FIFTH ANNUAL AND FINAL REPORT FOR BOOTU CREEK TWO PROJECT, NT

PREPARED BY BLIGH RESOURCES LTD

MAP SHEETS 1:250,000 Tennant Creek (SE 53-14) and the 1:100,000 Short Range (5659) and Flynn (5759)
GDA 94 ZONE 53

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Executive Summary

Bligh Resources Ltd (Bligh) is a listed public company focused on the exploration in Australia. Bligh is relinquishing its holdings on the Northern Territory to concentrate on gold exploration in Western Australia.

The Bootu Creek Two Project (the tenement) lies 36km south of the Bootu Creek Manganese Mine in the central Northern Territory. The tenement covers 43 exploration blocks totalling 13,600 ha of ground with a small area excised from the centre of the lease which forms EL22786.

The tenement occurs within the Tomkinson Province, a 5 km thick succession of minor metamorphosed and weakly deformed shallow marine sedimentary rocks. The Bootu Creek Two Project area covers a north to south-trending regional syncline containing manganiferous sediments of the Bootu Creek Formation. Strata bound manganese mineralisation outcrops on both the eastern and western limbs, along the contact zone between the Bootu Creek Formation and the Attack Creek Formation.

Manganese exploration and mining in the Bootu Creek manganese field commenced in 1954 at the Mucketty deposit. Renewed interest in the Bootu Creek manganese field resumed in the 1980s, when a number of exploration companies began searching for McArthur River-style base metals mineralisation.

BHP conducted exploration drilling in the mid 1990’s but relinquished the ground in 1998. It was acquired by N. Scriven who formed a joint venture with OM Holdings Ltd. A series of exploration drill programs were conducted along the Bootu Syncline and outlined shallow, consistent, relatively high grade manganese mineralisation along much of the strike-length. Mineralisation can be traced around the syncline as a series of black ridges and knolls. There are several manganese rich exposures on the eastern limb; Gogo, Skekuma and Chugga while Mucketty Mine is located on the western limb.

Work completed during Bligh’s tenure includes:
- Geological Mapping
- Literature Review
- Sample collection and thin section analysis
- Authority Certificate
- VTEM survey and interpretation
- Site visit and XRF sampling

Bligh has redirected the company’s focus to gold exploration and development. A reduction in commodity prices and the interpreted depth of anomalies has contributed to the company’s decision to relinquish the tenement.
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Universal Splendour and Bligh Resources Ltd authorize the department to copy and distribute the report and associated data.
1. Background
Bligh Resources Ltd (Bligh) is a listed public company (ASX: BGH) originally exploring for manganese and gold in Australia. Bligh entered into an agreement with Universal Splendour (USI), a private investment company in 2012. USI holds the adjacent tenement EL27651 covering a section of the syncline.

Table 1 Tenement Details

<table>
<thead>
<tr>
<th>Tenement Number</th>
<th>Current Holder</th>
<th>Granted</th>
<th>Surrendered</th>
<th>Blocks</th>
<th>Area (km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL27654</td>
<td>Bligh Resources Ltd</td>
<td>14/07/2010</td>
<td>11/08/2015</td>
<td>43</td>
<td>136.27</td>
</tr>
</tbody>
</table>

1.1. Location and Access
The Bootu Creek Two Project area lies to the west of the Whittington Range and is located 40 km south of the existing Bootu Creek Manganese Mine in the central Northern Territory. The lease is approximately 820 km south-southeast of Darwin, 70 km north of Tennant Creek and roughly 15 km from the Stuart Highway (Figure 1).
The tenement lies directly to the west of the Stuart highway. Access to the eastern part of the tenement is gained by the use of farm tracks connecting with the Stuart Highway. The railway from Darwin to Adelaide runs through the western part of EL27651 and access is possible from the railway service tracks. The Warrego road to the south runs parallel to the southern tenement boundary. Access to the central part of the tenement is possible via tracks off the Warrego road. Areas of interest within the tenement are reached by navigating across country.

The Bootu Creek area is on the 1:250,000 Tennant Creek (SE 53-14) and the 1:100,000 Flynn (5759) and Short Range (5659) map sheets.

Immediately south of the lease is the Banka Banka Station pastoral lease. The Darwin gas pipeline is located 45 km east of the tenement.

The climate is sub-tropical, with wet season rainfall of 50-125mm. The vegetation is mainly semi-arid scrubland, with areas of spinifex. The stream run-off is seasonal and the region has traditionally supported cattle ranching.

1.2. Regional Geology

The tenement occurs within the Tomkinson Province a 5 km thick succession of shallow marine sedimentary rocks which are weakly metamorphosed and weakly deformed. The Bootu Creek Formation and the Attack Creek Formation of the Tomkinson Province form part of a regional open, concentric synclinal fold which trends north-northwest. The western limb of this syncline has been offset by a north-northwest trending sinistral strike-slip fault that dips 50°E.

Manganese mineralisation occurs as shallowly dipping seams around the edges of the NWW- trending Bootu Syncline. The mineralisation is stratiform, regionally widespread and occurs near the base of the Bootu Formation a part of the 1805 – 1710 Ma Tomkinson Creek Group.

The mineralisation in the region is formed by the cumulative influence of a combination of processes, including low temp hydrothermal replacement and supergene enrichments. It is likely that there may be a sedimentological origin for at least some of the manganese.

1.3. Local Geology

To the east of the tenement, the main lithological units comprise of sediments of the Proterozoic Attack Creek and Bootu Creek formations (Figure 2). The Bootu Creek Formation outcrops as a 2,200 m thick, extensive, low-relief plateau. This thick unit is dominated by widely bedded sandstone and conglomerate, which is interbedded with thin intervals of various saline shallow- water sediments.

The Attack Creek Formation dated at 1752 Ma consists of dolostones, limestones, thinly bedded siltstone and mustone, chert and some beds of intraformed conglomerates. A conformable to locally erosive contact separates this unit from the Bootu Creek Formation.

The tenement covers the southern part of a regional north-trending syncline which plunges gently at 25° to the south and is modified by several faults that are sub-parallel to the fold axis.

The western part of the tenement is gently undulating and geological formation is covered by overburden which thickness is not known. This recent sedimentary cover is masking the underlying geology and possible repeats of the sedimentary series of the Bootu Creek Formation and Attack Creek formation, host to the manganese mineralisation. The stratiform manganese mineralisation in the project area occurs near the base of the Bootu Creek Formation.
Figure 2 Bootu Creek Two Project Geology
It is at a consistent stratigraphic level, lying just below a laterally widespread sandstone unit that is approximately 50 m above the base of the succession. Manganese occurs on both limbs of the syncline, near the disconformable contact with the underlying Attack Creek Formation. This bed-like manganiferous interval outcrops as a series of black ridges and knolls around the fold closure. There is a 17km long potential strike-length along this contact.

Typically, the mineralisation comprise a basal, high grade manganiferous shale several metres in width, overlain by a similar width of lower-grade, medium-grained manganiferous sandstone. The mineralization occurs as epigenetic lens and vein replacements of interbedded quartz arenite, dololutite and dolomitic siltstone and grade varies along strike. Manganese oxides predominantly consist of amorphous and massive cryptomelane, with minor psilomelane, pyrolusite and hollandite.

A succession of alternating siltstones and sandstones overlie the main bed of manganese mineralisation. These units contain small, sporadic patches of manganiferous mineralisation. Elsewhere the tenement is overlain by Cainozoic quartz-rich colluvial fan deposits, silcrete and alluvium.

2. Previous Exploration History

Manganese exploration and mining in the Bootu Creek manganese field commenced in the 1954 at the Mucketty deposit, which is north of the present day Bootu Creek Manganese Mine. The five shallow open cuts produced 13,208 t at 42 % Mn as pyrolusite (manganese dioxide).

Renewed interest in the Bootu Creek manganese field resumed in the 1980s, when a number of exploration companies began searching for McArthur River style base metals mineralisation.

Minor drilling and rock chip sampling programs failed to find economic base metals or manganese mineralisation. However by the mid – 1990s BHP had intersected economic manganese mineralisation at depth on the eastern side of the Bootu Syncline, near Mucketty Mine. The best intercept was 15 m at 14.75% Mn.

After BHP relinquished the ground in 1998, it was acquired by N. Scriven who subsequently formed a joint venture with OM Holdings Ltd. The latter conducted a series of exploration drill programs along the Bootu Syncline and outlined shallow, consistent, relatively high grade manganese mineralisation along much of the strike-length.

Major RC and diamond drilling programs has established a total resource of 11.0 Mt at 26% Mn by September 2003 and mining began in November 2005. By the end of September 2007 Bootu Creek Mine has produced over 570,000 t of ore, this figure included 393,000 t at 42.45 % Mn.

In December 2009 OM holdings project resource was upgraded to 32.9 Mt at 23.1% Mn with an expected mine life of at least 15 years.

3. Exploration Rationale

The geology and structural setting of EL27654 is similar to that of OM Holding’s Bootu Creek Manganese Mine which is situated 36 km to the north and has a 2009 resource of 32.9Mt at an average of 23.1% manganese.

Exploration would be focused within the base of the Bootu Creek Formation where manganese mineralisation has previously been reported (Scriven and Munson, 2007).
4. Title History 2010-2015
The following outlines exploration work completed by USI/BGH and is shown in the index map (Figure 3).

4.1. Reporting Period July 2010 – July 2011
Exploration work carried out during the first reporting year included the purchase of satellite and regional data sets for analysis and review.

A reconnaissance/geological mapping trip was cut short by five days as result of adverse weather conditions. Mapping focused on the syncline in the centre of the tenement. Observations noted manganese enrichment to be stratabound and occurring preferentially within the nose of the syncline.

4.2. Reporting Period July 2011 – July 2012
A corporate transaction was completed in February 2012 with Universal Splendour, a private investment company holding the adjacent tenement – EL27651.

A VTEM survey was planned to cover EL27654 and a portion of EL27651. Using a VTEM survey as an exploration tool for manganese had previously been used with some success at Groote Eylandt and OMH’s Bootu Creek site (Ferenczi, 2001). An extended wet season delayed the completion of the survey.

4.3. Reporting Period July 2012 – July 2013
An initial VTEM interpretation was completed in 2012. Targets were prioritised by:

- Relation to CDI depth slices;
- Strength and nature of the EM response;
- Position in relation to geology/host rocks and structures;
- Relation to known surface manganese;
- Known historical workings.

The 9 anomalies identified within EL27654 are summarized in Table 1 below and are shown in Figure 3. A further recommendation was to complete additional modelling to allow for better understanding of the dip of conductive bodies and maximum depth.

<p>| Table 2 VTEM Interpretation from Southern Geoscience |
|-----------------|-----------------|-----------------|-----------------|
| <strong>Target</strong>      | <strong>Location</strong>    | <strong>Priority</strong>    | <strong>Comments</strong>    |
| BCrk_VC-1       | 399,520 mE, 7,891,910 mN, Line 10080 | 1               | This anomaly is the northern most part of a conductive zone along the eastern arm of the syncline and is of primary exploration interest. Located in nose of syncline - in geologically similar placement to Bootu Creek type deposits. |
| BCrk_VC-2       | 401,150 mE, 7,890,340 mN, Line 10160 | 3               | Anomaly is situated in the Attack Formation. Appears to be a shallow EM feature, therefore not a high priority. Might be structurally bound by possible faulting/ folding at this point in the syncline. |</p>
<table>
<thead>
<tr>
<th>Anomaly Code</th>
<th>Location</th>
<th>Priority</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCrk_VC-3</td>
<td>400,790 mE, 7,889,710 mN, Line 10190</td>
<td>2</td>
<td>Manganiferous unit possibly restricted by folding and/or faulting within the syncline arm and therefore a probable area of mineralisation.</td>
</tr>
<tr>
<td>BCrk_VC-4</td>
<td>401,895 mE, 7,887,550 mN, Line 10300</td>
<td>1-2</td>
<td>Anomaly strata bound within Bootu Creek formation to the east and faulting to the south west.</td>
</tr>
<tr>
<td>BCrk_VC-5</td>
<td>397,920 mE, 7,888,300 mN, Line 10260</td>
<td>2</td>
<td>Anomaly primarily mapping contact between Bootu Creek and Attack formation units; probable area of manganese mineralisation.</td>
</tr>
<tr>
<td>BCrk_VC-6</td>
<td>400,005 mE, 7,887,350 mN, Line 10310</td>
<td>4</td>
<td>EM response and derived CDIs indicate a shallow, surficial anomalous feature and is a low priority.</td>
</tr>
<tr>
<td>BCrk_VC-7</td>
<td>400,110 mE, 7,885,920 mN, Line 10380</td>
<td>4</td>
<td>Similar to BCrk_VC-6. Some indication of manganese at surface However EM response is mostly early to mid time indicating shallow surficial anomaly. Low priority.</td>
</tr>
<tr>
<td>BCrk_VC-8</td>
<td>403,400 mE, 7,884,510 mN, Line 10450</td>
<td>2-3</td>
<td>While located in the Attack Formation, the complex folding of the extremity of the eastern arm of the syncline, coupled with known faulting to the north, has probably made this area more favourable for Mn mineralisation. Therefore a higher priority than BCrk_VC-2</td>
</tr>
<tr>
<td>BCrk_VC-9</td>
<td>403,410 mE, 7,882,750 mN, Line 10540</td>
<td>1-2</td>
<td>Anomaly located in extremity of the eastern arm of the syncline, within the Bootu Creek unit. Priority second to BCrk_VC-1</td>
</tr>
</tbody>
</table>

An Authority Certificate application was completed over the tenement. This resulted in a number of areas being identified as Restricted Works Areas. The Restricted Works areas have led to Anomalies BCrk_VC-3, 6 and 7 being eliminated from future work and sections of BCrk_VC-1, 2 and 4 also being eliminated.

In early 2013 further interpretation of four of the VTEM anomalies (not located within Heritage Sites) was undertaken to help design a reconnaissance drilling program. Further modelling of the dip, plunge, depth and length of the four anomalies was completed.

A site visit to inspect VTEM anomalies was conducted in 2012. Anomalies BCrk_VC 3 and 4 were downgraded as they were dominated by sandstones. Anomalies BCrk_VC-1, 2, 5 and 8 contain areas of sub-cropping Mn with XRF ranges between 5-13%. On the outer edge of anomaly BCrk_VC-7 a 20 m creek section returned XRF readings of 6-20% Mn. BCrk-VC 9 is completely covered by colluvium but is noted as a high priority geophysical target.

Iron content within the VTEM anomalies is variable with maximum values of 53% from portable XRF readings. The manganese mineralisation occurs as sub crop and in creek sections. As the VTEM anomalies sit in topographical recessive area’s all targets are covered or partial covered in shallow scree and alluvium. The scree usually consists of sandstone and quartzite from the topographic high ridges formed by the sediments.

Selections of rocks collected during the site visit were sent for thin section analysis. The XRD analysis identified pyrolusite as a fine grained matrix to quartz sand in a part silicified manganese oxide mineralised quartz sandstone. Pyrolusite was also present in a siliceous ferruginous limestone containing manganese oxides.
An MMP was submitted to the department in early 2013 to carry out a small scale drilling program over the remaining VTEM anomalies. Results from site visits and XRF sampling show manganese at the surface within areas interpreted from the VTEM survey.

Figure 4  VTEM anomalies identified at Bootu Creek Two Project
Figure 5 Bootu Creek Two Project

A site visit was planned to take place during June/July of 2014 at the project area. Planning and scope of works was discussed with contract geologists based in Tennant Creek, however this work was suspended by the board of Bligh Resources. The following activities were completed during the reporting year:

- Exploration strategy research and review
- Fieldwork planning – (suspended)
- Waiver of Reduction Application

As a result of the current economic climate the current exploration strategy was re-evaluated. This resulted in planning to carry out ground EM and/or gravity surveys over the VTEM anomalies to further constrain prospective areas for the proposed drilling. The MMP was revised and scaled back to include a reduced number of drill holes at each VTEM anomaly.

Ground EM surveys have had previous success in manganese exploration, and have been used in exploration for manganese with some success e.g. Bootu Creek, McArthur and Woodie Woodie (Ferenczi, 2001).

Fieldwork was proposed to include a systematic sampling across the anomalies and geophysical surveys. Positive rock chip results combined with anomalous geophysical results would provide a convincing argument to complete the reconnaissance drilling program.

5. Exploration Completed in Reporting Period 2014 -2015

A work proposal was completed to engage a consultant to complete a Ground EM survey over an area around the VTEM anomaly. This work was suspended by the Bligh Resources board as the company shifted its focus to gold exploration.

The decision was made in July 2015 to surrender the tenement.

6. Surrender Rationale

A review of the project was completed and the interpreted depth of the VTEM anomalies; changes in commodity prices; a redirection of Bligh Resources to focus on gold over manganese has led to the decision to surrender these tenements.
7. References


OM Holdings Ltd. (25/2/10) ASX Announcement, Bootu Creek Manganese Project Ore Reserve Update.

Scriven N.H. and Munson T.J. (2007) Manganese in the sand and Spinifex, Bootu Creek Area, Northern Territory.

Vivian R. (2005), Annual Report for Attack Creek, EL22786. Bootu Resources Pty Ltd.