ACN 130 964 162

Annual Report

For the Year Ended 30 June 2018

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 QV1 Building, Level 12, 250 St Georges Terrace, Perth WA 6000
Auditor	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000
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

ACN 130 964 162

Annual Report

For the Year Ended 30 June 2018

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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 2018.

Principal Activity

The principal activity of the Company during the financial year ended 30 June 2018 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 2018 was $682,817 (2017 $2,114,486).

Review of Operations

Annual Operations Report for Bundarra Gold Project

The Company's only undertaking, The Bundarra Gold Project lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 65km north of Leonora in the North Eastern Goldfields of Western Australia (Refer figure 1). The project consists of five Mining Leases and five Prospecting Licences that host four advanced gold deposits, several of which have been previously developed as open pit mines.

The tenement area covers 24.5km^2 that comprises a data base containing more than 3,000 drills holes with an accumulated drill depth of more than 150,000m.

The project area is located half way between the established mining townships of Leonora / Leinster and is adjacent to the Goldfields main northern bitumen highway. The Bundarra Project is strategically located within a short trucking distance to numerous operating third party gold treatment plants.

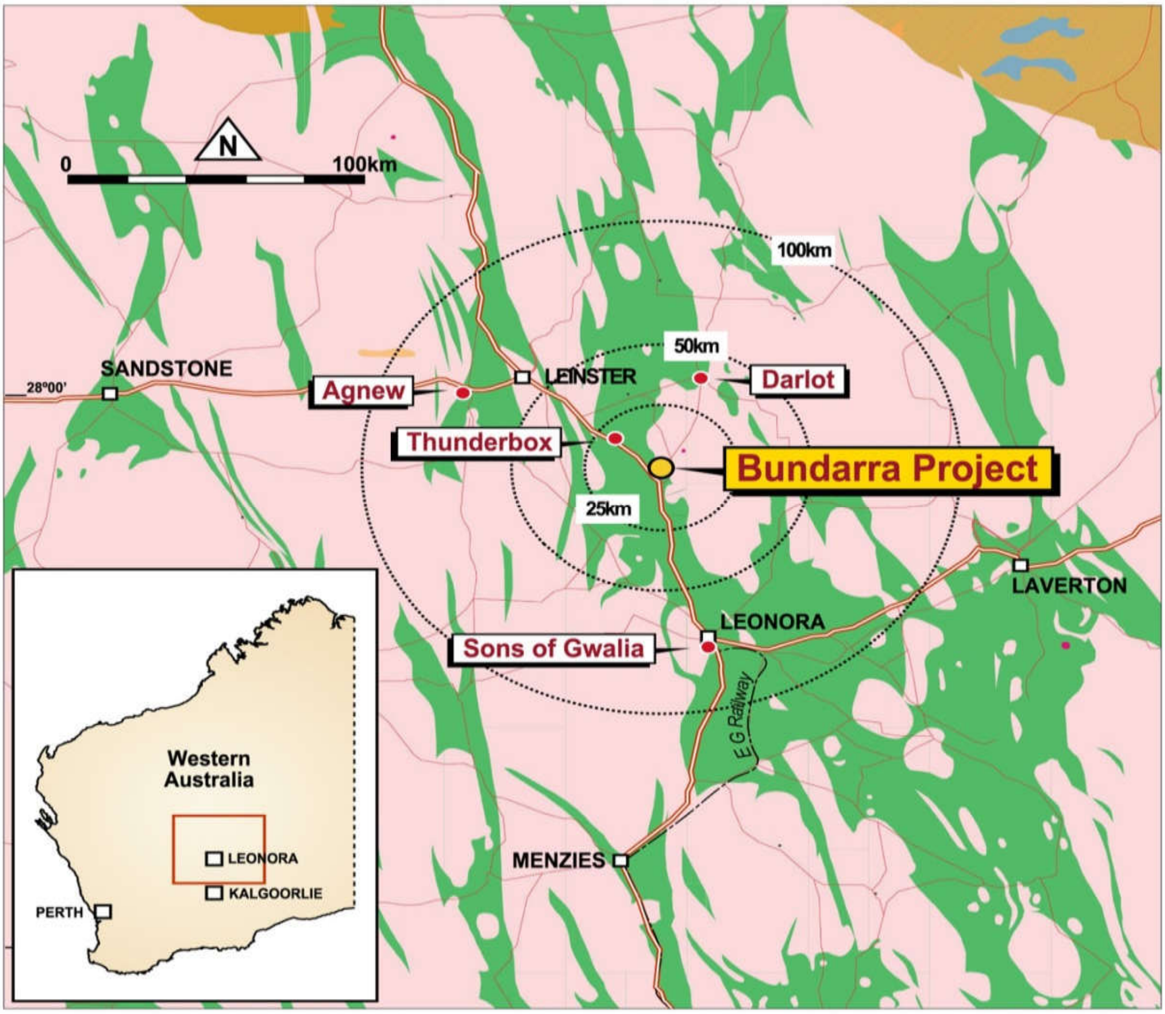

Figure 1: Bundarra Gold Project Location Plan

Details and results from exploration programs (listed below) completed during the year to 30 June 2018 are detailed in this report.

Auger Drilling GeoChemistry Program

In October 2017, an auger surface geochemistry sampling program was completed over prospective corridors, delineated within the eastern portion of the Bundarra Gold Project area (Refer figure 2). The prospective corridors have been largely interpreted from aeromagnetic imagery over the eastern portion of the project area and along strike from known gold deposits within their western extensions. A total of 903 samples were collected for gold analysis on a nominal sample spacing of 40 metres x 100 metres.

Highly anomalous results from the auger drilling program highlighted the potential of all the interpreted corridors to host significant gold mineralisation. Large coherent anomalies up to 2 kilometres in strike length have been delineated within these corridors. The largest and highest magnitude gold-in-auger anomalisms have been returned from what have been named the Wonder North (WNC), Bluebush North (BBNC) and Bluebush South (BBSC) Corridors. These corridors extend southeast of the Wonder North (241,000 ozs) and Bluebush (43,000 ozs) gold deposits respectively. While not of the same amplitude, anomalism has also been defined along the Northern Corridor (NC), particularly at its northwest end (Figure 1).

Statistically determined thresholds have delineated at least six coherent, high order anomalous target areas within the broader anomalous trends/corridors (i.e. Background ≤ 4 ppb Au). Two of these highly anomalous targets lie within the Wonder North Corridor (WNC), a further three within the Bluebush South Corridor (BBSC) and a further one within the Bluebush North Corridor (BBNC). Gold values returned from within these target zones are up to 110 ppb Au. One highly anomalous spot value of 106 ppb Au was returned from the southern portion of the Northern Corridor (NC). The results are encouraging and demonstrate that follow up exploration is warranted.

An initial drilling campaign comprising a series of fences is planned to test the anomalous structures identified by the auger-geochem sample program.

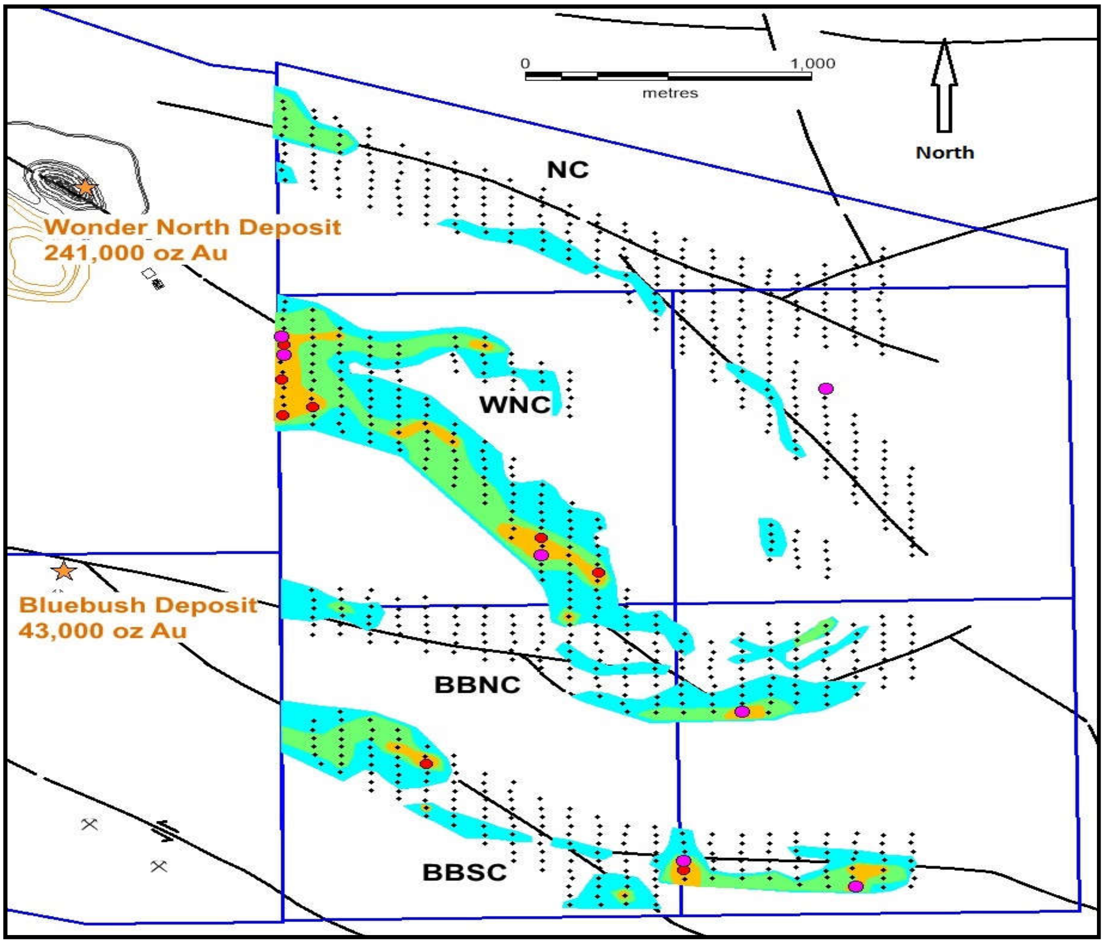

Figure 2: Gold-in-Auger Anomalism – Eastern Bundarra Project Area
(Note: Statistically determined thresholds of Blue - 4ppb Au plus; Green- 8ppb plus; Orange – 12ppb Au plus; Red - 16ppb plus and Magenta – 25 ppb Au plus)

Reverse Circulation pre-collar and Diamond Drilling Program

In November the Company commenced a diamond drilling program at the Wonder North project. The program comprised of three RC pre-collar holes to approximately 280 metres followed by 180 metre NQ diamond tails. The drill holes ranging from 370 to 500 metres down hole depth were designed to test 150 metres of strike and up to 145 metres down dip extensions of the high-grade mineralisation reported in the December 2016 drilling program (Refer to Figure 3). Results from the December 2016 program are shown in the table 1 highlighting the potential for a significant underground resource at Wonder North.

Hole Number	Width Metres	Grams/Tonne	Depth Metres
BRC018	32	3.47	294
Including	6	9.38	299
BRC019	18	5.17	291
Including	5	15.58	302
Including	8	3.64	328

Table 1: December 2016 drill results

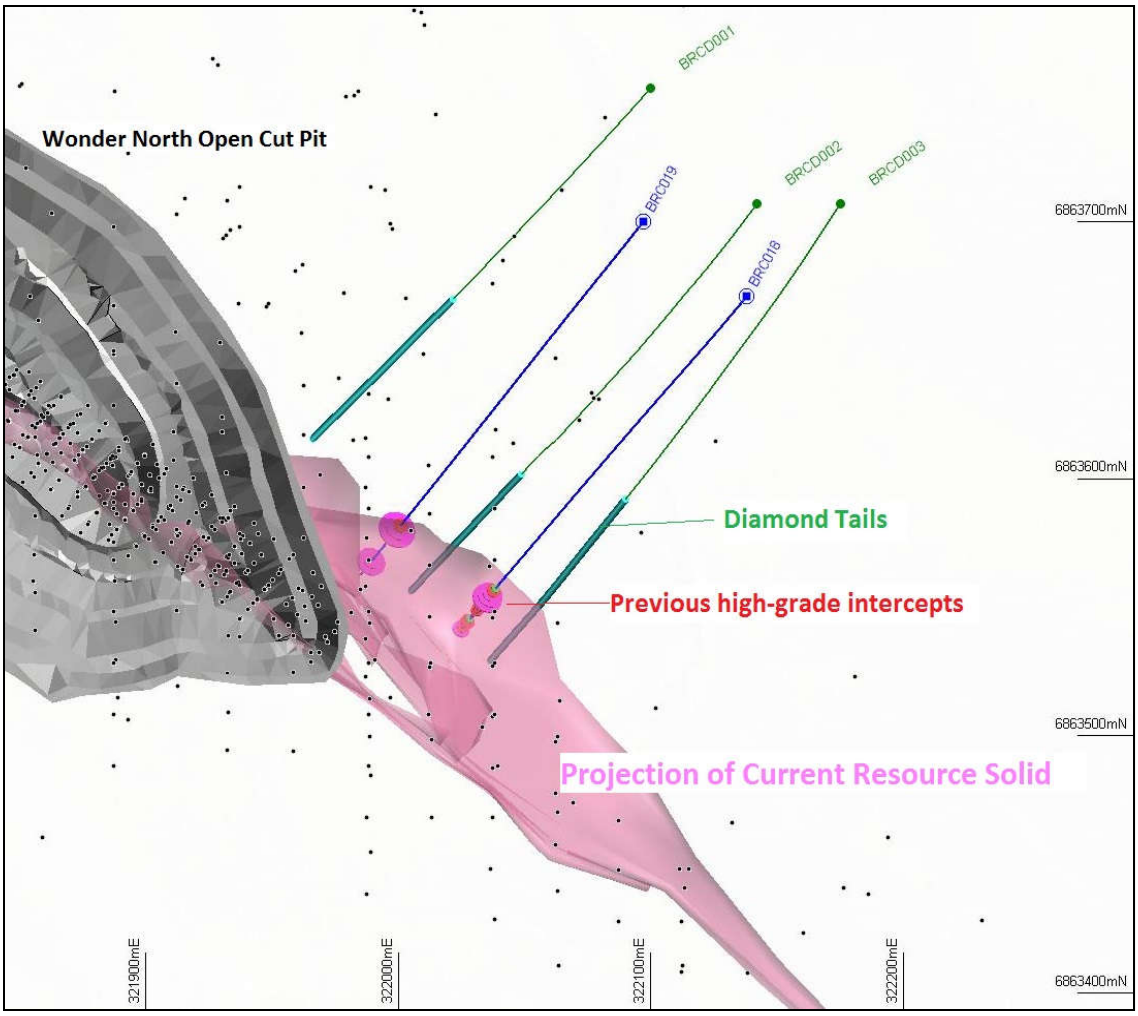

Figure 3: Wonder North Deeps December 2017 program drill hole set out (BRCD001 -003)

The holes were geologically logged and diamond core of the mineralised zones cut and submitted for assaying. Logging delineated significant widths of veining and alteration within the projected target zones. Down hole widths of 25 to 30 metres of abundant veining and strong alteration, including a central core 10 to 15 metre wide, of intense veining and silica-carbonate dominant alteration was logged in all three diamond core tails. Vein type is typical Archean, potential auriferous bearing, quartz and subordinate carbonate, chlorite and sulphide veins. Distal veining style is predominantly tensional, varying in widths of 1 to 10 centimetres, with the central cores comprising brittle-ductile veins up to 5 metres wide.

Results from the drilling this year has confirmed that a mineralised structure of significant grade tenor and width extends to a depth of at least 350 metres below the Wonder North open pit and remains open at depth refer to Tables 1 ,2 & Figure 4.

Hole Number	Width Metres	Grams/Tonne	Depth Metres
BRCD001	35	1.64	424
Including	6	2.50	435
BRCD002	26	5.28	354
Including	10	8.89	358
BCRD003	25	5.13	363
Including	12	8.45	375

Table 2 December 2017 drill results

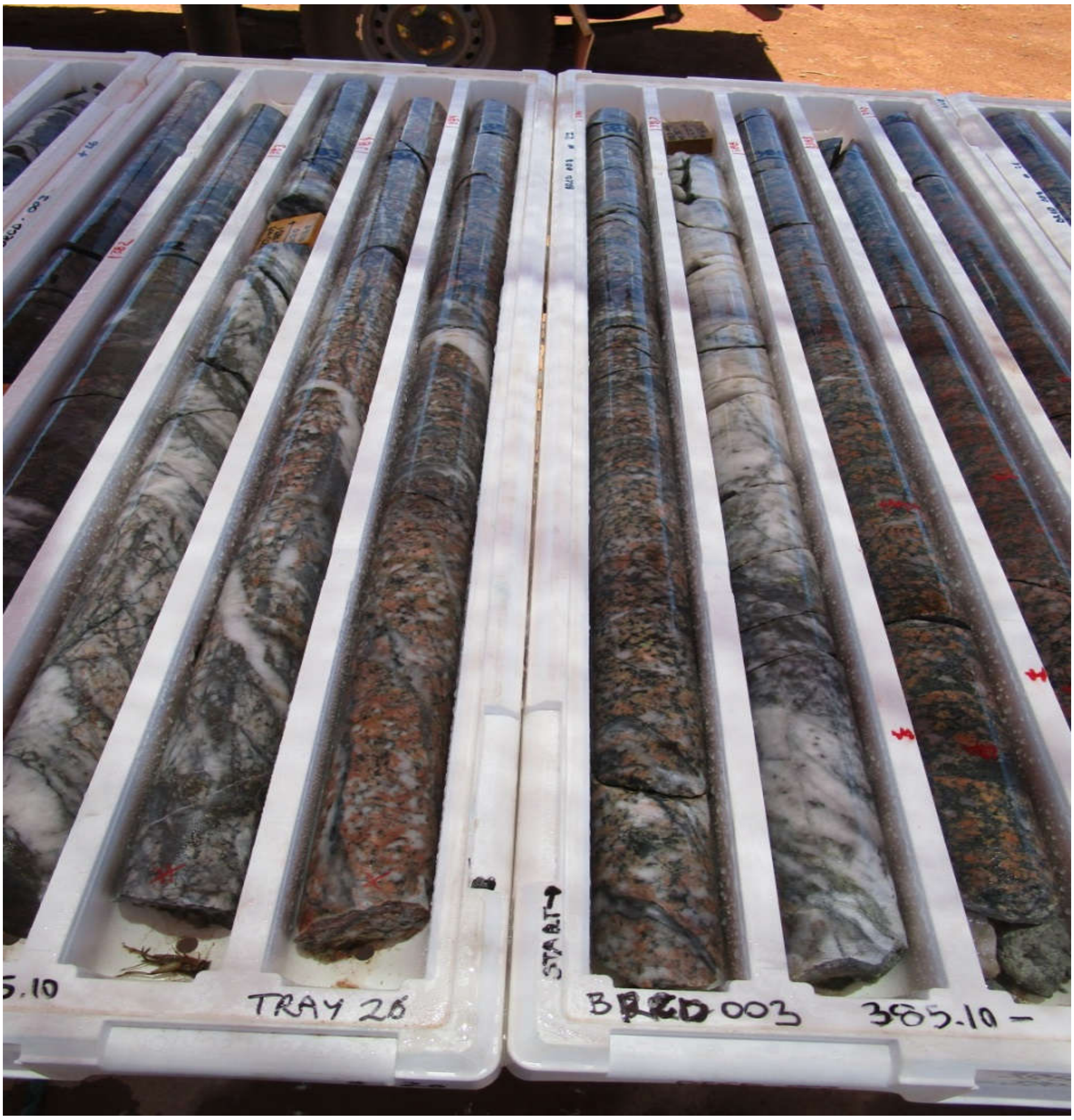

Figure 4: Diamond core from hole BRCD003 showing an extensive stockwork of quartz veins within a highly altered granite fault zone.

Resource Estimate Update

Since the last publicly reported Mineral Resource estimate by CSA Global in December 2016, the company has completed two targeted drilling programs, comprising an additional 17 drill holes, 15 of which have been drilled at the Wonder North deposit and the remaining two at the Bluebush deposit. Of this drilling, four RC holes have resulted in relatively shallow extension to the Wonder North resource along strike to the northwest. These were part of a program of holes drilled in late 2016. A further five holes have continued to delineate the down plunge extent of the high-grade Wonder North lode. Two of these holes are RC and completed in the late 2016 program while the remaining three holes are RC with NQ diamond tails completed in late 2017 (Figure 5 &6).

Significant results from the two drilling programs (listed below) have been incorporated into the data base and used to calculate the resource update.

BRC018 32m @ 3.47 g/t Au from 294m *including* ***6m @ 9.38 g/t Au from 299m***

BRC019 18m @ 5.17 g/t Au from 299m *including* ***5m @ 15.58 g/t Au from 302m***

BRCD003 25m @ 5.13g/t Au from 363m *Including* ***12m @ 8.45 g/t Au from 375m***

BRCD002 26m @ 5.28g/t Au from 354m *Including* ***10 m @ 8.89g/t Au from 358m***

BRCD001 35 m @ 1.64 g/t Au from 424m *Including* ***6 m @ 2.5 g/t Au from 435m***

In May 2018 the Company reported an updated Mineral Resource estimate for the Bundarra Gold Project. The resource estimate across four deposits Celtic, Wonder North, Wonder West and Bluebush was completed by Internationally recognised resource consultants CSA Global Pty Ltd (CSA Global) (refer to tables 1 & 2).

The updated JORC 2012 compliant resource at the Bundarra Gold Project resulted in a 16.5% increase in tonnes to 8.2 million and 16% increase in overall grade to 2.2g/t for a total of 580,000 ounces of gold, (Refer Tables 3 & 4)

Table 3: Bundarra Project Mineral Resources at 0.5 g/t Au Cut-off

	Volume (k)	**Tonnes (k)**	**Grade (g/t Au)**	**Oz (k)**
Measured	160	370	1.7	20
Indicated	1,270	3,260	2.2	230
Inferred	1,720	4,580	2.2	330
TOTAL	**3,150**	**8,200**	**2.2**	**580**

Notes:

1. *Mineral Resources are based on JORC Code 2012 definitions.*
2. *A cut-off grade of 0.5 g/t gold has been applied.*
3. *Rows and columns may not add up exactly due to rounding.*

The majority of the increased resource upgrade comes from high-tenor gold drill intersections located up to 100 metres below the previous resource outline at the Wonder North deposit. The high-grade mineralisation at Wonder North has been defined over a strike length of 150 metres and remains open both at depth and along strike to the southeast. (Figure 5).

Further Drilling Planned

Following a review of the previous two drilling programs, the Company is planning a further four RC/Diamond holes to test deeper into the Wonder North structure. The program will be along similar lines the previous drill holes, with RC pre-collars established to approximately 250 metres followed by NQ diamond tails up to 300m in length that will be drilled through the mineralised zones. The program will advance the project a further 2,110 metres and if successful will extend the mineralised zone approximately 80 - 100 metres below the last round of drill holes. The Company initiated the work during September 2018 . The results are forthcoming and will be released to market in due course. The results from the drilling will determine the next program.

Table 4: Bundarra Project 2018 Mineral Resources by deposit at 0.5 g/t Au Cut-off

Bundarra Project Mineral Resources, April 2018					
Deposit	**Category**	**Volume '000 m³**	**Tonnes '000 t**	**Au g/t**	**Au '000 Oz**
Celtic North	Indicated	70	200	2.4	20
	Inferred	390	1,060	2.0	70
	Total	**460**	**1,250**	**2.1**	**80**
Celtic South	Indicated	40	80	2.1	10
	Inferred	50	110	1.4	10
	Total	**80**	**190**	**1.7**	**10**
Wonder West	Measured	20	40	3.0	0
	Indicated	210	500	2.1	30
	Inferred	110	290	1.7	20
	Total	**340**	**830**	**2.0**	**50**
Wonder North	Measured	140	330	2.2	20
	Indicated	860	2,260	2.1	160
	Inferred	930	2,480	2.7	210
	Total	**1,930**	**5,060**	**2.4**	**390**
Blue Bush	Indicated	100	240	1.7	10
	Inferred	240	630	1.5	30
	Total	**340**	**870**	**1.5**	**40**
Total Measured and Indicated:		**1,430**	**3,360**	**2.1**	**250**
Total Inferred:		**1,720**	**4,580**	**2.2**	**330**
Total:		**3,150**	**8,200**	**2.2**	**580**

Notes:

1. *Mineral Resources are based on JORC Code 2012 definitions.*
2. *A cut-off grade of 0.5 g/t gold has been applied.*
3. *Rows and columns may not add up exactly due to rounding.*

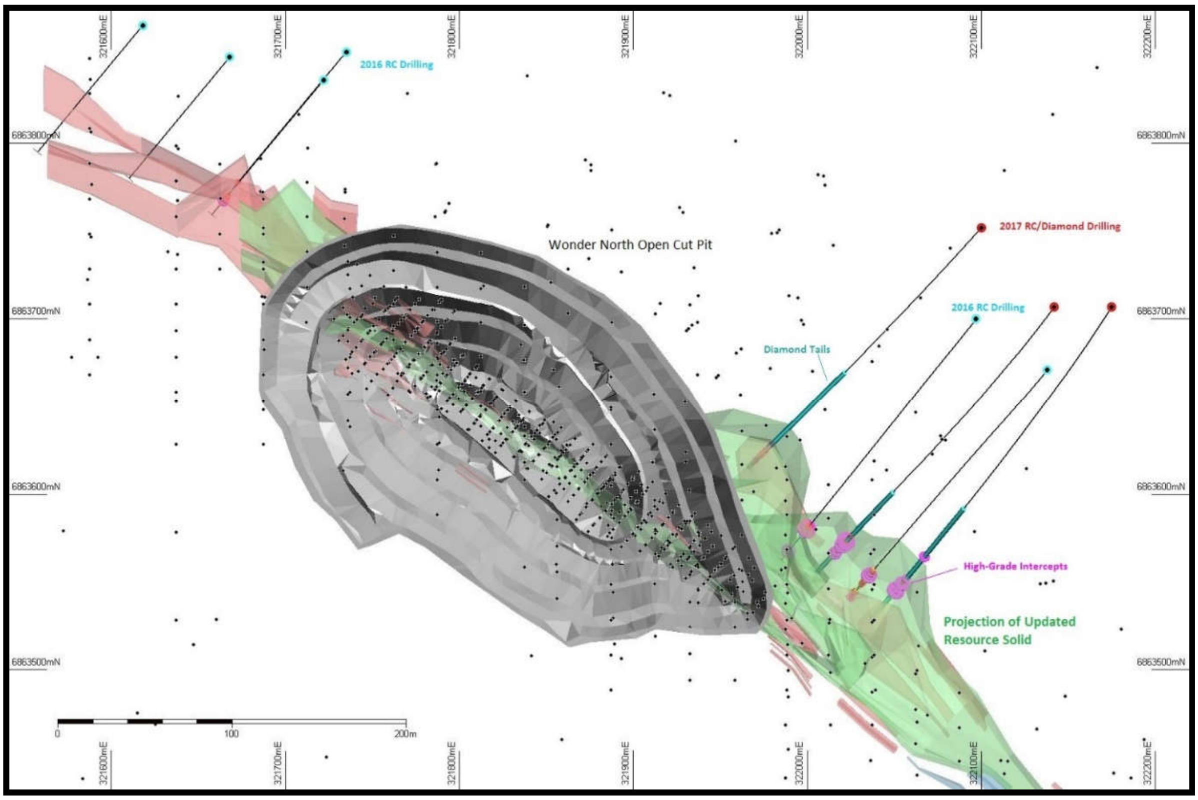

Figure 5 Wonder North deposit plan

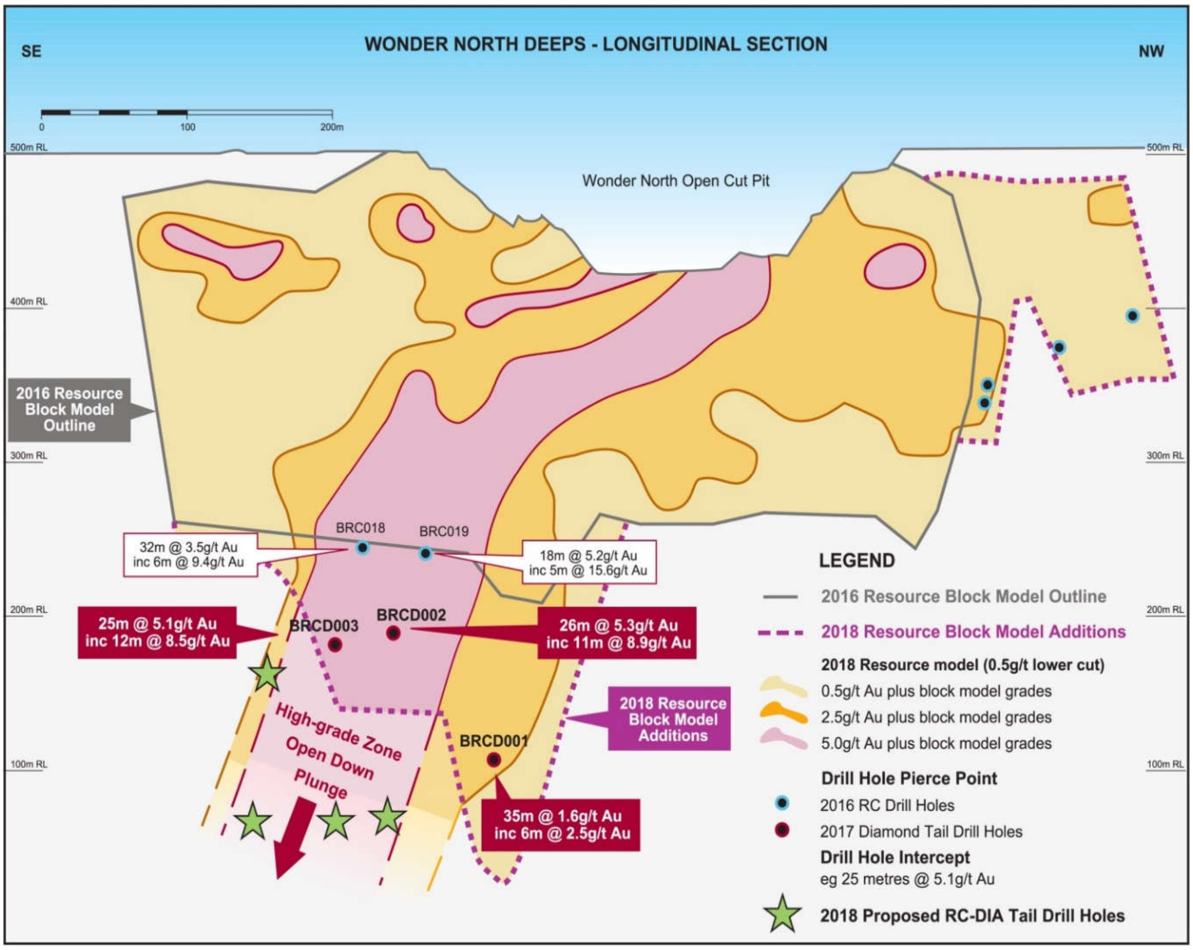

Figure 6 Longitudinal Plan Wonder North

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.

Corporate Activity

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 88.74% 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. There was a 90% Initial acceptance of the offer which closed on 29 September 2017. The balance of the offer being the shortfall shares were placed on 22 December 2017. Under the offer, a total of 40,844,680 shares were placed raising $1,225,340 for the company before costs.

150,000 unlisted options exercisable at $0.09c per share expired on 7 October 2017 and 6,000,000 unlisted options exercisable at $0.05 per share expired on 6 April 2018. No notice to exercise was received.

Readers of this Directors' Report are also directed to public announcements made by the Company to the ASX during, and since the end of, the financial year to date.

Events Subsequent to Reporting Date

On the 17 August 2018 the Company announced the arrangement of an AUD$1.0m facility with Zeta Resources Limited to fund ongoing operations. Drawdowns will attract interest at 8% per annum.

No other matters or circumstances have arisen since the end of the financial period 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.

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 2018 and the numbers of meetings attended by each Director or their Alternate are as follows:

	Board		**Audit Committee**	
Director	Eligible to attend	Attended	Eligible to attend	Attended
Peter Sullivan	5	5	1	1
James Sullivan	5	5	1	1
Patrick Burke	5	4	1	-
James Allchurch	-	-	n/a	n/a
Bill Richie Yang	-	-	n/a	n/a

As well as the formal Directors' meetings held, 8 circular resolutions were passed and Executive and Non-Executive Directors are in frequent communication by telephone and email. The Nominations Committee did not meet separately during the year.

Options

As at 30 June 2018 there were 12,500,000 options over ordinary unissued shares (2017 – 18,650,000). 6,150,000 options expired during the year.

Number	Terms
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
12,500,000	

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 2018, 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 2018 (2017: 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 2018 and the previous 4 financial years.

Period	Revenue	Profit (loss) after Tax	Share Price
Year ending 30 June 2018	$3,987	($682,817)	$0.035
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

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		
	$	$	$	%	$
2018					
Executive Directors					
Bill Richie Yang[1]	5,000	-	-	-	5,000
James Sullivan	54,795	5,205	-	-	60,000
	59,795	**5,205**	**-**	**-**	**65,000**
Non-Executive Directors					
Peter Sullivan[2]	48,077	-	-	-	48,077
Patrick Burke[3]	55,660	-	-	-	55,660
James Allchurch[4]	10,000	-	-	-	10,000
Total Non-Executive	**113,737**	**-**	**-**	**-**	**113,737**
Total Remuneration	**173,532**	**5,205**	**-**	**-**	**178,737**

[1] – Paid to V Capital Investments Pty Ltd which is a related party of Mr Yang.
[2.] – These funds were paid to Hardrock Capital Pty Ltd Pty Ltd, a related party of Mr Sullivan. As at 30 June 2018 $12,500 was owed (2017 – nil).
[3] – As at 30 June 2018 $3,333 was owed to Mr Burke (2017 – nil).
[4.] – These funds were paid to Manstein Holdings Pty Ltd, a related party of Mr Allchurch.

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

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

Directors' Interests

The Directors' beneficial interests in shares as at 30 June 2018 are shown in the following table:

Director	Holding type	Shares				
		30 June 2017	Other changes during period	Acquired	Disposed	30 June 2018
Peter Sullivan	Direct	-		-	-	-
	Indirect	-	[1]6,738,863	[2]1,123,144	-	7,862,007
	Total	**-**	**6,738,863**	**1,123,144**	**-**	**7,862,007**
James Sullivan	Direct	-	-	-	-	-
	Indirect	-	-	[3]2,307,421	-	2,307,421
	Total	**-**	**-**	**2,307,421**	**-**	**2,307,421**
Bill Richie Yang	Direct	-		-	-	-
	Indirect	2,400,000		-	[4](2,400,000)	-
	Total	**2,400,000**		**-**	**(2,400,000)**	**-**

[1] - Held at date of appointment 13 July 2017.
[2] – Take up of entitlements pursuant to Rights Offer.
[3] – On market acquisitions.
[4] – Acceptance of Zeta Resources Ltd off market bid.

Patrick Burke and James Allchurch did not have any beneficial interest in shares during the year or as at 30 June 2018.

The Directors' beneficial interests in options as at 30 June 2018 are shown in the following table:

Director	Holding type	Options			
		1 July 2017	Acquired	Disposed	30 June 2018
Bill Richie Yang[1]	Direct	1,000,000		[1](1,000,000)	-
	Indirect	-		-	-
	Total	**1,000,000**		**(1,000,000)**	**-**

[1] On resignation 13 July 2017

Peter Sullivan, James Sullivan Patrick Burke and James Allchurch did not have any beneficial interest in options during the year or as at 30 June 2018

Options over Equity Instruments Granted as Remuneration

There were no options granted to Key Management Personnel as compensation during the year ended 30 June 2018.

Options granted during the prior year:

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

[1] – Fees for efforts relating to capital raising for the company. Mr Vitale resigned on 28 November 2016.

No other Directors were granted options during the reporting period.
No options were exercised or lapsed during the period.

Performance Rights over Equity Instruments Granted as Remuneration

No Performance Rights were granted in the 2018 financial year (2017 – nil).

Loan to Directors and Executives.

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

Contracts of Directors

Each of the Directors have signed letters of appointment. The key features of the respective appointments are:

	Peter Sullivan	James Sullivan	Patrick Burke
Term	n/a	n/a	n/a
Remuneration:	$4,166.67 per month payable quarterly	$3,333.33 per month including superannuation $3,333.33 per month additional executive services when incurred including superannuation.	$3,333.33 per month
Termination benefits	Nil	Nil	Nil

This concludes the Remuneration Report, which has been audited.

Dividends

No dividends have been declared in respect of the financial year ended 30 June 2018 (2017: 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

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 (2017 : nil). 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 2018 has been received and a copy is reproduced on page 16.

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 . The Corporate Governance Statement has also been released on the ASX Company Announcements platform.

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.

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, Zeta Resources Limited, GME Resources Ltd and Panoramic Resources Ltd.
- Previous listed Board memberships: Pan Pacific Petroleum NL.
- Shareholdings (at date of report) 7,862,007

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.

- Shareholdings (at date of report) 2,307,421

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, Meteoric Resources Limited, Tando Resources Limited, Koppar Resources Limited and Westwater Resources Inc.
- Previous listed Board memberships: ATC Alloys Ltd, Shareroot Ltd; Anatolia Energy Limited and Pan Pacific Petroleum NL
- Shareholdings (at date of report) Nil

Former Directors:

Bill Richie Yang – Executive Director (resigned 13 July 2017) 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.

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.

James Sullivan
Director
21 September 2018

Accountants | Business and Financial Advisers

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 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia **N G Neill**

21 September 2018 **Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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ACN 130 964 162

Financial Statements

For the Year Ended 30 June 2018

	Note	Consolidated 2018	2017
		$	$
Revenue from ordinary activities			
Interest income		1,893	3,506
Other income		2,094	-
		3,987	**3,506**
Less: Expenses			
Exploration and evaluation interests written off		-	772,112
Administration costs		68,992	182,446
Consultancy fees		43,200	216,371
Depreciation and amortisation expense		-	41,621
Directors, employees and consultant expenses		178,737	201,570
Occupancy expenses		46,344	25,403
Travelling costs		-	14,608
Legal and professional costs		51,495	252,949
Share based payments		291,700	409,922
		680,468	**2,117,002**
Loss from operating activities		**(676,481)**	**(2,113,497)**
Finance costs		(6,336)	(989)
Loss before income tax		**(682,817)**	**(2,114,486)**
Income tax expense	4	-	-
Loss from continuing operations after income tax		**(682,817)**	**(2,114,486)**
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		**(682,817)**	**(2,114,486)**
Total comprehensive loss for the year attributable to:			
Owners of the company		**(682,817)**	**(2,114,486)**
Non-controlling interests		-	-
		(682,817)	**(2,114,486)**
Earnings per share			
Basic and diluted - cents per share	2	**(0.25)**	**(1.11)**

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

	Note	Consolidated 2017	2017
		$	$
Current assets			
Cash and cash equivalents	5	221,591	136,106
Trade and other receivables	6	6,117	61,975
Other current assets	7	3,984	-
Total current assets		**231,692**	**198,081**
Non-current assets			
Exploration and evaluation expenditure	8	5,206,050	4,500,259
Plant and equipment	9	-	-
Total non-current assets		**5,206,050**	**4,500,259**
Total assets		**5,437,742**	**4,698,340**
Current liabilities			
Trade and other payables	10	70,011	176,690
Employee benefits	11	14,357	-
Total current liabilities		**84,368**	**176,690**
Total non-current liabilities		**-**	**-**
Total liabilities		**84,368**	**176,690**
Net assets		**5,353,374**	**4,521,650**
Equity			
Contributed equity	12.a	12,214,263	10,699,722
Accumulated losses		(7,456,770)	(6,773,953)
Reserves	12.b	595,881	595,881
Total equity		**5,353,374**	**4,521,650**

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

	Note	Consolidated 2018	2017
		$	$
Cash flows from operating activities			
Payments to suppliers and employees		(280,432)	(1,393,223)
Interest received		1,893	3,506
Interest paid		(6,336)	(989)
Net cash (outflow) from operating activities	13	**(284,875)**	**(1,390,706)**
Cash flows from investing activities			
Payment for exploration and evaluation expenditure	8	(705,791)	(1,229,287)
Payment for property, plant and equipment		-	(20,000)
Net cash (outflow) from investing activities		**(705,791)**	**(1,249,287)**
Cash flows from financing activities			
Proceeds from the issue of shares		1,225,341	3,044,382
Share issue transaction costs		(2,500)	(295,535)
Proceeds from release of bonds		-	39,869
Repayment of borrowings	10	(146,690)	(45,000)
Net cash provided by financing activities		**1,076,151**	**2,743,716**
Net increase in cash held		85,485	103,723
Cash at beginning of financial year		136,106	32,383
Cash at end of financial year		**221,591**	**136,106**

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

	Note	Consolidated Issued capital	Accumulated losses	Reserves	Total attributable to owners
		$	$	$	$
2018					
Balance at 1 July 2017		**10,699,722**	**(6,773,953)**	**595,881**	**4,521,650**
Total comprehensive loss for the half year		-	(682,817)	-	(682,817)
Total		-	(682,817)	-	(682,817)
Transactions with non-controlling interests		-	-	-	-
<u>Transactions with owners in their capacity as owners</u>					
Ordinary shares issued, net of transaction costs	12.a	1,222,841	-	-	1,222,841
Ordinary shares issued on exercise of options		-	-	-	-
Share based payment expense		291,700	-	-	291,700
Balance at 30 June 2018		**12,214,263**	**(7,456,770)**	**595,881**	**5,353,374**
2017					
Balance at 1 July 2016		**7,403,682**	**(4,659,467)**	**133,152**	**2,877,367**
Total comprehensive loss for the half year		-	(2,114,486)	-	(2,114,486)
Total		-	(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	12.a	2,867,040	-	-	2,867,040
Ordinary shares issued on exercise of options		429,000	-	-	429,000
Share based payment expense		-	-	462,729	462,729
Balance at 30 June 2017		**10,699,722**	**(6,773,953)**	**595,881**	**4,521,650**

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 2018 was authorised for issue in accordance with a resolution of the Directors on 21 September 2018. (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 2017 that have a material impact on the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 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.

- AASB 16: 'Leases', the Standard will AASB 16 will replace AASB 117 Leases. The new Standard introduces three main changes:
  - Enhanced guidance on identifying whether a contract contains a lease;
  - A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets; and
  - Enhanced disclosures.

The Group has yet to undertake a detailed impact assessment, however does not expect the new guidance to have a material impact for the Group. The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date.

- AASB 15: 'Revenue from Contracts with Customers'; the core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;

1. Statement of Significant Accounting Policies (cont.)

Basis of Preparation (cont.)

- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The Group has yet to undertake a detailed impact assessment, however does not expect the new guidance to have a material impact for the Group. This standard is not applicable until the financial year commencing 1 January 2018.

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 $682,817 and net cash outflows from operations of $284,875 during the 12 month period to 30 June 2018. The Group has cash and cash equivalents of $221,591 and net current assets of $147,324 at 30 June 2018. 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.

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 2019. Included in the forecast is the establishment of the drawdown facility announced to the ASX on 17 August 2018.

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 fund raising, and/or the raising of other funds through capital markets, 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.

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.

1. Statement of Significant Accounting Policies (cont.)

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.

	Consolidated	
	2018	**2017**
2. Earnings Per Share		
Basic and diluted (loss) per share – cents	**(0.25)**	**(1.11)**
<u>Reconciliations of earnings per share to net loss</u>		
Total comprehensive loss for the year attributable to owners of the Company ($)	(682,817)	(2,114,486)
Divided by:		
Weighted average number of ordinary shares outstanding during the year (No.)	274,200,112	190,188,501
Basic and diluted (loss) per share – cents	**(0.25)**	**(1.11)**

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.

	Consolidated 2018	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:	(682,817)	(2,114,486)
Prima facie tax payable on loss from ordinary activities before income tax @ 27.5% (2017: 30%) tax rate:	**(187,775)**	**(634,345)**
Less tax effect of:		
Non-assessable revenue	-	-
Non-deductible expenses	80,217	354,610
Tax losses not recognized	107,558	279,735
	-	-
Unrecognised		
b) Unused tax losses for which no deferred tax asset has been recognized	2,530,713	2,553,687
Potential tax benefit @ 27.5% (2017 : 30%)	**695,946**	**766,106**
c) Recognised Deferred tax liabilities		
Deferred exploration expenditure	1,431,664	1,350,078
	1,431,664	1,350,078
Deferred tax assets		
Tax losses recognised	(1,431,664)	(1,350,078)
	(1,431,664)	(1,350,078)
Net deferred tax liabilities	-	-

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.

	Consolidated 2018	Consolidated 2017
	$	$
5. Cash and Cash Equivalents		
Cash at bank	**221,591**	**136,106**
6. Trade and Other Receivables		
Trade debtors	11	11
GST recoverable	6,106	61,964
Total trade and other receivables	**6,117**	**61,975**

None of the receivables are past due or impaired at the reporting date.

	Consolidated 2018	Consolidated 2017
7. Other Current Assets		
Prepayments	3,984	-
Total other current assets	**3,984**	**-**
8. Capitalised Exploration and Evaluation Expenditure		
Opening balance	4,500,259	4,043,084
Capitalised during the year	705,791	1,229,287
Written off during the year	-	(772,112)
Closing balance	**5,206,050**	**4,500,259**

There is no impairment charge for the current year. The prior year impairment charge related to tenements at the Leonora Project which were relinquished to focus on the Bundara Project.

	Consolidated 2018	Consolidated 2017
9. Plant and Equipment		
At cost		
Opening balance	59,990	39,990
Additions	-	20,000
Disposals	-	-
Closing balance	**59,990**	**59,990**
Accumulated depreciation		
Opening balance	(59,990)	(39,990)
Charge for the year	-	(20,000)
Closing balance	**(59,990)**	**(59,990)**
Total plant and equipment	**-**	**-**

	Consolidated	
	2018	2017
	$	$
10. Trade and other payables		
Trade creditors	50,011	-
Other creditors and accruals	20,000	176,690
Total trade and other payables	**70,011**	**176,690**

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 and was repaid during year ending 30 June 2018 (note 13.c).

11. Employee benefits		
Statutory remittances	**14,357**	**-**

12. Contributed Equity

	Consolidated 2018	Consolidated 2017
12.a Ordinary Shares Number	**No.**	**No.**
Balance at 1 July	236,964,631	94,366,760
Shares issued during the year:		
Shares issued in settlement of corporate advice services 20 July 2017	8,102,790	-
Rights issue - initial acceptance 3 October 2017	37,937,487	-
Rights issue - placement of shortfall 22 December 2017	2,907,193	-
Shares issued - conversion of convertible notes @ $0.0244 p/s 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 (SPP)	-	2,600,000
Shares issued for cash @ $0.025 per share on 19 October 2016	-	67,400,000
Shares issued - conversion of convertible notes @ $0.035 p/s on 19 Oct 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 Bundarra 23 Dec 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	**285,912,101**	**236,964,631**

	Consolidated 2018	Consolidated 2017
Ordinary Shares Value	**$**	**$**
Balance at 1 July	10,699,722	7,403,682
Shares issued during the period		
Shares issued in settlement of corporate advice services 20 July 2017	291,700	-
Rights issue - initial acceptance 3 October 2017	1,138,125	-
Rights issue - placement of shortfall 22 December 2017	87,216	-
Shares issued - conversion of convertible notes @ $0.0244p/s on 26 June 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 (SPP)	-	65,000
Shares issued for cash @ $0.025 per share on 19 October 2016	-	1,685,000
Shares issued - conversion of convertible notes @ $0.035 p/s on 19 Oct 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 - consolidation of the 100% interest in Bundarra 23 Dec 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	(2,500)	(498,342)
Balance at 30 June	**12,214,263**	**10,699,722**

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

	Consolidated 2018	Consolidated 2017
12.b. Reserves		
Share Based Payment Reserve		
Balance at 1 July	595,881	133,152
2,500,000 Performance rights	-	(50,000)
6,000,000 Options exercisable at $0.05 per option expiring 6 April 2018	-	-
1,500,000 Options exercisable at $0.05 per option expiring on 6 October 2017	-	-
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**	**595,881**

Nature and purpose of Reserves

Share Based Payments Reserve

This reserve is used to record the equity benefits provided to employees and Directors as part of their remuneration. Refer to note 16 for further details of these plans.

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
07/10/2014	07/10/2017	150,000	-	0.090	-	(150,000)	-	-
07/10/2015	6/4/2018	6,000,000	-	0.050	-	(6,000,000)	-	-
19/10/2016	19/10/2019	1,500,000	-	0.030	-	-	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
		18,650,000	-		-	(6,150,000)	12,500,000	12,500,000

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 2018 was 1.3 years (2017: 1.96 years). Weighted average exercise price for the share options outstanding as at 30 June 2018 was $0.056 (2017: $0.055).

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.

13. Cash Flow Information

	Consolidated 2017 $	Consolidated 2016 $
a. 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	**221,591**	**136,106**
b. Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after Income Tax	(682,817)	(2,114,486)
<u>Less: non-cash items not included in working capital movements</u>		
Share based payments	291,700	409,922
Depreciation expense	-	20,000
Exploration and evaluation expenditure written off	-	772,112
Financial assets amortised	-	25,340
<u>Add: movements in working capital</u>		
(Increase) / decrease in other current assets	51,874	(8,310)
Increase / (decrease) in trade and other payables	40,011	(495,284)
Increase / (decrease) in employee benefits	14,357	-
Cash flow from operations	**(284,875)**	**(1,390,706)**

c. Changes in liabilities resulting from financing activities disclosure

	Creditors[2]	**Convertible notes**	**Borrowings**	**Total**
Balance 1 July 2016	-	600,000	45,000	645,000
Converted into shares	-	(600,000)	-	(600,000)
Repaid	-	-	(45,000)	(45,000)
Balance 30 June 2017	-	-	-	-
Net owing on consolidation of Bundara project[1]	146,690	-	-	146,690
Repaid	(146,690)	-	-	(146,690)
Balance 30 June 2018	-	-	-	-

1 Refer note 22.
2 Portion of financing activities included in creditors.

14. Auditor's Remuneration

Auditing or reviewing the financial reports	30,000	40,661
Other services	-	-
Total auditor's remuneration	**30,000**	**40,661**

No other services were provided during the year.

15. 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.

16. Share Based Payment

2018
Shares:

Date	Creditor	No. of shares	Valuation	Value per share	Total $	Purpose
20 July 2017	Somers and Partners	8,102,790	Sale of asset/ Takeover	0.036	291,700	Corporate advice

No options or other equity based securities were issued as share based payments during the year to 30 June 2018.

2017
Shares:

Date	Creditor	No. of shares	Valuation	Value per share	Total $	Purpose
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
		25,500,000						514,329
Exercise of performance rights								(51,600)
								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.

17. Controlled Entities Consolidated

Name of Entity	Country of Incorporation	Principal Activity	Equity Holding % 2018	Equity Holding % 2017
SRM Mining Pty Ltd	Australia	Mining exploration	100%	100%

18. Key Management Personnel Disclosures

Transactions with Key Management Personnel

The aggregate compensation made to Directors and other Key Management Personnel of the Group is set out below:

	2018	2017
	$	$
Short-term employee benefits	173,532	276,310
Post-employment benefits	5,205	7,733
Share-based payment	-	87,422
	178,737	371,465

Other transactions with Key Management Personnel

2018

No key management personnel performance long term incentives or rights over equity instruments were granted as remuneration during 2018.

2017

During 2017, the prior year, long term incentives and rights over equity instruments granted as remuneration were as follows:

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

Notwithstanding the long term benefits granted during the period Mr Vitale resigned 28 December 2016 and Mr Yang resigned on 13 July 2017.

19. 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:

	2018	2017
	$	$
Within 1 year	214,620	216,620
More than 1 year but not later than 2 years	214,620	216,620
Later than 2 years but not later than 5 years	643,860	649,860
Total	1,073,100	1,083,100

20. 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 2018.

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**.**

	Note	Current interest rate	Fixed interest rate	Floating interest rate	Non-interest bearing	Total
2018						
Financial assets						
Cash and cash equivalents	5	0.00%	-	-	221,591	**221,591**
Trade and other receivables	6, 7	0.00%	-	-	10,101	**10,101**
Financial liabilities						
Trade and other payables	10, 11	0.00%	-	-	84,368	**84,368**
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**

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 no 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.

20. 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 2018				
Trade and other payables	84,368	-	-	84,368
Total financial liabilities	**84,368**	**-**	**-**	**84,368**
At 30 June 2017				
Trade and other payables	176,690	-	-	176,690
Total financial liabilities	**176,690**	**-**	**-**	**176,690**

As at 30 June 2018, the Group has no undrawn borrowing facilities (2017:nil).

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.

21. Related Party Transactions

Administrative share costs of $42,874 (2017: nil) were paid to GME Resources Ltd, a related party of Messrs Peter and James Sullivan. Vehicle hire for exploration work of $2,713 (2017: nil) was paid to Sullivan's Garage, a related party of James Sullivan.

Disclosures relating to Key Management Personnel are set out in Note 18.

22. Joint Ventures

The Group is not party to any joint venture agreements.

A joint venture with Angler and Contained Gold for the development of its Bundarra Gold Project tenements was terminated in December 2016. As a result of the termination $146,690 was still owing as at 30 June 2017 was paid during the year.

23. 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:

On 17 August 2018 Bligh Resources Ltd announced a borrowing facility negotiated with Zeta Resources Limited for AUD$1m. Drawdowns will accrue interest at 8% pa. Zeta Resources Ltd is a related party of Mr Peter Sullivan.

24. Parent Entity Information

	Parent 2018	2017
	$	$
Balance Sheet		
Current assets	227,708	198,081
Total Assets	**5,447,502**	**4,631,030**
Current liabilities	70,011	176,690
Total Liabilities	**81,546**	**176,690**
Net Assets	**5,365,956**	**4,454,340**
Shareholder's Equity		
Issued capital	12,214,263	10,439,799
Reserves:		
Options	599,131	599,131
Financial Assets	(3,250)	(3,250)
Accumulated losses	(7,444,188)	(6,581,340)
Total Equity	**5,365,956**	**4,454,340**
Total Comprehensive Loss	**(862,849)**	**(1,785,560)**

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 2018. The Company has no contractual commitments for the acquisition of property plant and equipment as at 30 June 2018.

1. In the Directors' opinion:

(a) The financial statements and notes set out on pages 18 to 38 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 2018 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 2018 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

____

James Sullivan
Director
Perth, 21 September 2018

Accountants | Business and Financial Advisers

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 entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of 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 2018 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 Note 1 in the financial report, which indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. 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 matters described below to be the key audit matters to be communicated in our report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of deferred exploration expenditure Note 8	
The Group has capitalised exploration and evaluation expenditure of $5,206,050 as at 30 June 2018. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises acquisition costs and then expenses further exploration and evaluation expenditure as incurred. The cost model is applied after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to: • We obtained an understanding of key processes associated with management's review of carrying value of the area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its area of interest; • We substantiated a sample of exploration and evaluation expenditure incurred during the year; and We examined the disclosures made in the financial report.

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 2018, 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.

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.

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.

HLB Mann Judd

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Bligh Resources Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
21 September 2018

N G Neill
Partner

Tenement	Project	Location	Ownership
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 7 September 2018.

Distribution of Equity Securities

Range	Securities	%	No. of holders	%
100,001 and Over	282,250,556	98.72	37	17.37
10,001 to 100,000	2,830,370	0.99	68	31.92
5,001 to 10,000	827,851	0.29	100	46.95
1,001 to 5,000	2,500	0.00	1	0.47
1 to 1,000	824	0.00	7	3.29
	285,912,101	**100.00**	**213**	**100.00**

The number of shareholders holding less than a marketable parcel is 111 (866,842 shares).

Twenty Largest Shareholders

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

№	Shareholder	Shares	%
1	ZETA RESOURCES LIMITED	253,742,974	88.75
2	HARDROCK CAPITAL PTY LTD	7,862,007	2.75
3	KEEN SOURCE HOLDINGS LIMITED	4,000,000	1.40
4	MR JAMES NOEL SULLIVAN & MRS GAIL SULLIVAN	2,307,421	0.81
5	PARKS (WA) PTY LTD	1,438,800	0.50
6	AGEO HOLDINGS PTY LTD	1,300,000	0.45
7	MRS QIUFANG HU	1,000,000	0.35
8	MIGHTY RIVER INTERNATIONAL LIMITED	800,000	0.28
9	MR ADRIAN MALCOLM HALL & MISS ANNETTE MARIE PORTER	772,000	0.27
10	SCHIMANSKIINVESTMENTS PTY LTD	750,000	0.26
11	MISS STEPHANIE CARMELITA SAVILLE	726,798	0.25
12	MISS ALEXANDRA MAREE SAVILLE	726,798	0.25
13	ONGAVA PTY LTD	710,000	0.25
14	MR SIMON MELVILLE	700,000	0.24
15	SEA PRINCE RESOURCES LIMITED	600,000	0.21
16	MR MICHAEL BERNARD VAUGHAN	550,000	0.19
17	JUMPING CASTLE SUPER PTY LTD	506,125	0.18
18	KEEN SOURCE HOLDINGS LIMITED	400,000	0.14
19	MR CHRISTOPHER CREW	328,833	0.12
20	ACS (NSW) PTY LIMITED	290,500	0.10
	Total	**279,512,256**	**97.76**

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	253,742,974	88.75

Unlisted Options

There are 4 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	12,500,000
10,001 to 100,000	-	-
5,001 to 10,000	-	-
1,001 to 5,000	-	-
1 to 1,000	-	-
Total	**9**	**12,500,000**

3 holders have greater than 20% 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.