



Bligh Resources Limited

ACN 130 964 162

ASX: **BGH**

ASX Release

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Directors:

Noel Halgreen (Chairman)
Robert Benussi
Charles Guy
Hanjing Xu
Peiqi Zhang
Jinle Song
Liming Niu (Alternate Director for Mr Xu)
Zhijie Li (Alternate Director for Mr Zhang)
Dinghao Song (Alternate Director for Mr J Song)

Company Secretary

Adrian Di Carlo

Issued Capital:

Shares: 58,225,720
Unlisted Opts: 16,000,000
(Escrowed)

Currently Exploring for:

- Manganese
- Gold
- Copper

Current Projects:

- Kumarina
- Bootu Creek Two
- Grenfell
- Manilla
- Leonora

Key Share Holdings:

Bannon Resources Ltd
ASX Code: BNM
500,000 FPO Shares

BLIGH TO ACQUIRE A 42.9% INTEREST IN 318,000 oz GOLD PROJECT IN LEONORA REGION, WESTERN AUSTRALIA

Key Highlights:

- Bligh has agreed to acquire an initial 33.5% interest in SR Mining Pty Ltd for A\$400,000 payable through a combination of \$250,000 cash and 1.5 million Bligh shares at \$0.10 cents per share
- Bligh has gained a further 9.4% interest in SR Mining Pty Ltd through a provision of a A\$1,000,000 first ranking senior secured loan
- Through acquisition of SR Mining, Bligh will have a 42.9% interest in the Bundarra Gold Project in West Australian which has early production potential
- JORC Compliant Au Resource of 318,000 oz. contained within the "Bundarra Project"
- All deposits are open in at least one direction
- Near term production prospects from Celtic Project (Mining lease granted) which is open pit and in close proximity to existing infrastructure and operating tolling mills
- Bligh to appoint two directors to SR Mining Board
- Well-credentialed local partners, Mr Adrian Hall- (previous Silver Lake Project Manager) and Mr Patrick Schimanski -(GWH Equipment)
- Acquisition complements Bligh's 45km2 of gold exploration tenements near Tarmoola mine, WA

Bligh Resources Limited ("Bligh") (ASX: BGH) is pleased to announce it has executed binding agreements with **SR Mining Pty Ltd ("SRM")** to acquire a 42.9% interest in SRM. SRM owns the Bundarra Gold Project in the Leonora region of Western Australia. The project has a JORC compliant gold resource of 318,000 ounces (4,730,500 tonnes @ 2.1 g/t Au) (**Table 1**). The 42.9% acquisition in SRM will add to the prospective package of gold tenements at Diorite King and Mt Davis already held by Bligh.

The partners in the project are co-owners Mr Patrick Schimanski and Mr Adrian Hall who will retain 46.5% post transaction, and a small number of minority shareholders in the project.

The Bligh Board is very supportive and excited with this transaction. Chairman Noel Halgreen commented: "The Bundarra Gold Project brings Bligh into a new phase of development. With the difficult trading conditions the Company has acknowledged the necessity for a junior explorer to have a JORC resource within its asset base".

"Bligh has secured a significant interest in an asset with a strong JORC resource under favourable terms. The nature of the prolific eastern goldfields in WA provides excellent access to infrastructure and further exploration targets which will allow Bligh to advance its pre-developments plans and grow the resource potential in and around the project area".

"I am also very pleased with the calibre and experience of our partners Pat and Adrian, whose skills will complement the existing team as we look to transform Bligh into a gold producing company".

SR Mining Pty Ltd

SRM's Co-Founder and Director Patrick Schimanski has over 30 years' experience in the mining industry and is the founder and sole shareholder of GWH Equipment Pty Ltd. GWH is an earthmoving and open cut mining company based in Kalgoorlie, Western Australia. GWH have operated for the past 10 years and have successfully completed many open cut and civil projects in the West Australian goldfields, with smaller pits being a speciality.

GWH has successfully contracted open cut pits and tailings dam construction for the following companies:

Alacer Gold Higginsville	Airplay and Vines open cut pits, tails dam lift, site rehabilitation
Silver Lake Resources	Five Open cut pits, three tails dam lifts and tails dam construction
Ridge Back Resources	Woodline Pit
Consolidated Minerals	Deepening of two Widgemootha pits
Saracen Gold	45km road construction, tails dam construction
KCGM	Earthmoving for Kaltails recommissioning
Edna May	Tails dam construction
St Ives	Settling ponds and workshop pads.

SRM's other Co-founder and Director, Adrian Hall is a metallurgist with 10 years' experience. Previously he was a process engineer at the Cawse Nickel operation and worked at various sites gaining experience with different commodities including gold, copper, nickel, antimony and uranium. Mr Hall's expertise is in the commissioning of new or refurbished plants. He worked on refurbishing Daveyhurst, Telfer and Hillgrove before settling in at Silver Lake Resources Lakewood Gold Processing Facility.

From 2008 to 2012 Mr Hall worked at Silver Lake Resources building the processing capability of the company by increasing its production as the company expanded. Upon recommissioning the Lakewood gold processing facility he worked through various process improvements and managed the tailing storage facility upgrades. Mr Hall held the Project Manager role at Silver Lake Resources and is responsible for installing the large ball mill, leach tanks and gravity circuit that would ultimately raise the Lakewood name plate plant to 1 million tonnes per annum. Mr Hall currently operates a metallurgical consultancy company which specialises in design, construction and commissioning of processing plants and tailings storage facilities.

About the Bundarra Project

The Bundarra Project is located in the Eastern Goldfields, 60 km from Leonora and 35 km from Bligh's Lenora Project at Diorite King and Mt Davis (Figure 1). Bundarra covers over 17 square km2 with six granted mining leases (Table 2) which includes four existing deposits on existing open pits; named Celtic, Wonder North, Great Western and Blue Bushes. The Celtic pit will be the first to be re-entered for mining. SRM is in the process of completing a Mining Proposal for the Recommencement of Operations.

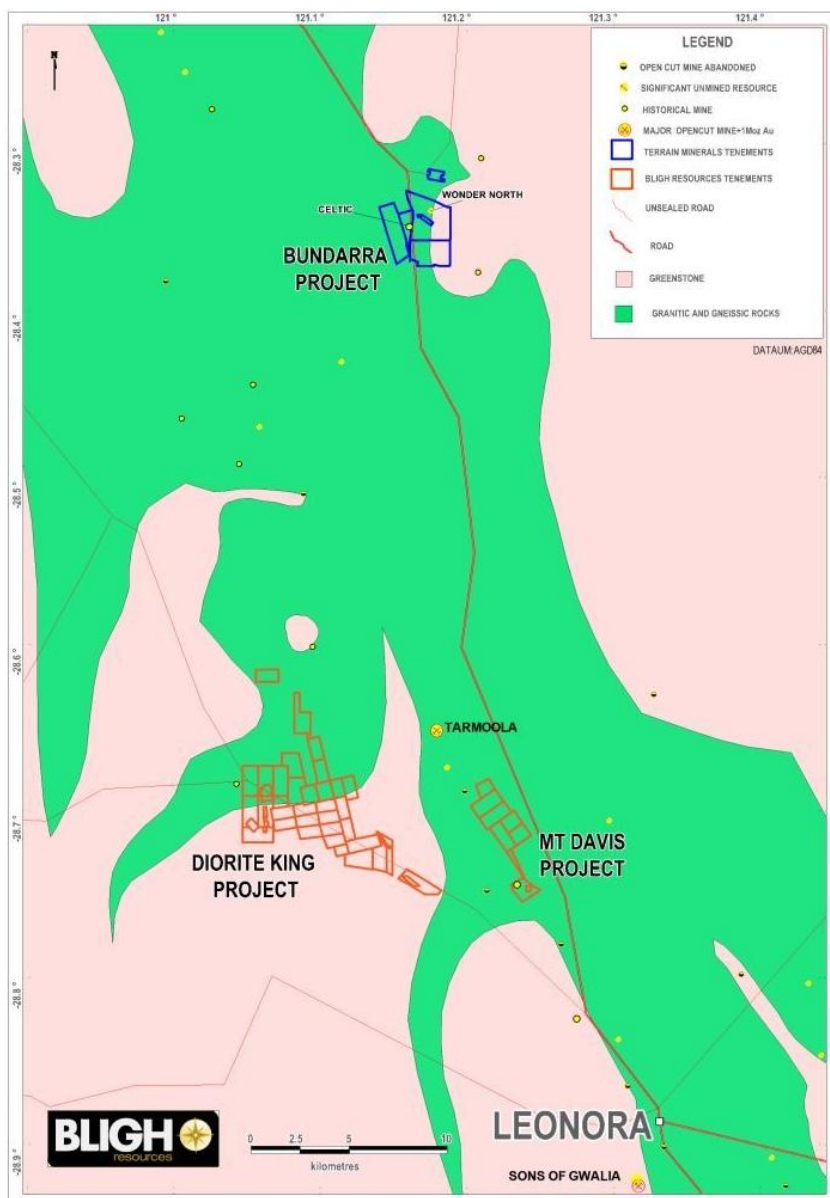


Figure 1. Bundarra Region – Location and Tenements

The Wonder North gold deposit (Au 172,600 ounces) is the largest deposit of the SRM assets in the Bundarra Project. All the deposits (Celtic Pit, Great Western Pit, Blue Bush) sit within a 3 km radius of Wonder North. Gold mineralisation at the Wonder North and Wonder West localities is associated with silica-pyrite-carbonate-hematite alteration in the steeply northeast dipping Wonder Shear Zone which trends in a north-westerly direction and is traceable from remote sensing studies for over 2,500 metres.

Proven Metallurgical Performance

The Project's metallurgical properties are positive. In 2002 to 2003 Sons of Gwalia (SOG) mined Wonder, Wonder North and Wonder West pits, producing 818,931t at 2.21g/t Au. Ore from Celtic was successfully treated at Tarmoola mill. Historic recovery was 91%, with a relatively coarse grind (P80=180µm) (Connelly, 2010). See note at end of release. The documents reviewed by Connolly show that the ore contains low copper values.

Potential New Resources

A geological review of the gold properties indicates that all are prospective for gold. The most prospective are the Wonder North and Great Western pits, both of which have potential for predicted down dip and down plunge extension to known mineralisation. A CSA Global report, commission by Bligh, indicates potential to extend the Celtic Pit to the south east (Figure 2).

Pit Optimisation

CSA Global was contracted by Bligh to complete a Desk Top Study which included pit optimisation as part of the due diligence

process. CSA Global's report recommends that since the Celtic Pit design is based on a shell at a \$1,400 Au price and 45 degree slope there would be a sound reason to revisit the optimisation and design phase to ensure that the best is being made of the current gold price and possible upside with steeper overall slopes offered in the Pre- feasibility study table 6.7.1 (SR Mining, 2012c).

Geology

Locally, the project lies within the Murrin-Margaret geological sector of the Eastern Goldfields Superterrane, within greenstones and granitoids bounded by the north-northwest trending Keith-Kilkenny Lineament to the west, and the Laverton Tectonic Zone to the east. The Archaean sequence is dominated in the east by mafic granitoids of the Bundarra Batholith that includes numerous partially assimilated rafts of Archaean greenstone on its western edge (**Figure 3**). The granitoids intrude basalts, gabbros and felsic volcanics.

Infrastructure

The Bundarra Project is fortunate to be located on the Goldfields Highway only 70 km from the township of Leonora. The area has a rich mining history, an experienced mining work force and support equipment can be brought in from locally from Kalgoorlie. Both the town of Leonora and Thunder Box mine camp offer potential messing and housing solutions for a mine work force. The mining services industry is well established in the Eastern Goldfields and can service any future mining at Bundarra Project.

Significant Gold Deposits in Leonora region

The tenement package has recorded expenditure of approximately \$6 million including the work completed by Sons of Gwalia who originally installed the pits in the 1990's. The exploration has confirmed that gold mineralisation has common geological features with significant deposits in the region (Tarmoola, Tower Hill, and Harbour Lights):

- 1) Deposits are closely related to granitic intrusion
- 2) Gold mineralisation is typically hosted within brittle-ductile shear zones associated with district scale structural corridors
- 3) The gold is associated with quartz veins sulphide mineralisation

Summary

The Bundarra Projects offers:-

- **Exposure to Leonora gold district with similar geology to large mines in the region**
- **All four deposits within 3 km radius of Wonder North Pit (172,600 ounces) which is important for mining**
- **Good metallurgical properties with gold recoveries over 90%, backed by historical mine data.**
- **Potential for underground and pit extensions with upside to the resource base**
- **\$6 million already spent in exploration (over 3,400 drill holes installed)**
- **Further upside on pit optimisations, as all previous optimisation was done at a gold price of \$1,400 to \$1,500 Au per ounce**

The Bundarra Project offers exposure to the Leonora gold endowment and a resource base to build on with Bligh's Leonora Project (approximately 45 km²) current land pack only 35 km to south west. The management has many years of experience in the Leonora area and will continue to build a strategic tenement holding in the region.

Table 1: Bundarra Project Mineral Resource Estimate Statement 20th November 2012

Deposit	Resource s	Measured	Indicated	M+I	Inferred	Total
Wonder North	Tonnes	354,000	872,000	1,226,000	1,314,000	2,540,000
	Grade g/t Au	2.3	2.4	2.3	1.9	2.1
	Ounces	26,000	66,500	92,500	80,200	172,700
Bluebush	Tonnes	-	200,000	200,000	440,000	640,000
	Grade g/t Au	-	1.9	1.9	1.8	1.8
	Ounces	-	12,200	12,200	25,900	38,100
Great Western	Tonnes	96,000	263,000	359,000	327,000	686,000
	Grade g/t Au	2.42	2.83	2.7	3.02	2.86
	Ounces	7,500	24,000	31,500	31,750	63,250
Celtic	Tonnes	-	-	-	864,500	864,500
	Grade g/t Au	-	-	-	1.59	1.59
	Ounces	-	-	-	44,300	44,300
Bundarra Totals	Tonnes	450,000	1,335,000	1,785,000	2,945,500	4,730,500
	Grade g/t Au	2.3	2.4	2.4	1.9	2.1
	Ounces	33,500	102,700	136,200	182,150	318,350

Cutoffs: Wonder North, Bluebush, Great Western used 1g/t Au cut-off; Celtic is reported at 0.5g/t Au cut-off

Note : Rounding errors may occur with each resource

Source of Data

Wonder North: Shane Fieldgate, 2009: Bundarra Gold Project, Leonora, Western Australia. CSA Global Consultant Report to Terrain Minerals Limited.

Bluebush: Peter Ball, 2011: Bundarra Gold Project, Blue Bush Deposit, Mineral Resource Estimate. Datageo Consultant Report to Terrain Minerals.

Bluebush: Peter Ball, 2011: Bundarra Gold Project, Great Western Deposit, Mineral Resource Estimate. Datageo Consultant Report to Terrain Minerals.

Celtic: Keith Whitehouse, 2010: Mineral Resource Estimate, Celtic Open Pit, Western Australia. Auralia Consultant Report to Terrain Minerals

Table 2: Bundarra Tenement List

Tenement	Expenditure Commitment	Rent	HA
M37/350	\$13,000	\$ 2,002	129.95
M37/54	\$10,000	\$ 924	59.81
M37/488	\$10,000	\$ 360	23.69
M37/513	\$69,100	\$10,641	690.30
M37/514	\$43,600	\$ 6,714	435.20
M37/638	\$40,200	\$ 6,030	401.90
L37/201	-	\$ 1,750	-
Total	\$185,900	\$28,421	1,740.85

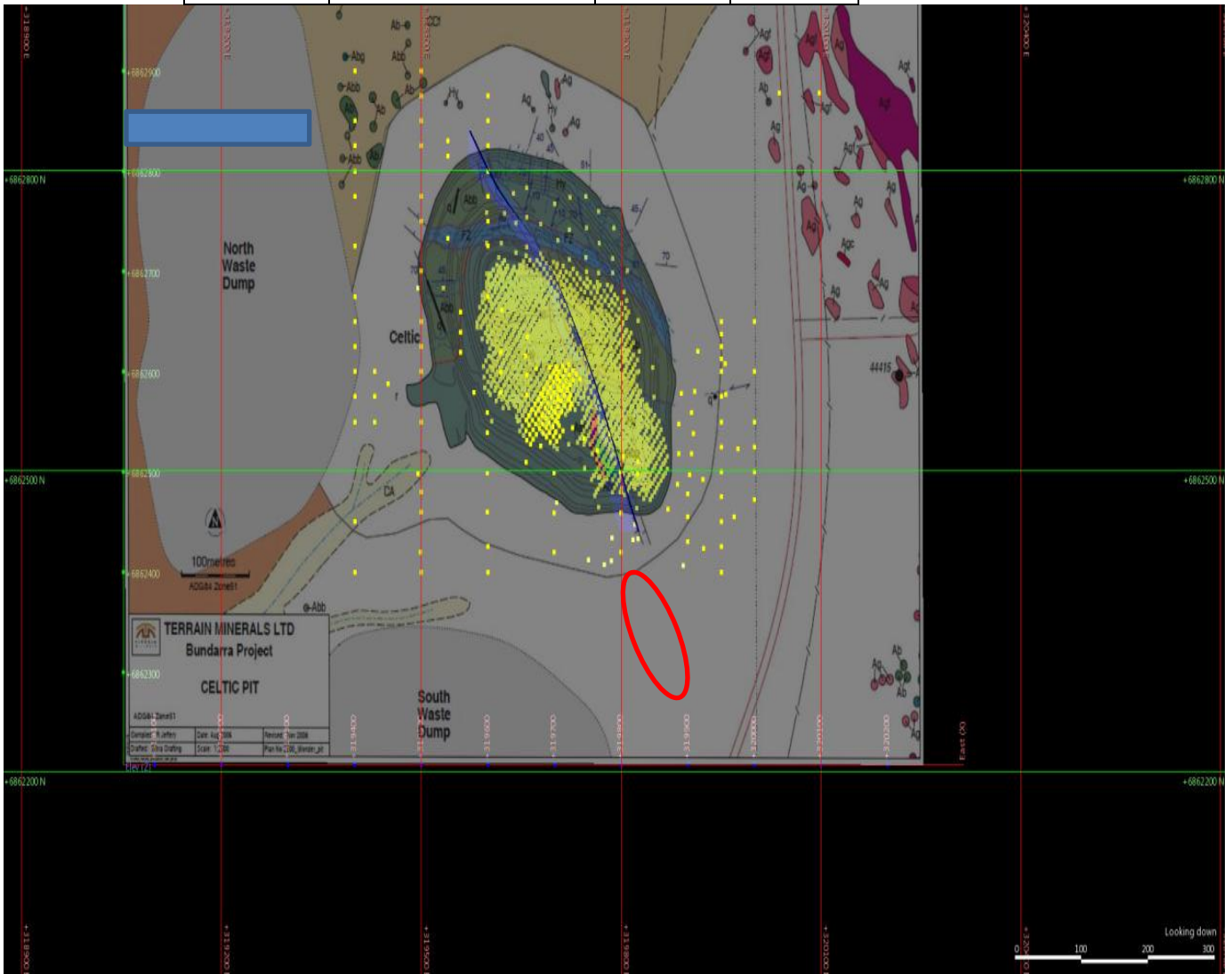


Figure 2. Plan view showing Celtic deposit, with drill collars in yellow, geological map and wireframe model of the two main faults/shears. Further drilling required is shown in red.

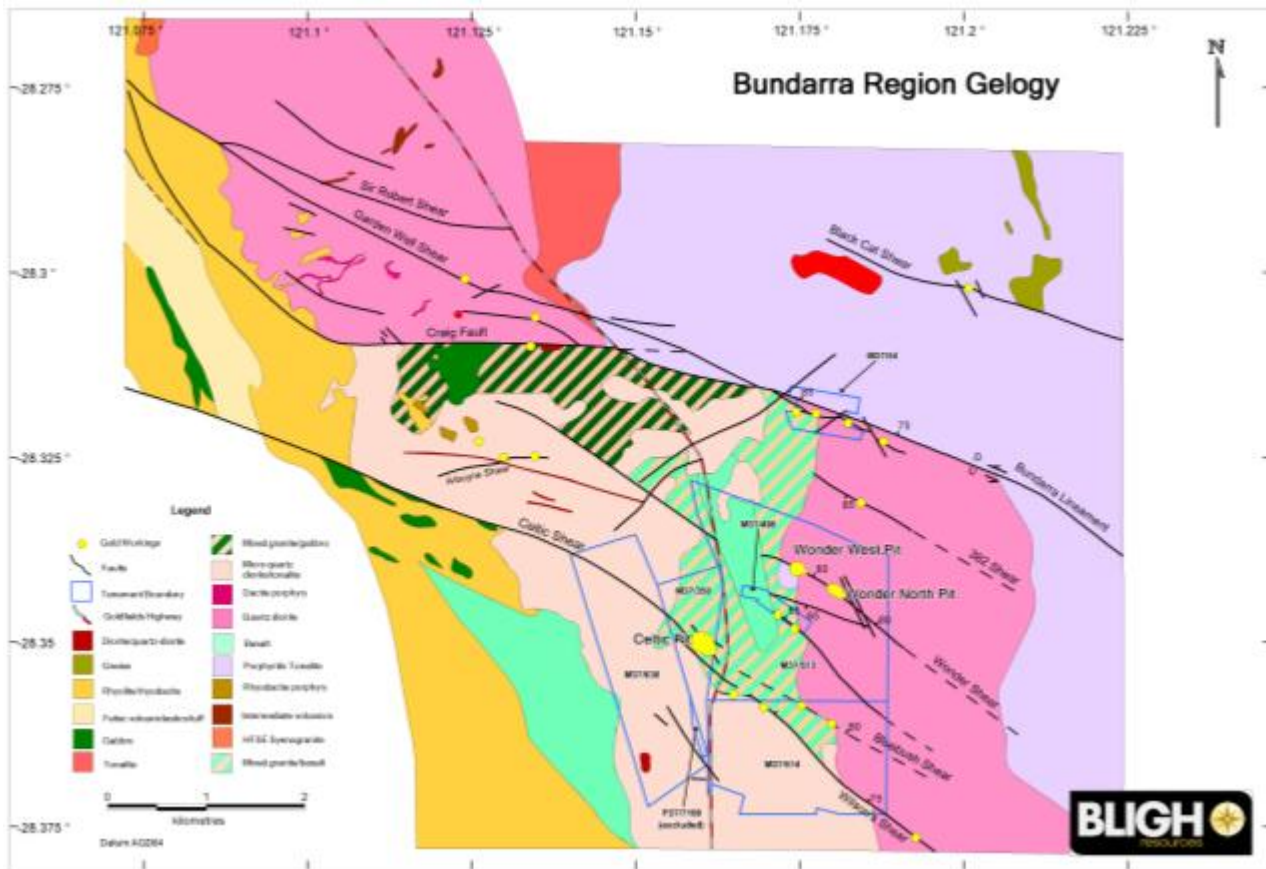


Figure 3. Regional geology Map Bundarra Project

Bligh's Development Plan

The acquisition of the 318,000 ounce Bundarra Gold Project in Western Australia will underpin Bligh's gold resource and provide a stepping stone to its existing highly prospective gold tenement portfolio in Leonora with an excellent medium term development opportunity. The immediate focus after completion of the acquisition will be to assess SRM's business plan which is to either build a low capital cost plant to produce ounces of gold at first quartile costs or toll mill the ore offsite.

Bligh's strategy is to secure its position by acquiring quality gold assets that provide:

- an existing JORC resource with the potential to extend those resources;
- near term tolling or production opportunity
- land position in highly prospective area within a 70 km radius of the Bundarra Project.

The Celtic project offers an excellent and immediate short term production strategy; it was previously mined by Sons of Gwalia. The Celtic Pit requires no large cut back as often occurs when revisiting historic pits. SRM acquired the Bundarra Gold Project from ASX Listed Terrain Resources (ASX: TMX) in October 2011. During Terrain Resources' ownership the company further enhanced the project with the installation of the dewatering pipeline to Wonder North and the granting of a Ground Water Licence. Terrain's grade control drilling program identified a relatively high grade 3.4 g/t au resource at the bottom of the Celtic pit. The Celtic open pit production plan requires virtually zero stripping and has readily accessible ore. All these attributes have made this transaction compelling for the purchaser. **Figure 4** shows the Celtic Pit in its current condition.

All pit models have been based on a gold price model of less than USD\$1,500 per ounce. SRM will focus on the approvals process and bringing Bundarra into production. Bligh has commenced discussions with various parties in regards to sourcing finance for the construction and commissioning of a 10,000 to 20,000 ounce P.A. plant.



Figure 4. Open cut Celtic Pit

Terms of Acquisition

Share Acquisition

Under the share purchase and subscription agreements Bligh will acquire 33.5% of the shares in SRM which represent a purchase price of A\$2.93 per ounce JORC Au excluding royalty obligations. The consideration comprises of:

- \$250,000 immediate payment; and
- the issue of 1,500,000 FPO Bligh shares at \$0.10c for 33.5% of SR Mining Pty Ltd. (2.6% of BGH's issued capital)

Senior Loan Facility

Bligh will also contribute \$1,000,000 of a \$1,600,000 Senior Secured First Ranking Loan ("Loan Facility") provided to the SRM with the balance of the Senior Loan to be provided by related parties of Aura Capital. The key terms of the Senior Loan are:

- Term: 12 months
- Interest Rate: 6% per annum
- Security: Senior First Ranking Security and Guarantee and Indemnity with Adrian Hall and Patrick Schimanski

Bligh has received a further 9.4% of the shares in SRM for this part of the transaction, resulting in a 42.9% fully diluted interest in SRM. Bligh and its co-lenders have a first ranking security over the SR Mining assets and personal guarantees from the original SRM Directors.

Bligh and its Co-investors have completed an extensive and detailed due diligence process (including legal, financial and technical aspects) over the last two months, and are very pleased with its findings and the opportunities that this transaction brings to all parties involved.

The transaction was completed on December 19th 2012 and funded through the Company's existing cash reserves. Bligh Non-Executive Director Mr Hanjing Xu will immediately join the Board as SRM's Chairman. Mr Xu was previously a Director of China Nonferrous Metals Industry Corporation (CNNC), and international listed mining companies including Executive Director of Sino Gold Ltd and Managing Director, Eldorado Gold China until late-2010. My Xu is currently a Director of ASX Listed Norton Gold Fields and Admiralty Resources.

Mr Xu's knowledge of China was instrumental to the success of Sino Gold. He led the Chinese corporation in its opening to international resource industry with a number of first breakthroughs in the Chinese mining industry, including first trade investment in alumina, first international project finance for mining, and first international company mining in China.

Mr Robert Benussi, Bligh's CEO has also been appointed to the Board of SRM upon the conclusion of the transaction.



Figure 5. Previous resource drilling at the Celtic pit

Aura Capital

Aura Capital and FSS Advisory was instrumental in facilitating and structuring the transaction on behalf of Bligh. Aura Capital has also previously supported Bligh in its initial public offering providing a \$500,000 convertible loan note facility for the purpose of fast tracking the Company's exploration programmes and pursuing acquisition opportunities.

Mr Eric Chan, Director of Aura Capital will also join the board of SRM to provide strategic and corporate advice.

Aura Capital Group is an independent advisory and investment business with offices in Australia and Singapore. The business has four focused divisions; Corporate Advisory, Investment Management, Venture Capital & Private Equity and Legal and Specialist Tax Services.

FSS Advisory

FSS Advisory is a privately owned investment company specialising in providing full service equities, broking advice, private wealth services and corporate advisory. FSS Advisory is wholly owned by its founders and staff and places significant emphasis on their position as a truly independent investment advisory firm, facilitating both flexible decision making and a strong alignment of interest with their clients.

Further information:

Rob Benussi: 0410 415 335 – CEO

Bill Guy: 0408 345 378 -Director- Exploration

Released through Fergus Ross, Six Degrees Investor Relations: 0420 980 448

-END-

Competent Person- Charles W Guy

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Charles William Guy who is a Member of the Australian Institute of Geoscientists. Charles William Guy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles William Guy consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. Charles William Guy is a full time employee of Bligh Resources Limited in the position of Managing Director- Exploration.

Competent Person-Shane Fieldgate Wonder North Resource Table1

*The information in this announcement that relates to Exploration Results is based on information compiled by Mr Shane Fieldgate who is a Member or Fellow The Australian Institute of Mining and Metallurgy. Shane Fieldgate has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Shane Fieldgate consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears in **Table 1: Bundarra Project Mineral Resource Estimate Statement 20th November 2012**. Shane Fieldgate is a full time employee of Bligh Resources Limited in the position of Managing Director- Exploration.*

Competent Person-Peter Ball Blue Bush and Great Western Resource Table 1

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy. Peter Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Ball consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears in Table 1: Bundarra Project Mineral Resource Estimate Statement 20th November 2012. Peter Ball is a consultant working for DataGeo Geological Consultants.

Competent Person- Keith WhiteHouse Celtic Pit Open Resource Table 1

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Keith WhiteHouse who is a Member of the Australian Institute of Geoscientists and The Australian Institute of Mining and Metallurgy. Keith WhiteHouse has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Keith WhiteHouse consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears in Table 1: Bundarra Project Mineral Resource Estimate Statement 20th November 2012. Keith WhiteHouse is a consultant for Australian Exploration Field Services.

References

Connelly, D, 2010: Terrain Minerals Ltd. Bundarra Gold Project. Celtic Pit Toll Treatment Advice.

SR Mining Pre-Feasibility Report May 2012 (Incomplete)

Table 6.7.1 outlines the batter angles proposed for the Celtic Open Pit. These angles are based on batters of 20 metres maximum vertical height with 5 metre wide berms. The quadrants are generated in a radial pattern from a central point 62620N, 19700E.

Table 6.7.1 Batter Angles Celtic Pit

Quadrant#	Bearing from (Degrees)	Bearing 2 (Degrees)	Depth (M)	Batter Angle (Degrees)
1	028	104	0-40	50
			40-60	55
			60-80	60
			80-130	65
			130-150	70
2	104	178	0-20	50
			20-40	60
			40-70	65
			>70	70
3	178	276	0-40	50
			40-60	60
			60-80	65
			80-140	70
4	276	297	0-40	50
			40-60	55
			60-80	60
			80-120	65
			120-150	70
5	297	337	0-60	50
			60-80	60
			80-120	65
			>120	70
6	337	028	0-30	50
			30-60	60
			60-140	65
			140-160	70

Wonder North: Shane Fieldgate, 2009: Bundarra Gold Project, Leonora, Western Australia. CSA Global Consultant Report to Terrain Minerals Limited.

Bluebush: Peter Ball, 2011: Bundarra Gold Project, Blue Bush Deposit, Mineral Resource Estimate. DataGeo Consultant Report to Terrain Minerals.

Bluebush: Peter Ball, 2011: Bundarra Gold Project, Great Western Deposit, Mineral Resource Estimate. DataGeo Consultant Report to Terrain Minerals.

Celtic: Keith Whitehouse, 2010: Mineral Resource Estimate, Celtic Open Pit, Western Australia. Auralia Consultant Report to Terrain Minerals

Whitehouse, K, 2010: Terrain Minerals Ltd, Mineral Resource Estimate, Celtic Open Pit, Western Australia, December 2010. Auralia Mining Consulting Report to Terrain Minerals. Rose, Steve, 2012 Desktop Study

BL IGH RESOURCES Celtic Project Bundarra Area, Leonora, Western Australia