000,000	-	-	-	-
Peiqi Zhang	2,000,000	7 Oct 2015	2,000,000	-	-	-	-

The options granted to each of Mr Tianbao Wang and Mr Peiqi Zhang in 2016 were in exchange for each of these Directors agreeing to forego Director's fees of \$40,000 each.

No other Directors were granted options during the reporting period.

Performance Rights over Equity Instruments Granted as Remuneration

No Performance Rights were granted in the 2017 financial year.

There are no performance rights on issue as at 30 June 2017.

The Performance Rights were issued on 7 October 2015. Mr Bill Richie Yang and Dr Eric Zhang were both granted 1,250,000 Performance Rights each pursuant to shareholder approval received at a General Meeting of shareholders held on 17 September 2015. The Rights were granted to each of these Directors in return for them each agreeing to forego Directors' fees of \$20,000 each. Dr Zhang ceded his performance rights to Mr Yang. The fair value of the Performance Rights granted to each of Mr Yang and Mr Zhang together was \$50,000. The Performance rights were converted into shares during the 2017 financial year on the achievement of hurdles and approved in general meeting.

Loan to Directors and Executives.

The Group has not provided any Loans to Directors or Executives.

Contracts of Executive Directors

Mr Jerome Vitale, who was a Director of the Company, resigned on 28 November 2016. The key features of this contract were:

Contract term:	Rolling 12 months
Remuneration:	\$180,000 pa plus 12% superannuation pa for the year ending 30 June 2017
Options:	3-year options subject to shareholder approval <ul style="list-style-type: none">• 5.0m exercisable at \$0.07• 2.5m exercisable at \$0.10• 2.5m exercisable at \$0.12 (no options were issued to Mr Vitale)
Bonus:	May be awarded by the Board based on short and medium term performance criteria
Termination :	3 months' notice to be provided by either party to terminate.

This concludes the Remuneration Report, which has been audited.

Dividends

No dividends have been declared in respect of the financial year ended 30 June 2017 (2016: Nil).

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company.

Likely Developments

The Company intends to further explore and develop its Bundarra Gold Project.

Indemnifying Officers and Auditor

During the financial year the Company paid premiums to insure all Directors and officers of the Company against claims brought against the individual while performing services for the Company and against expenses relating thereto, other than conduct involving a wilful breach of duty in relation to the Company. The Company is prohibited under its contract for insurance from disclosing the amount of the premiums paid.

The Company has indemnified Directors, Officers and staff to the extent possible under the Corporations Act 2001 against any liabilities incurred by the person as an officer of the Company. The Company has also provided an indemnity to its contracted financial reporting and company secretarial service provider for any liabilities that may arise in acting in this capacity. The Company has not indemnified the auditor.

Non-Audit Services

During the financial year the Auditor provided no additional consulting services to the Company (2016 : \$4,148). Directors have determined and the Auditor has agreed that the Auditor is independent.

Auditor Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2017 has been received and a copy is reproduced on page 14.

Proceedings on Behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings. The Company was not a party to any such proceedings during the year.

Corporate Governance Statement

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website: http://bligh-resources.com/corporate_governance.html

Directors Details

The names of the Company's directors in office during the financial year and until the date of this report unless otherwise stated, are.

Directors

The names of the Directors, who held office from 1 July 2016 to date of this report, unless otherwise stated, are:

Mr Peter Sullivan – Non - Executive Chairman (appointed 13 July 2017) Mr Sullivan is an experienced engineer and has been involved in the development of resource companies and projects for more than 16 years. His project engineering experience was followed by four years in corporate finance with an investment bank and two years in a corporate development role with an Australian resource group. Mr Sullivan has considerable experience in the management and strategic development of resource companies.

- Appointed: 13 July 2017

- Committee Memberships: Audit, Remuneration, Nomination
- Other listed Board memberships: Resolute Mining Limited, Pan Pacific Petroleum NL, Zeta Resources Limited, GME Resources Ltd and Panoramic Resources Ltd.

He has not held any other listed Board memberships in the last 3 years.

Mr James Sullivan – Non - Executive Director (appointed 13 July 2017) Mr Sullivan has owned and managed a successful business operation based in the Goldfields of Western Australia for the past 25 years. He was instrumental in the formation and management of the Golden Cliffs Prospecting Syndicate and has an intimate knowledge of the Goldfields. He brings to the board considerable experience and knowledge associated with the supply and logistics of services to the mining/exploration industry, tenement management and issues relating to land access and native title.

- Appointed: 13 July 2017
- Committee Memberships: Audit, Remuneration, Nomination
- Other listed Board memberships: GME Resources Ltd

He has not held any other listed Board memberships in the last 3 years.

Mr Patrick Burke LLB – Non - Executive Director (appointed 5 December 2016) Mr Burke holds a Bachelor of Law Degree from the University of Western Australia and has extensive legal, commercial and corporate advisory experience for ASX listed companies. He has acted as a director for ASX, AIM and NASDAQ listed small to mid-cap resources companies over the past 10 years. He contributes general commercial and legal skills along with a strong knowledge of the ASX requirements.

- Committee memberships: Audit, Remuneration, Nomination
- Other listed Board memberships: Triton Minerals Limited, Pan Pacific Petroleum NL, Westwater Resources Inc., and ATC Alloys Limited
- Previous listed Board memberships: Shareroot Ltd; Anatolia Energy Limited; xTV Networks Limited

Former Directors:

Bill Richie Yang – Executive Director B.Fin, B.Econ. Mr Yang specialises in corporate finance and business consulting for junior exploration/mining companies in Australia. He was appointed on 18 September 2015 and resigned on 13 July 2017. He was, at the time of his resignation, a member of the Audit Committee. He is a director of Stonewall Resources Limited and was formerly a director of Gold Mountain Limited.

Jerome Vitale – Non-Executive Director and Interim CEO BCom, ACA, FAICD, Sen F Finsa. Mr Vitale is an experienced mining company executive with wide ranging experience in project development and finance. He was appointed on 22 July 2016 and resigned on 28 November 2016. He was a member of the Audit Committee. He is a director of Quest Minerals Limited.

Jinle Song – Non-Executive Director. Mr Song is a specialist in the production of Manganese alloy with extensive production and sales experience gained since 1992. He was appointed on 7 August 2012 and resigned on 29 May 2017.

Mr Tianbao Wang – Non-Executive Director B Advertising, EMBA. Mr Wang has been in the import and export business since 2001 and from July 2005 served as General Manager and then Chairman of Jiangsu High Hope Electric Company Ltd, a subsidiary of Jiangsu High Hope International Group. He was appointed on 28 August 2014 and resigned on 5 December 2017.

Dr Eric Zhang – Non-Executive Director PhD, MSc, MEng. Dr Zhang is Chief Executive Officer and Director of Tasman Funds Management Pty Ltd and a Director of China Construction International Corporation (Australia) Pty Ltd. He was appointed on 28 August 2014 and resigned on 17 July 2016. He is a director of Stonewall Resources Limited.

Mr Peiqi Zhang – Non-Executive Director. Mr Zhang has more than 30 years' experience in the Chinese mining industry. He was appointed on 2 May 2012 and resigned on 16 July 2016.

Mr Zhijie Li – Alternate Director to Mr Peiqi Zhang MBA. Mr Li is experienced in management and project negotiations. He was appointed on 29 June 2012 and resigned on 16 July 2016.

Mr James Allchurch – Executive Director (resigned 13 July 2017). James Allchurch is a geologist with a wealth of experience in listed resource companies both at board level and in senior consultant/advisory roles. He was appointed on 23 December 2016 and resigned on 13 July 2017. He was previously a director of Shareroot Limited.

Company Secretary

Lloyd Flint BAcc, MBA Appointed 13 February 2017. Mr Flint is an experienced professional gained over 25 years including periods as CFO and group Company Secretary for a number of listed ASX companies. Mr Flint provides financial and company secretarial services to a number of ASX listed companies.

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



Patrick Burke
Director
29 September 2017

**BLIGH RESOURCES LIMITED
ACN 130 964 162**

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Bligh Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bligh Resources Limited and the entity it controlled during the year.

A handwritten signature in black ink, appearing to read 'D K Swindells'.

**Sydney, NSW
29 September 2017**

**D K Swindells
Partner**



ACN 130 964 162

Financial Statements

For the Year Ended 30 June 2017

Statement of Profit of Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	Consolidated 2017	2016
		\$	\$
Revenue from ordinary activities			
Interest income		3,506	12,018
Other income		-	3,621
		3,506	15,639
Less: Expenses			
Exploration and evaluation interests written off		772,112	-
Administration costs		182,446	139,038
Consultancy fees		216,371	81,623
Depreciation and amortisation expense		41,621	133
Directors, employees and consultant expenses		201,570	296,126
Occupancy expenses		25,403	20,516
Travelling costs		14,608	3,633
Legal and professional costs		252,949	194,111
Share based payments		409,922	-
		2,117,002	735,180
Loss from operating activities		(2,113,497)	(719,541)
Finance costs		(989)	(27,570)
Loss before income tax		(2,114,486)	(747,111)
Income tax expense	4	-	-
Loss from continuing operations after income tax		(2,114,486)	(747,111)
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		(2,114,486)	(747,111)
Total comprehensive loss for the year attributable to:			
Owners of the company		(2,114,486)	(746,985)
Non-controlling interests		-	(126)
		(2,114,486)	(747,111)
Earnings per share			
Basic and diluted - cents per share	2	(1.11)	(0.79)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2017

	Note	Consolidated	
		2017	2016
		\$	\$
Current assets			
Cash and cash equivalents	5	136,106	32,383
Trade and other receivables	6	61,975	53,665
Other current assets	7	-	20,000
Total current assets		198,081	106,048
Non-current assets			
Exploration and evaluation expenditure	8	4,500,259	4,043,084
Environmental bonds		-	44,710
Available for sale financial assets		-	500
Plant and equipment	9	-	-
Total non-current assets		4,500,259	4,088,294
Total assets		4,698,340	4,194,342
Current liabilities			
Trade and other payables	10	176,690	442,071
Borrowings	11	-	645,000
Deferred consideration	12	-	225,000
Employee benefits	13	-	4,904
Total current liabilities		176,690	1,316,975
Total non-current liabilities		-	-
Total liabilities		176,690	1,316,975
Net assets		4,521,650	2,877,367
Equity			
Contributed equity	14.a	10,699,722	7,403,682
Accumulated losses		(6,773,953)	(4,659,467)
Reserves	14.b	595,881	133,152
Total equity		4,521,650	2,877,367

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	Consolidated 2017	2016
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,393,223)	(260,726)
Interest received		3,506	12,018
Interest paid		(989)	(27,570)
Net cash (outflow) from operating activities	15	(1,390,706)	(276,278)
Cash flows from investing activities			
Payment for exploration and evaluation expenditure	8	(1,229,287)	(391,859)
Payment for property, plant and equipment		(20,000)	-
Proceeds from deferred consideration	12	-	225,000
Proceeds from (Repayment of) borrowings	11	-	245,000
Net cash inflow (outflow) from investing activities		(1,249,287)	78,141
Cash flows from financing activities			
Proceeds from the issue of shares		3,044,382	-
Share issue transaction costs		(295,535)	-
Proceeds from release of bonds		39,869	-
Repayment of borrowings		(45,000)	-
Net cash provided by financing activities		2,743,716	-
Net increase/(decrease) in cash held		103,723	(198,137)
Cash at beginning of financial year		32,383	230,520
Cash at end of financial year		136,106	32,383

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

Statement of Changes in Equity

For the year ended 30 June 2017

	Consolidated						
	Note	Issued capital	Acc. losses	Reserves	Total attributable to owners	Non-controlling interests	Total
		\$	\$	\$	\$	\$	\$
2017							
Balance at 1 July 2016		7,403,682	(4,659,467)	133,152	2,877,367	-	2,877,367
Total comprehensive loss for the half year		-	(2,114,486)	-	(2,114,486)	-	(2,114,486)
Total		-	(2,114,486)	-	(2,114,486)	-	(2,114,486)
Transactions with non-controlling interests		-	-	-	-	-	-
<u>Transactions with owners in their capacity as owners</u>							
Ordinary shares issued, net of transaction costs	14	2,867,040	-	-	2,867,040	-	2,286,7040
Ordinary shares issued on exercise of options		429,000	-	-	429,000	-	429,000
Share based payment expense		-	-	462,729	462,729	-	462,729
Balance at 30 June 2017		10,699,722	(6,773,953)	595,881	4,521,650	-	4,521,650
2016							
Balance at 1 July 2015		7,387,182	(3,927,424)	(1,650)	3,458,108	15,068	3,473,176
Total comprehensive loss for the half year		-	(746,985)	-	(746,985)	(126)	(747,111)
Total		7,387,182	(4,674,409)	(1,650)	2,711,123	14,942	2,726,065
Transactions with non-controlling interests		-	14,942	-	14,942	(14,942)	-
<u>Transactions with owners in their capacity as owners</u>							
Ordinary shares issued, net of transaction costs	14	16,500	-	-	16,500	-	16,500
Share based payment expense		-	-	134,802	134,802	-	134,802
Balance at 30 June 2016		7,403,682	(4,659,467)	133,152	2,877,367	-	2,877,367

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

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Corporate Information

The financial report of Bligh Resources Limited (the “Company” or “Bligh”) and its controlled entities (collectively the “Group”) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 29 September 2017. (The directors have the power to amend and re-issue the financial report).

Bligh Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Unit 5, 78 Marine Terrace, Fremantle WA 6160.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. Bligh is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements of Bligh Resources Limited also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Historical cost convention

These financial statements are presented under the historical cost convention, unless otherwise stated.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The area involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 26.

New and Amended Accounting Standards Adopted by the Group

There are no Standards, Interpretations or amendments to existing Standards that are mandatorily effective for the first time for the financial year beginning 1 July 2016 that have a material impact on the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not yet been applied in the financial report. The Group’s assessment of the impact of these new standards and interpretations is set out below.

- AASB 9 ‘Financial Instruments’, AASB 2009-11 ‘Amendments to Australian Accounting Standards arising from AASB 9’ and AASB 2010-7 ‘Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)’, effective from 1 January 2018, expected to be initially applied in the financial year ending 30 June 2019. AASB 9 Financial Instruments addresses the classification and measurement of financial assets. The current four categories of financial assets, stipulated in AASB 139 Financial Instruments: Recognition and Measurement, will be replaced with two measurement categories: fair value and amortised cost. AASB 9 only permits the recognition of fair value gains/(losses) in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains/(losses) on debt investments, for example, will therefore have to be recognised directly in profit or loss.

The Group does not expect any significant impact on the financial statements arising from adoption of AASB 9 or any other Standards.

Going Concern Basis of Accounting

The financial report has been prepared using the going concern basis of accounting, which indicates continuity of business activities and realisation of assets and settlement of liabilities in the normal course of business. The Group has incurred an operating loss of \$2,114,486 and net cash outflows from operations of \$1,390,706 during the 12 month period to 30 June 2017. The Group has cash and cash equivalents of \$136,106 and net current assets of \$21,391 at 30 June 2017. Consistent with the nature of the Group’s activities and its ongoing investment into exploration projects, additional funds will be required to continue to support the exploration efforts of the Group.

1. Statement of Significant Accounting Policies (cont.)

Going Concern Basis of Accounting (cont.)

The financial statements are prepared on a going concern basis as the Company's cash flow forecast indicates it will remain cash positive until the end of September 2018. Included in the forecast is the capital raising (rights issue) of up to \$1.2m that the Company announced to the ASX on 1 September 2017.

The directors believe that the Group will be successful in the funding noted above. The ability of the Group to continue as a going concern for the foreseeable future is dependent on the abovementioned capital raising, and/or the raising of other funds through debt, equity or sale of assets. These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Basis of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising Bligh (the parent company) and all entities that Bligh controlled from time to time during the year and at reporting date.

Subsidiaries are all entities over which the Group has control.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

The financial information in respect of controlled entities is prepared for the same reporting period as the parent Group using consistent accounting policies. Adjustments are made to bring into line dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in the consolidated accounts. Unrealised losses are eliminated unless costs cannot be recovered.

1. Statement of Significant Accounting Policies (cont.)

Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill. Deferred income tax is also not recognised for if it arises from an initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Research and development grant incentives are recognised as revenue when the claim has been lodged with the Australian Taxation Office.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and depreciation and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Exploration expenditure for each area of interest is carried forward as an asset provided that the rights to tenure of the area of interest are current and one of the following conditions is met:

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. The carrying value of exploration and evaluation assets is assessed in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources and the Group's impairment policy. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

1. Statement of Significant Accounting Policies (cont.)

Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received are recognised as revenue when the right to receive payment has been established.

All revenue is stated net of the amount of goods and services tax ("GST").

Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Employee Benefits

Wages and salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Annual leave is reported inclusive of associated on-costs.

1. Statement of Significant Accounting Policies (cont.)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key Estimates and Judgements

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

Exploration and Evaluation Expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit or loss.

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attribute to equity holders of the company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

1. Statement of Significant Accounting Policies (cont.)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

- Furniture fittings and equipment - 3 - 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Investments and other financial assets

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (Note 6) in the statement of financial position.

Available-for-sale financial assets

Measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Notes to the financial Statements

For the year ended 30 June 2017

2. Earnings Per Share

Basic and diluted (loss) per share – cents

Consolidated

2017

2016

(0.98)

(0.79)

Reconciliations of earnings per share to net loss

Total comprehensive loss for the year attributable to owners of the Company (\$)

(2,114,486)

(746,985)

Divided by:

Weighted average number of ordinary shares outstanding during the year (No.)

190,188,501

94,223,317

Basic and diluted (loss) per share – cents

(1.11)

(0.79)

There are no dilutive potential ordinary shares as the exercise of options over ordinary shares would have the effect of decreasing the loss per ordinary share. Options are therefore considered to be anti-dilutive.

3. Dividends

No dividends were paid in the current or prior financial year.

Notes to the financial Statements

For the year ended 30 June 2017

4 Income Tax Expense

a) The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax expense as follows:

Loss from ordinary activities:

Consolidated 2017	2016
(2,114,486)	(747,111)

Prima facie tax payable on loss from ordinary activities before income tax @ 30% tax rate:

Consolidated 2017	2016
(634,345)	(224,133)

Less tax effect of:

Non-assessable revenue

-	(393)
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Non-deductible expenses

354,610	16,103
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Tax losses not recognized

279,735	208,423
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-	-
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b) Unused tax losses for which no deferred tax asset has been recognized

7,053,946	6,101,493
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Potential tax benefit @ 30%

2,116,184	1,830,448
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The tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits. Refer to Note 1.

Notes to the financial Statements

For the year ended 30 June 2017

		Consolidated	
		2017	2016
		\$	\$
5. Cash and Cash Equivalents			
Cash at bank		136,106	32,383
6. Trade and Other Receivables			
Trade debtors		11	100
GST recoverable		61,964	53,515
Other receivables		-	50
Total trade and other receivables		61,975	53,665
None of the receivables are past due or impaired at the reporting date.			
7. Other Current Assets			
Prepayments		-	20,000
Total other current assets		-	20,000
8. Capitalised Exploration and Evaluation Expenditure			
Opening balance		4,043,084	3,651,225
Capitalised during the year		1,229,287	391,859
Written off during the year		(772,112)	-
Closing balance		4,500,259	4,043,084
9. Plant and Equipment			
<u>At cost</u>			
Opening balance		39,990	39,990
Additions		20,000	-
Disposals		-	-
Closing balance		59,990	39,990
<u>Accumulated depreciation</u>			
Opening balance		(39,990)	(39,857)
Charge for the year		(20,000)	(133)
Closing balance		(59,990)	(39,990)
Total plant and equipment		-	-

Notes to the financial Statements

For the year ended 30 June 2017

10. Trade and other payables

	Consolidated 2017	2016
	\$	\$
Trade creditors	-	248,055
Other creditors and accruals	176,690	194,016
Total trade and other payables	176,690	442,071

11. Borrowings

Convertible notes	-	300,000
Subscription funds for convertible note issued in July	-	50,000
Subscription funds for convertible note not yet issued	-	250,000
Other loans	-	45,000
Total borrowings	-	645,000

On 30 November 2015 the Company announced that it had entered into a Convertible Note Agreement with Daily Delight Enterprises Limited, a Hong Kong based investment company. The Facility consisted up to 8 Convertible Notes, each with Face Value of \$50,000. As at 30 June 2016, 6 of the notes totalling \$300,000 had been drawn down. Subscription funds of \$50,000 for a further Convertible Note were received in June. This Convertible Note was issued on 18 July 2016. The Convertible Notes had a 12 months duration, conversion solely at noteholder's discretion at Face Value, and accrued interest at 12%pa payable quarterly. Conversion price set at 20-days VWAP before the date of conversion. A 20% premium applied on early redemption requested by Bligh or on default. The Notes were unsecured in nature. These Notes were all converted on 26 July 2016.

On 27 May 2016 Bligh announced that it had entered into a Variation Agreement for the JV Agreement whereby \$250,000 previously advanced by Contained Gold pursuant to the JV Agreement and conditionally held as subscription moneys for the issue of 7,142,857 shares in Bligh would be applied to an interest free unsecured convertible note. The Variation Agreement provided that Contained had the right to convert for a period of 6 months which ended 26 November 2016 and the funds could then be applied by the Company for working capital purposes. On 29 September 2016 the Company announced that it had received a notice of election to convert from Contained. This Note was converted on 19 October 2016 after relevant approvals were secured.

12. Deferred Consideration

Deposit received for formation of Contained Gold joint venture

-	225,000
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On 2 September 2015 Bligh announced the formation of 50/50 joint venture with Angler Mining Pty Ltd to develop the Company's Bundarra Gold Project and that it had entered into a Memorandum of Understanding to this effect. The Company and its wholly owned subsidiary, SR Mining, signed a binding 50/50 Unincorporated Joint Venture Agreement on 27 October 2015 with Angler and its wholly owned subsidiary Contained Gold Pty Ltd. Pursuant to the JV Agreement, the Company and SR Mining agreed to transfer 50% of the Bundarra Gold Project to Contained Gold in exchange for, amongst other things, a cash payment by Contained Gold of \$225,000, which was received in November 2015. The interests in the tenement had not been transferred as at 30 June 2016 and consequently the deposit received was classified as deferred consideration.

On 7 December 2016, the Company announced it and SR Mining had signed a binding term sheet with Angler and Contained Gold to terminate the Joint Venture covering the Bundarra Gold Project, resulting in the Company consolidating 100% ownership and operating control of the Bundarra Gold Project. The transaction completed on 23 December 2016, with total consideration of \$1.1m, consisting of:

- 10m fully paid ordinary shares in Bligh (at a deemed issue price of \$0.035); and
- \$746,718 cash payable in three instalments comprising \$300,000 on Completion, \$225,000 on 28 February 2017 and \$221,718 on 28 April 2017.

The amount of \$146,690 remained owing to Contained Gold as at 30 June 2017.

13. Employee benefits

Provision for annual leave	-	4,904
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Notes to the financial Statements

For the year ended 30 June 2017

		Consolidated	
		2017	2016
14. Contributed Equity			
14.a Ordinary Shares Number		No.	No.
Balance at 1 July		94,366,760	92,866,760
Shares issued during the year			
Shares issued in satisfaction of a liability @ \$0.0230- 27 May 2016		-	1,500,000
Shares issued on conversion of convertible notes @ \$0.0244 per share on 26 July 2016		14,155,014	-
Shares issued for cash @ \$0. 025 per share on 26 July 2016		7,900,000	-
Shares issued for cash @ \$0. 025 per share on 10 October 2016 (Share Purchase Plan)		2,600,000	-
Shares issued for cash @ \$0.025 per share on 19 October 2016		67,400,000	-
Shares issued on conversion of convertible notes @ \$0.035 per share on 19 October 2016		7,142,857	-
Shares issued in lieu of services @ \$0.025 per share on 19 October 2016		6,400,000	-
Shares issued on conversion of performance rights on 19 October 2016		2,500,000	-
Shares issued for cash @ \$0.025 per share on 9 November 2016		4,000,000	-
Shares issued for cash @ \$0.025 per share on 11 November 2016		6,000,000	-
Shares issued on consolidation of the 100% interest in Bundara 23 December 2016		10,000,000	-
Shares on exercise of options @ \$0.03 per share 16 February 2017		10,000,000	-
Shares on exercise of options @ \$0.03 per share 7 June 2017		1,500,000	-
Shares on exercise of options @ \$0.026 per share 7 June 2017		1,500,000	-
Shares on exercise of options @ \$0.03 per share 28 June 2017		1,500,000	-
Balance at 30 June		236,964,631	94,366,760
Ordinary Shares Value		\$	\$
Balance at 1 July		7,403,682	7,387,182
Shares issued during the period			
Shares issued in satisfaction of a liability - 1,500,000 on 27 May 2016		-	34,500
Shares issued on conversion of convertible notes @ \$0.0244 per share on 26 July 2016		345,382	-
Shares issued for cash @ \$0. 025 per share on 26 July 2016		197,500	-
Shares issued for cash @ \$0. 025 per share on 10 October 2016 (Share Purchase Plan)		65,000	-
Shares issued for cash @ \$0.025 per share on 19 October 2016		1,685,000	-
Shares issued on conversion of convertible notes @ \$0.035 per share on 19 October 2016		250,000	-
Shares issued in lieu of services @ \$0.025 per share on 19 October 2016		160,000	-
Shares issued on conversion of performance rights on 19 October 2016		62,500	-
Shares issued for cash @ \$0.025 per share on 9 November 2016		100,000	-
Shares issued for cash @ \$0.025 per share on 11 November 2016		150,000	-
Shares issued on consolidation of the 100% interest in Bundara 23 December 2016		350,000	-
Shares on exercise of options @ \$0.03 per share 16 February 2017		300,000	-
Shares on exercise of options @ \$0.03 per share 7 June 2017		45,000	-
Shares on exercise of options @ \$0.026 per share 7 June 2017		39,000	-
Shares on exercise of options @ \$0.03 per share 28 June 2017		45,000	-
Share issue costs		(498,342)	(18,000)
Balance at 30 June		10,699,722	7,403,682

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. The Company's shares have no par value.

Notes to the financial Statements

For the year ended 30 June 2017

14.b. Reserves

	Consolidated	
	2017	2016
Balance at 1 July	133,152	(1,650)
2,500,000 Performance rights	(50,000)	50,000
6,000,000 Options exercisable at \$0.05 per option expiring 6 April 2018	-	69,711
1,500,000 Options exercisable at \$0.05 per option expiring on 6 October 2017	-	15,091
14,500,000 Options with an exercise price of \$0.03 expiring 19/10/19	312,205	-
5,500,000 Options with an exercise price of \$0.05 expiring 19/10/19	105,682	-
5,500,000 Options with an exercise price of \$0.07 expiring 19/10/19	96,442	-
Expiring Options	(1,600)	-
Balance at 30 June	595,881	133,152

Grant date	Expiry date	Balance at the start	Granted during the year	Exercise Price \$	Exercised during the year	Expired during the year	Balance at the end of the year	Vested an exercisable at the end of the year
23/11/2011	23/11/2016	16,000,000	-	0.250		(16,000,000)	-	-
07/10/2014	07/10/2017	150,000	-	0.090			150,000	150,000
07/10/2015	07/10/2018	6,000,000	-	0.050			6,000,000	6,000,000
07/10/2015	07/10/2018	1,500,000	-	0.026	(1,500,000)			
19/10/2016	19/10/2019	-	14,500,000	0.030	(13,000,000)		1,500,000	1,500,000
19/10/2016	19/10/2019	-	5,500,000	0.050			5,500,000	5,500,000
19/10/2016	19/10/2019	-	5,500,000	0.070			5,500,000	5,500,000
		23,650,000	25,500,000		(14,500,000)	(16,000,000)	18,650,000	18,650,000

The expected life of all of the Company's share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2017 was 1.96 years (2016: 0.48 years). Weighted average exercise price for the share options outstanding as at 30 June 2017 was \$0.055 (2016: \$0.184).

Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can produce returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's share price at the time of the investment.

Notes to the financial Statements

For the year ended 30 June 2017

15. Cash Flow Information

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position

Cash at bank

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

Loss from ordinary activities after Income Tax

Less: non-cash items not included in working capital movements

Share based payments

Depreciation expense

Exploration and evaluation expenditure written off

Financial assets amortised

Reallocation of environmental deposits to non-current assets

Add: movements in working capital

Increase / (decrease) in trade and other receivables

(Increase) / decrease in other current assets

Increase / (decrease) in trade and other payables

(Increase) / decrease in employee benefits

Cash flow from operations

Consolidated	
2017	2016
\$	\$
136,106	32,383
(2,114,486)	(747,111)
409,922	151,302
20,000	133
772,112	-
25,340	-
-	18,425
-	(28,550)
(8,310)	28,415
(495,284)	300,459
-	649
(1,390,706)	(276,278)

16. Auditor's Remuneration

Auditing or reviewing the financial reports

Auditing fee brought forward from previous year

Other services

Total auditor's remuneration

40,661	43,500
-	10,110
-	4,148
40,661	57,758

No other services were provided during the year.

Other services provided in the prior year by the Auditor were for accounting advice and tax consulting. Directors determined and the Auditor agreed that these services did not affect the independence of the Auditor.

17. Financial Reporting by Segment

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a "management approach", i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker.

The chief operating decision maker has determined that there is only one operating segment for the Group exploration and evaluation of gold tenements in Australia. Consequently, no segment information is disclosed in these financial statements.

The chief operating officer receives consolidated financial statements for the Group.

The Group has no sales or customers and therefore no information is provided on a product or customer basis for the current or previous financial years. All of the Group's noncurrent assets are located in Australia.

Notes to the financial Statements

For the year ended 30 June 2017

18. Share Based Payment

2017 Shares

Date	Creditor	No. of shares	Valuation	Value per share	Total \$	Purpose
2017						
19 October 2016	Various corporate advisors ¹	6,400,000	Alongside a capital raising	0.025	160,000	Corporate advice
19 October 2016	Director(R Yang)	2,500,000	Alongside a capital raising	0.025	62,500	Performance rights converted
19 October 2016	Somers and Partners	6,000,000	Alongside a capital raising	0.025	150,000	Corporate advice
23 December 2016	Contained Gold (note 24)	10,000,000	Pursuant to agreement	0.035	350,000	Consolidation of 100% interest in the Bundarra Gold Project

¹ This includes 2.4m shares to Mr Yang and 2.0m shares to Harmont Pty Ltd which is a related party of Mr Vitale

Options

Grant date	Expiry date	Number of options	Exercise price	Share price at time of issue	Volatility	Risk free interest rate	Value of Option	Total value of options \$
19/10/2016	19/10/2019	14,500,000	\$0.03	\$0.03	122.24%	1.73%	\$0.021531	312,205
19/10/2016	19/10/2019	5,500,000	\$0.05	\$0.03	122.24%	1.73%	\$0.019215	105,682
19/10/2016	19/10/2019	5,500,000	\$0.07	\$0.03	122.24%	1.73%	\$0.017535	96,442
		<u>25,500,000</u>						514,329
Exercise of performance rights								<u>(51,600)</u>
								462,729

The options were granted as fees to various advisors who assisted with the capital raising in October of 2016. Included in the option grantees was Harmont Pty Ltd which was a related party of Mr Vitale a former director of the company. Harmont received 1,500,000 of each of the 3c, 5c and 7c series of options. Mr Vitale resigned on 28 November 2016.

2016

Share based payments to settle a liability to a creditor - Shares

On 27 May 2016 the Company issued 1,500,000 fully paid ordinary shares to a creditor in satisfaction of an agreed liability:

Date	Creditor	No. of shares	Valuation	Value per share	Total \$	Purpose
2016						
27 May 2016	Confadent Limited	1,500,000	Services provided	\$0.023	25,350	Facilitating Angler JV Agreement

Share based payments as long term incentive to directors – Options

On 7 October 2015 the Company issued 6,000,000 options exercisable at \$0.05 per option to four Directors as consideration for them agreeing to forego Director's fees and as a Long Term Incentive. The options were valued under the Black-Scholes option pricing model. All of these options vested immediately and expire on 6 April 2018. The expense recognised for services received during the year is shown below:

	\$
Share based payment recognised	69,710
These values were calculated using the Black-Scholes option pricing model applying the following inputs:	
Exercise price	\$0.05
Option life	2.5 years
Expected share price volatility:	135.6%
Risk-free interest rate:	1.83%

18. Share Based Payment (cont.)

Share based payments as compensation to a creditor – Options

On 7 October 2015 the Company issued 1,500,000 options exercisable at \$0.05 per option to Quattro Capital Ltd for capital raising services. The options were valued under the Black-Scholes option pricing model. All of these options vested immediately and expire on 6 October 2017. The expense recognised for services received during the year is shown below:

	\$
Share based payment recognised	15,091
These values were calculated using the Black-Scholes option pricing model applying the following inputs:	
Exercise price	\$0.026
Option life	2.0 years
Expected share price volatility:	107.5%
Risk-free interest rate:	1.83%

Share based payments as long term incentive to directors – Performance Rights

No Performance Rights were granted in the 2017 financial year.

There are no performance rights on issue as at 30 June 2017.

On 7 October 2015, Bill Richie Yang and Eric Zhang were both granted 1,250,000 Performance Rights each which were pursuant to shareholder approval received at a general meeting of shareholders held on 17 September 2015. The Rights were granted to each of these Directors in return for them each agreeing to forego Directors' fees of \$20,000. The Performance Rights vested immediately and expire on 7 October 2016. The Performance rights were converted into shares during the 2017 financial year on the achievement of hurdles and approved in general meeting.

Based on the Company's closing share price on 7 October 2017 of \$0.02 the fair value of the Performance Rights granted to Mr Yang and Mr Zhang is \$50,000.

The expense recognised for employee services received during the year is shown below:

	2017	2016
	\$	\$
Performance Rights payment expense recognised	-	50,000

19. Controlled Entities Consolidated

Name of Entity	Country of Incorporation	Principal Activity	Equity Holding %	
			2017	2016
SRM Mining Pty Ltd	Australia	Mining exploration	100%	100%

20. Key Management Personnel Disclosures

Key management personnel equity holdings including holdings of their personally related entities as at 30 June 2017

	Opening	Acquired	Disposed	Resignation	Closing
Bill Richie Yang ¹	1,477,000	4,900,000	(3,977,000)	-	2,400,000
Jinle Song ²	4,666,667	-	-	(4,666,667)	-
Jerome Vitale ³	-	2,000,000	-	(2,000,000)	-
Patrick Burke ⁴	-	-	-	-	-
James Allchurch ⁵	-	-	-	-	-

¹ Resigned 13 July 2017

² Resigned 29 May 2016

³ Appointed 22 July 2016 – resigned 28 November 2016

⁴ Appointed 5 December 2016

⁵ Appointed 23 December 2016 and resigned 13 July 2017

Notes to the financial Statements

For the year ended 30 June 2017

20. Key Management Personnel Disclosures (cont.)

Short-term remuneration benefits

Directors

Executive

Bill Richie Yang

100,000

51,667

Non-Executive

Jerome Vitale

74,498

-

Eric Zhang⁶

5,000

65,000

Jinle Song

-

6,000

Tianbao Wang⁷

-

-

Peiqi Zhang⁸

-

-

Patrick Burke

60,000

-

James Allchurch

44,545

-

Total remuneration

284,043

122,667

⁶ Resigned 17 July 2016

⁷ Resigned 5 December 2016

⁸ Resigned 16 July 2016

The Company has no other Key Management Personnel.

Key management personnel performance long term incentives - rights over equity instruments granted as remuneration

2017

Mr Yang and Haramont Pty Ltd (a related party of Mr Vitale) were issued 4,900,000 shares and 2,000,000 shares respectively with a deemed value of \$0.025 each. 2,000,000 of Mr Yang's shares relate to services for a capital raising and 2,500,000 relate to the conversion of the performance rights. The shares issued to Haramont Pty Ltd were for capital raising services.

During 2017, Harmont Pty Ltd, a related party of Mr Jerome Vitale, was granted 4.5m options as fees for assistance with capital raising. The terms of the options were as follows:

No.	Exercise price	Term	Share price at date of issue	Volatility	Risk free rate	Value	Total value ¹
1,500,000	\$0.03	3 years	\$0.03	122.24%	1.73%	\$0.0215	32,297
1,500,000	\$0.05	3 years	\$0.03	122.24%	1.73%	\$0.0192	28,805
1,500,000	\$0.07	3 years	\$0.03	122.24%	1.73%	\$0.0175	26,320
							87,422

¹ Black and Scholes methodology

Mr Vitale resigned 28 December 2016

2016

In the prior financial year, Mr Richie Yang and Dr Eric Zhang were each granted 1,250,000 Performance Rights each pursuant to shareholder approval received at a General Meeting of shareholders held on 17 September 2015. The Rights were granted for agreeing to forego Directors' fees of \$20,000. Dr Zhang's rights were transferred to Mr Yang prior to Dr Zhang's resignation on 17 July 2016, in accordance with the terms of the Rights.

The fair value of the Performance Rights granted was \$50,000. The Performance Rights were converted to ordinary shares on 19 October 2016.

20. Key Management Personnel Disclosures (cont.)

2016 (cont.)

Key Management Personnel Performance Long Term Incentives - Options over Equity Instruments Granted as Remuneration

During the 2016 year the Company granted 1,000,000 options each to Mr Bill Richie Yang and Dr Eric Zhang. The options granted to each of Mr Yang and Dr Zhang were in exchange for each of these Directors agreeing to forego Director's fees of \$20,000. The value attributed to the 2,000,000 options and charged as an expense for the year was \$23,237.

During the 2016 year the Company granted 2,000,000 options each to Mr Tianbao Wang and Mr Peiqi Zhang. The options granted to each of Mr Wang and Mr Zhang were in exchange for each of these Directors agreeing to forego Director's fees of \$40,000 each. The value attributed to the 4,000,000 options and charged as an expense for the year was \$46,474.

All of the above options vested on issue and have no attaching performance hurdles. Further details of these options is included in note 18, Share Based Payments.

21. Commitments

Exploration expenditure commitments

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

	2017	2016
	\$	\$
Within 1 year	216,620	351,340
More than 1 year but not later than 2 years	216,620	349,340
Later than 2 years but not later than 5 years	649,860	896,237
Total	1,083,100	1,596,917

22. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable (negligible) and payable.

Exposure to currency risk, interest rate risk, commodity price risk, and liquidity risk arises in the normal course of the business. The Company's overall financial risk management strategy is to seek to ensure that the Company is able to fund its business plans. The Company does not have derivative financial instruments as at 30 June 2017.

The Company uses various measures dependent on the types of risk to which it is exposed. These methods include cash flow at risk analysis in the case of interest rate and foreign exchange risk. Financial risk management is carried out by the Executive Director under policies approved by the Directors. The Directors provide written principles for overall risk management.

22. Financial Risk Management (cont.)

	Note	Current interest rate	Fixed interest rate	Floating interest rate	Non-interest bearing	Total
2017						
Financial assets						
Cash and cash equivalents	5	0.02%	-	136,106	-	136,106
Trade and other receivables	6	0.00%	-	-	61,975	61,975
Financial liabilities						
Trade and other payables	10	0.00%	-	-	176,690	176,690
2016						
Financial assets						
Cash and cash equivalents	5	0.00%	-	32,383	-	32,383
Trade and other receivables	6	0.00%	-	-	53,665	53,665
Financial liabilities						
Trade and other payables	10	0.00%	-	-	442,071	442,071
Convertible Notes	11	12.00%	300,000	-	-	300,000
Subscription funds for Convertible Note issued in July	11	0.00%	50,000	-	-	50,000
Subscription funds for convertible note not yet issued	11	0.00%	250,000	-	-	250,000
Other loans	11	10.00%	45,000	-	-	45,000

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk exposure is limited to cash and cash equivalents. Management have reduced this risk by depositing cash with financial institutions with a credit rating of AAA or higher.

Interest rate risk

The Company's main interest rate risk arises from interest earnings on its surplus cash. The Company is exposed to interest rate risk to the extent its interest earnings may fluctuate. The Company's borrowings are at fixed interest rates. Given that there have been very few adjustments to the "Cash Rate" by the reserve bank and potentially only a 0.25% movement if it occurred, the impact of a 0.25% movement in the interest rate on the funds invested when all other variables are held constant would be immaterial.

Liquidity risk

Liquidity risk arises from the possibility that the Group may have insufficient liquid assets to settle its debts or cover financial obligations as and when they fall due. The Group manages liquidity risk by:

- Maintaining a reputable credit profile.
- Investing surplus cash in at call deposit accounts.
- Preparing cash flow forecasts from time to time to determine liquidity requirements in advance.

Notes to the financial Statements

For the year ended 30 June 2017

22. Financial Risk Management (cont.)

The Company's undiscounted contractual cash flow obligations are as follows:

	0-3 Months	3-12 Months	More than 12-Months	Total
	\$	\$	\$	\$
At 30 June 2017				
Trade and other payables	176,690	-	-	176,690
Total financial liabilities	176,690	-	-	176,690
At 30 June 2016				
Trade and other payables	442,071	-	-	442,071
Borrowings	645,000	-	-	645,000
Total financial liabilities	1,087,071	-	-	1,087,071

As at 30 June 2017, the Group has no undrawn borrowing facilities (2016: undrawn Convertible Note facility of \$200,000).

Fair values

The Company has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. The fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

23. Related Party Transactions

Administrative and accounting services fees of \$17,906 (2016: \$38,462) were paid to Tasman Funds Management Pty Ltd which is a related party of Dr Zhang.

Disclosures relating to Key Management Personnel are set out in Note 20.

24. Joint Ventures

The Group was party to a joint venture agreement ("JV Agreement") with Angler and Contained Gold for the development of its Bundarra Gold Project tenements. The joint venture was terminated in December 2016 and as a result the Bundarra tenements became 100% owned by Bligh.

Agreement was reached with CGPL to dissolve its rights to earn 50% interest in the project in return for:

- The issue of 10,000,000 share at a deemed value of 3.5c each; and
- Cash payment of \$746,718.

The shares were issued and as at 30 June 2017 \$146,690 was still owing.

The joint venture is not a separate legal entity and there are no assets or liabilities attributable to the Company as at 30 June 2017 other than capitalised exploration and evaluation expenditure described in note 8.

25. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Company in future financial years except as follows:

The Zeta Resources takeover bid for all of the ordinary shares of Bligh Resources closed on 10 July 2017. Zeta Resources Limited declared the takeover unconditional on 13 July 2017 and all successful applicants were processed and paid accordingly. At the close of the takeover Zeta Resources held 88.68% of the capital of Bligh Resources Ltd. Zeta Resources currently holds 85.75% of the capital of Bligh Resources Limited.

Notes to the financial Statements

For the year ended 30 June 2017

The Company issued 8,102,790 shares at a deemed price of \$0.038 in settlement of corporate advisory services provided by Somers and Partners in relation to the takeover pursuant to a mandate (the "Somers Mandate"). Pursuant to the terms of Somers Mandate, following the sale of the Bundarra Project, or a bidder acquiring at least 40% of the Bligh Shares, Somers will be entitled to a fee equal to 4% of the transaction value (Success Fee). Accordingly, if Zeta secures at least 40% of the Bligh Shares, the Success Fee payable to Somers was \$307,906. The Success Fee was payable to Somers in cash or, subject to compliance with the Listing Rules and Corporations Act, through the issue of Bligh Shares with a deemed issue price equal to the Offer Price.

On 1 September 2017 Bligh Resources Ltd announced a rights offer of 1 share for every 6 shares held at \$0.03 per share to raise \$1.2m. If the entitlements are fully subscribed 40,844,571 new shares will be allotted.

26. Parent Entity Information

Balance Sheet

Current assets

Total Assets

Current liabilities

Total Liabilities

Net Assets

Shareholder's Equity

Issued capital

Reserves:

Options

Financial Assets

Accumulated losses

Total Equity

Total Comprehensive Loss

Parent	
2017	2016
\$	\$
198,081	62,050
4,631,030	3,705,827
176,690	964,773
176,690	964,773
4,454,340	2,741,054
10,439,799	7,403,682
599,131	136,402
(3,250)	(3,250)
(6,581,340)	(4,795,780)
4,454,340	2,741,054
(1,785,560)	(678,948)

The Company has not entered into any guarantees in the current or previous financial year. The Company does not have any contingent liabilities as at 30 June 2017. The Company has no contractual commitments for the acquisition of property plant and equipment as at 30 June 2017.

1. In the Directors' opinion:

- (a) The financial statements and notes set out on pages 13 to 36 are in accordance with the Corporations Act 2001, including:
 - (i) Complying with accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
 - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.
3. The directors have been given the declarations for the year ending 30 June 2017 required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) (a) of the Corporations Act 2001.

On behalf of the directors



Patrick Burke

Director

Perth, 29th September 2017

**BLIGH RESOURCES LIMITED
ACN 130 964 162****INDEPENDENT AUDITOR'S REPORT**

To the Members of Bligh Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT**Opinion**

We have audited the financial report of Bligh Resources Limited ("the Company") and its controlled entity (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the Going Concern Note included in note 1 in the financial report, which indicates that the Group's ability to continue as a going concern is dependent on it generating further equity funding. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

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BLIGH RESOURCES LIMITED
ACN 130 964 162

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matter	How our audit addressed the key audit matter
Exploration assets- Valuation	
<p>The Statement of Financial Position includes \$4,500,259 as capitalised Exploration and Evaluation Expenditure.</p> <p>The accounting policy for exploration expenditure is disclosed in Note 1.</p> <p>We considered this as a key audit matter because this is the largest asset on the Group's statement of financial position, and there is significant judgement involved in assessing whether or not there is any impairment of this asset.</p>	<ul style="list-style-type: none"> • We discussed the accounting policy adopted by the Group with Management, and considered whether or not it was consistent with Australian Accounting Standard AASB 6: Exploration for and Evaluation of Mineral Resources. • We enquired as to whether the Group had made a decision to discontinue exploration and evaluation in the relevant area of interest. • We noted that exploration was continuing in this area, and reviewed a sample of costs that have been capitalised to ensure that they related to exploration in the relevant area of interest. • We confirmed that the Group has rights to the tenant areas by obtaining confirmation of rights. • We reviewed management's consideration as to whether there was any impairment of the capitalised expenditure.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**BLIGH RESOURCES LIMITED
ACN 130 964 162**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BLIGH RESOURCES LIMITED
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

REPORT ON THE REMUNERATION REPORT

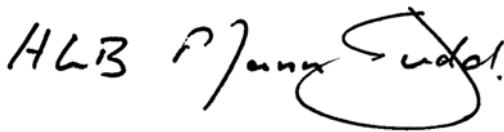
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Bligh Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities of the Directors for the Remuneration Report

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in black ink that reads 'D K Swindells'.

D K Swindells
Partner

Sydney, NSW
29 September 2017

Schedule of Tenements

Tenement	Project	Location	Ownership
L37/201	Bundarra	WA	100%
L37/210	Bundarra	WA	100%
M37/350	Bundarra	WA	100%
M37/488	Bundarra	WA	100%
M37/513	Bundarra	WA	100%
M37/514	Bundarra	WA	100%
M37/638	Bundarra	WA	100%
P37/8382	Bundarra	WA	100%
P37/8383	Bundarra	WA	100%
P37/8384	Bundarra	WA	100%
P37/8385	Bundarra	WA	100%
P37/8386	Bundarra	WA	100%

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 18 September 2017.

Distribution of Equity Securities

Range	Securities	%	No. of holders	%
100,001 and Over	241,343,349	98.48	32	14.75
10,001 to 100,000	2,852,039	1.16	72	33.18
5,001 to 10,000	865,787	0.35	105	48.39
1,001 to 5,000	5,500	0.00	2	0.92
1 to 1,000	746	0.00	6	2.76
	245,067,421	100.00	217	100.00

The number of shareholders holding less than a marketable parcel is 117 (921,033 shares).

Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

Nº	Shareholder	Shares	%
1	ZETA RESOURCES LIMITED	210,149,014	85.75
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,182,790	3.75
3	HARDROCK CAPITAL PTY LTD	6,738,863	2.75
4	KEEN SOURCE HOLDINGS LIMITED	4,000,000	1.63
5	PARKS (WA) PTY LTD	1,438,800	0.59
6	AGEO HOLDINGS PTY LTD	1,300,000	0.53
7	MRS QIUFANG HU	1,000,000	0.41
8	MIGHTY RIVER INTERNATIONAL LIMITED	800,000	0.33
9	MR ADRIAN MALCOLM HALL & MISS ANNETTE MARIE PORTER	772,000	0.32
10	SCHIMANSKIINVESTMENTS PTY LTD	750,000	0.31
11	SEA PRINCE RESOURCES LIMITED	600,000	0.24
12	MR MICHAEL BERNARD VAUGHAN	550,000	0.22
13	JUMPING CASTLE SUPER PTY LTD	506,125	0.21
14	KEEN SOURCE HOLDINGS LIMITED	400,000	0.16
15	MR CHRISTOPHER CREW	328,833	0.13
16	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	315,789	0.13
17	MR NEIL BRADLEY MCCLOSKEY	296,636	0.12
18	YAO XU	270,000	0.11
19	ARIEL EDWARD KING	250,000	0.10
20	MRS GAIL SULLIVAN	225,000	0.09
Total		239,873,850	97.88

Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

Shareholder	Shares	%
ZETA RESOURCES LIMITED	210,149,014	85.75

Unlisted Options

There are 9 holders of unlisted options with various exercise prices and various expiry dates (note 14.(b)) .

Distribution of Unlisted options	Number of option holders	Number of options
100,001 and Over	9	18,650,000
10,001 to 100,000	-	-
5,001 to 10,000	-	-
1,001 to 5,000	-	-
1 to 1,000	-	-
Total	9	18,650,000

One holder (Paddy Reidy) has 24.1% of the unlisted options across various exercise prices.

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called; otherwise each member present at a meeting has one vote on a show of hands.

No voting rights attach to unlisted options.

There are no securities subject to voluntary Escrow.

On Market Buy-Back

There is no current on-market buy back.