



QUARTERLY REPORT

FOR THE PERIOD ENDED 31 JULY 2013

ASX CODE: BDI

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ACTIVITIES

- Continued assessment of various opportunities presented to the Company by the consultant, Metallica, for projects in the African continent. The Company remains vigilant of new opportunities whilst preserving its cash resources.
- Continued to monitor the diamond sector and assess opportunities for the Company's diamond exploration assets near Ellendale in Western Australia.
- Continued environmental monitoring and maintenance.
- KDC commenced Statutory Demand Proceedings which the Company is defending.

CASH AT END OF QUARTER

As at 30 June 2013, the cash on hand was \$539,000. Overall, the cash movement for the quarter was a net decrease of \$342,000. Cash outflows for the quarter totalled \$359,000. This mainly comprised of payments for tenement administration in Australia (annual rent and rates), payment of drilling works conducted on the Diapaga Golf Project which were incurred in the previous quarter and the costs of reviewing potential exploration projects, totalling \$206,000. The remaining costs are associated with administration costs, including legal costs of \$51,000 in relation to defending the Statutory Demand Proceedings.

TECHNICAL OVERVIEW

Blina continued work during the quarter on the Diapaga Gold Project, which is located in southeastern Burkina Faso, 420 km from the capital city of Ouagadougou.

The Project is a joint venture between Blina and Golden Rim Resources Ltd (GMR), whereby Blina may earn up to an initial 51% interest by spending US\$2 million on exploration over 30 months (from the date of execution of the Terms Sheet). However, Blina may elect to withdraw from the agreement provided it has spent at least US\$500k towards joint venture expenditure.

Upon Blina earning a 51% interest, and should GMR elect not to contribute to the Joint Venture, the Company may earn an additional 19% interest by spending a further US\$1.5 million within 24 months of the notice by GMR not to contribute.

Diapaga is located in a northeast trending Birimian greenstone belt that has seen recent exploration success to the southwest of Blina's joint venture area. The Natougou Gold Project of Orbis Minerals lies 25 km southwest of Blina's tenements and Orbis has recently announced impressive results from a flat lying structure outlined within a large 50 square kilometre gold-in-soil anomaly. Initial drilling by Orbis has recorded an average intersection of 6.0m @ 4.06g/t Au from all holes drilled, so far. Their initial results suggest a multi-million ounce gold resource.

Results of the auger drilling programme were analysed and plotted on the geophysical interpretation map (Figure 1). This shows that the anomalous +10ppb results are generally confined to the 30km long northeast trending regional shear zone. This zone will be the focus of a detailed auger programme in the 2014 field season.

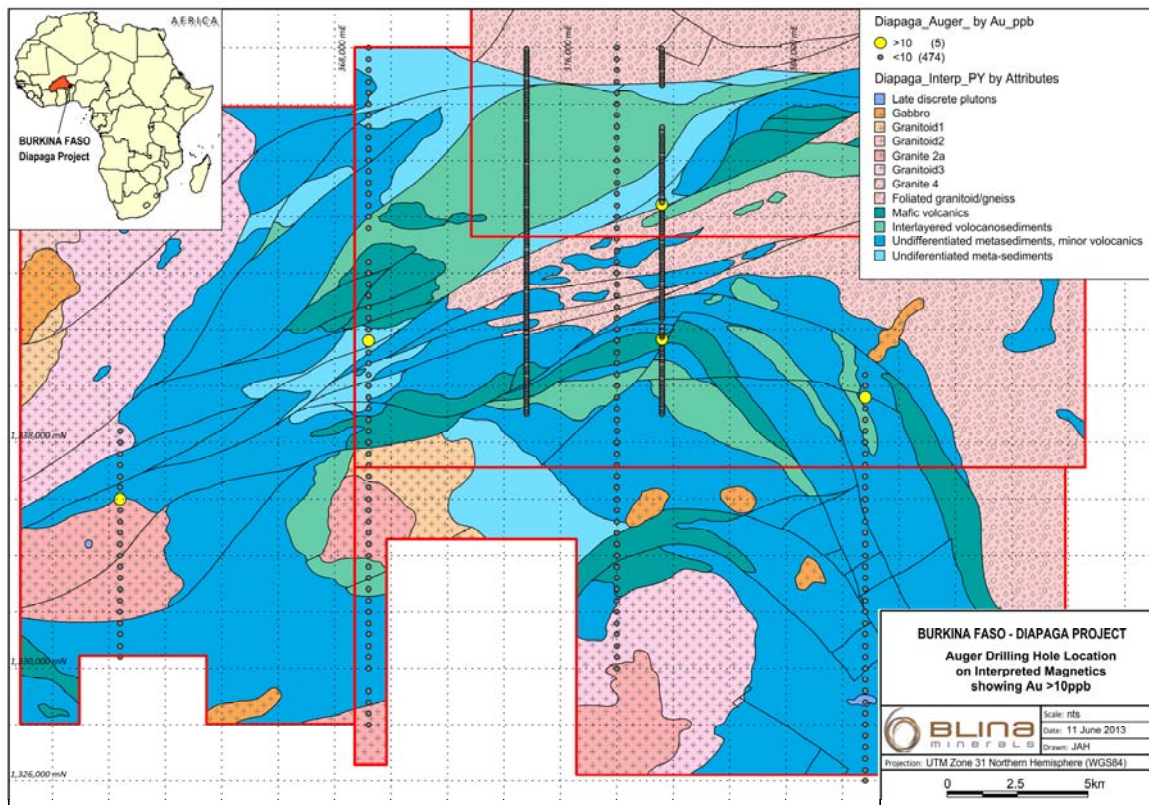


Figure 1: Anomalous Augur Results

About the Diapaga Joint Venture

The Diapaga Gold Project comprises four permits in south east Burkina Faso; Bagari, Gounda, Anyaga and Kountiagou.

The Diapaga tenements cover an area of 960 km². They lie on the northeast trending Diapaga Birimian greenstone belt that is bisected by a series of major and complex shear structures running into Niger and connected to the major Markoyo Fault system. This fault system hosts a number of important gold deposits in Burkina Faso, including Taparko (1.7 Moz), Kiala (2.7 Moz), Essakane (5.3 Moz) and Bombore (5.1 Moz).

Several cross cutting structures intersect the northeast shear structures in the project area. These intersection areas are considered priority target areas for locating significant gold mineralisation. The main lithological units at the Diapaga project include typical Birimian volcano sediments intruded by a series of mafic and felsic intrusions. New artisanal gold diggings have commenced in the area.

Due to its remoteness, the Diapaga Birimian greenstone belt is one of the most under explored greenstone sequences in Burkina Faso and has received no significant modern exploration.

Blina believes that the Diapaga project is highly prospective for disseminated infusion-hosted gold deposits, similar to GMR's Balogo Project, and shear-hosted gold deposits.

The entire Diapaga project area was covered by a high resolution airborne magneto/radiometrics survey flown by Aeroquest. A total of 5,494 line km was flown.

The magnetic data has highlighted a number of very significant structural features at Diapaga including a major east north east trending shear system that bisects the project area. This shear has a strike extent of 37 km and is around 11 km wide.



Figure 2: Source Golden Rim Resources

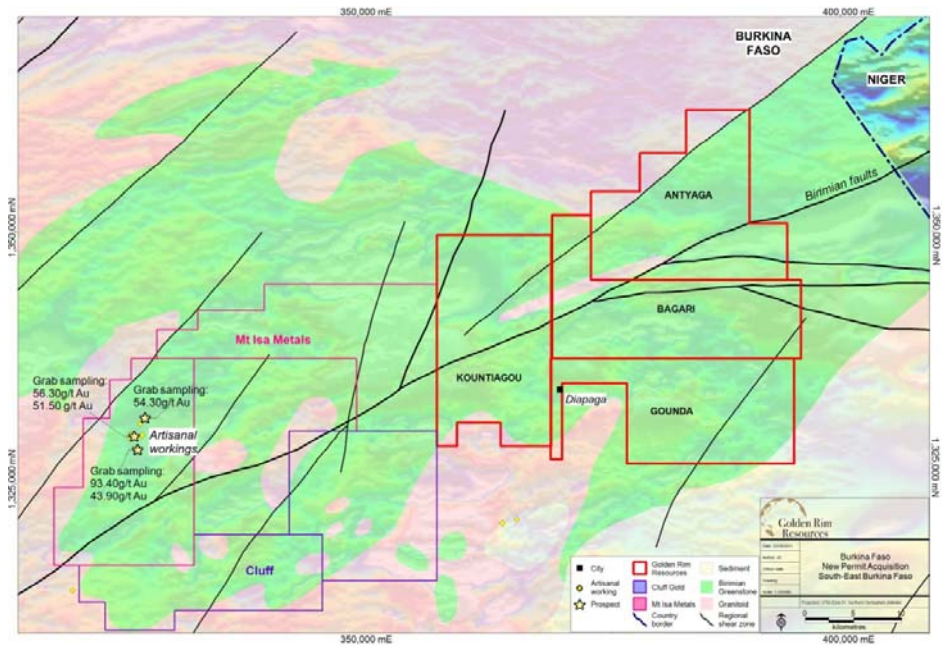


Figure 3: Source Golden Rim Resources

Diamond tenements

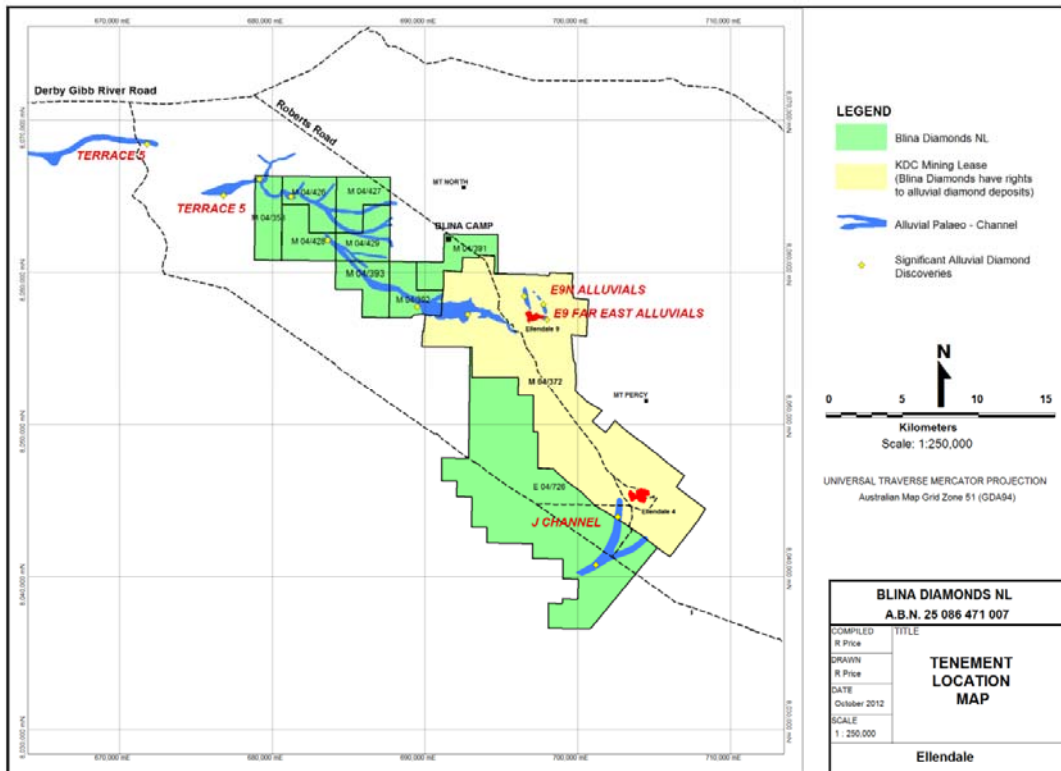
Blina’s current tenements are in good standing. Details of the tenements and their location are set out below:

Schedule of Mining Tenements – 30 June 2013			
Tenement	Notes	Area (km²)	Date of Grant
E 04/0726	1	95	21/01/1993
M 04/372	2	124	23/11/1999
M 04/391	1	10	10/06/2004
M 04/392	1	9	10/06/2004
M 04/393	1	10	10/06/2004
M 04/426	1	10	19/02/2007
M 04/427	1	10	19/02/2007
M 04/428	1	10	19/02/2007
M 04/429	1	10	19/02/2007

Notes:
 1. Blina registered tenement – 100% Blina
 2. KDC Registered Mining Lease

Figure 4 – Tenement location





Brett Fraser
 Director
 31 July 2013

Competent Persons Statement

The Information in this public report that relates to exploration results of the Company is based on information compiled by Mr David Porter who is a Fellow of the Australasian Institution of Mining and Metallurgy and a consultant to the Company. Mr Porter's services are provided under contract by Metallica Investments Pty Ltd. Mr Porter 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 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Porter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.