



QUARTERLY REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2013

ASX CODE: BDI

ACTIVITIES

- A review was carried out of the Diapaga gold project in Burkina Faso and a follow up programme prepared to investigate anomalous results from the orientation programme completed in 2013. This auger drilling programme will most likely commence in March 2014.
- Gold and iron ore reconnaissance was carried out by the Company's consultant in Africa.
- Some of the Kimberley tenements were surrendered after a review of the overburden, width, thickness and grade of certain channels.
- Negotiations were commenced with the insurer in relation to settlement of the claim following the extensive bush fire which impacted the Blina camp in September 2013.

CASH AT END OF QUARTER

As at 31 December 2013, the cash on hand was \$408,000. Overall, the cash movement for the quarter was a net decrease of \$114,000. Cash outflows for the quarter totalled \$129,000. This mainly comprised of payments for tenement management in Australia and Burkina Faso totalling \$94,000. The remaining costs are associated with administration costs.

BURKINA FASO

Blina continued to evaluate and assess 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.

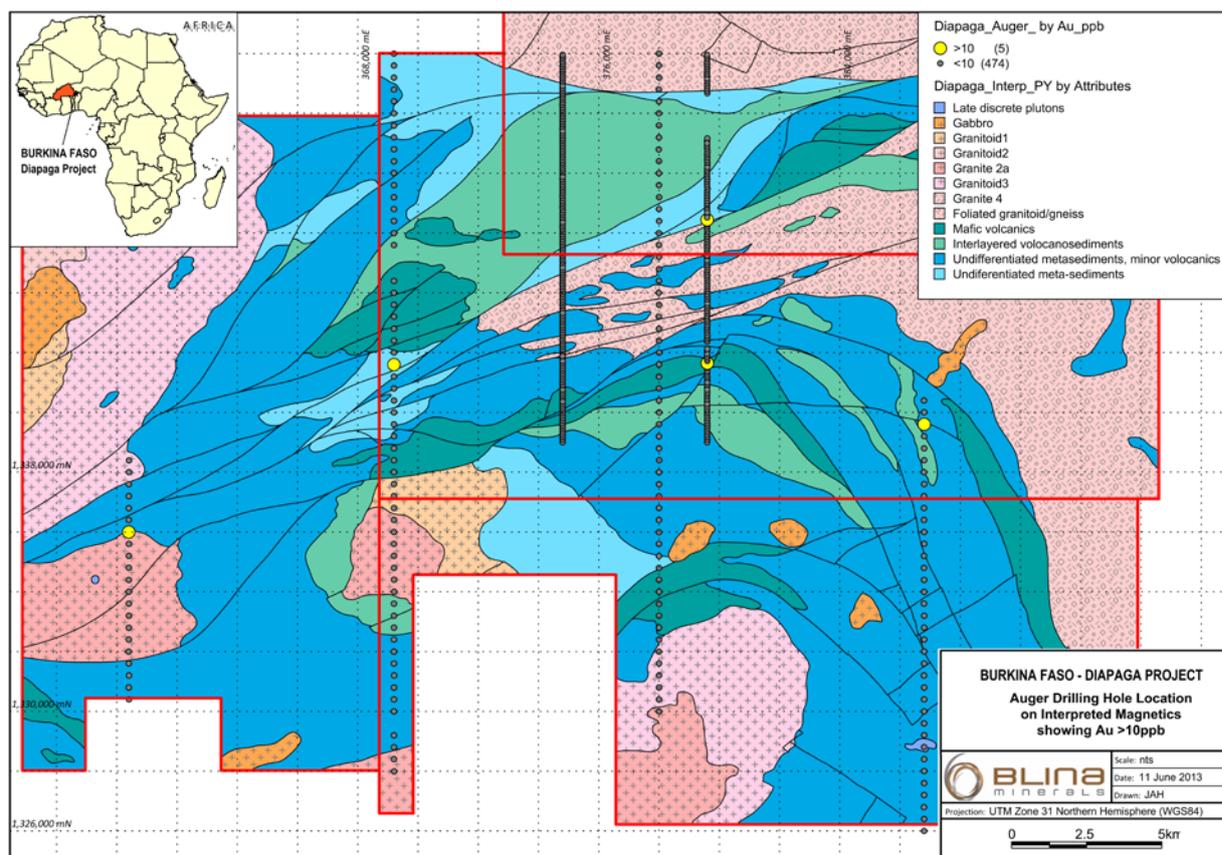


Figure 1: Anomalous Auger Results

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 intrusion-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

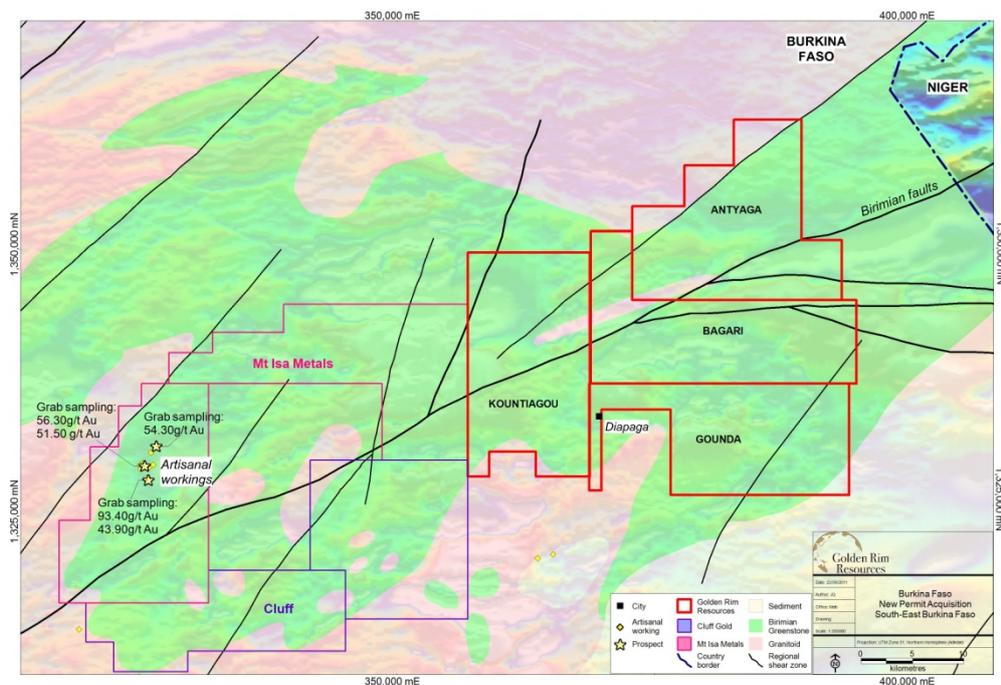


Figure 3: Source Golden Rim Resources

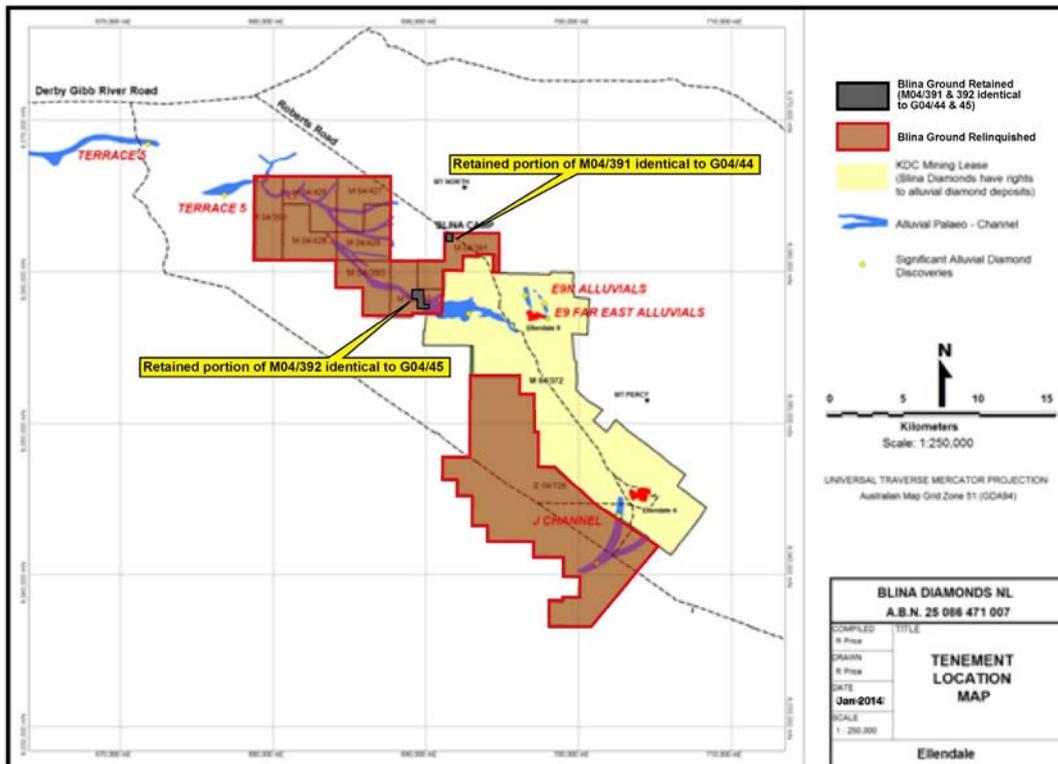
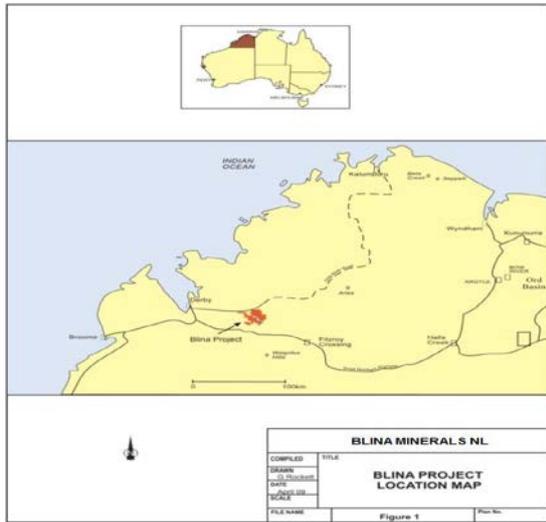
SURRENDER OF KIMBERLEY TENEMENTS

During the quarter, tenements M04/426 to 429, M04/393 and E04/426 were surrendered and partial surrenders were lodged for M04/391 and M04/392. M04/391 was reduced in size from 997.3 ha to 21.5467 ha and M04/392 was reduced in size from 926 ha to 80.0091 ha.

What remained of M04/391, which covers the Blina Camp and associated infrastructure was covered by a General Purpose Lease G04/44 and what remained of M04/392, which covers the wet processing plants, tailings storage facility and associated infrastructure was covered by a General Purpose Lease G04/45.

On 15 January 2014, Conditional Surrenders were lodged for what remained of M04/391 (surrender being conditional upon the grant of G04/44) and M04/392 (surrender being conditional upon the grant of G04/45)

Figure 4 – Tenement location



Schedule of Interests in Mining Tenements as at 31 December 2013

Tenements	Location	Held at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
M04/391	Kimberley, WA	100%	-	-
M04/392	Kimberley, WA	100%	-	-
E04/726	Kimberley, WA	-		100%
M04/426	Kimberley, WA	-		100%
M04/427	Kimberley, WA	-		100%
M04/428	Kimberley, WA	-		100%
M04/429	Kimberley, WA	-		100%
M04/393	Kimberley, WA	-		100%
G04/44	Kimberley, WA	100%	100%	-
G04/45	Kimberley, WA	100%	100%	-

Notes:

Tenements M04/426 to 429, M04/393 and E04/426 were surrendered on 15 November 2013. Partial surrenders were lodged for M04/391 and M04/392 on 29 November 2013. M04/391 was reduced in size from 997.3 ha to 21.5467 ha and M04/392 was reduced in size from 926 ha to 80.0091 ha.

What remained of M04/391, which covers the Blina Camp and associated infrastructure was covered by a General Purpose Lease G04/44 and what remained of M04/392, which covers the wet processing plants, tailings storage facility and associated infrastructure was covered by a General Purpose Lease G04/45.

On 15 January 2014, Conditional Surrenders were lodged for what remained of M04/391 (surrender being conditional upon the grant of G04/44) and M04/392 (surrender being conditional upon the grant of G04/45)

Farm-In Agreements	Location	Held at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
Diapaga Project (earning up to 70%) 2011/11 202/MCE/SG/DGMCG 2011/11 204/MCE/SG/DGMCG 2011/11 205/MCE/SG/DGMCG 2011/11 206/MCE/SG/DGMCG	Burkina Faso	-	-	-

Brett Fraser

Director

31 January 2014

Competent Persons Statement

The Information in this public report that relates to exploration results of the Company is based on and fairly represents, information and supporting documents 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 mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Porter consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.