Quarterly Activities Report

BLINA MINERALS NL

ASX ANNOUNCEMENT

30 April 2018

Board:

David Porter
Non-Executive Director

Brett Fraser
Non-Executive Chairman

Jay Stephenson
Non-Executive Director

Capital Structure:

3.164 Billion Shares

605 Million Options
@ 0.17c exp 31/10/2020

ASX Code: BDI

Highlights

- **Blina Minerals completed technical and legal due diligence on the acquisition of the La Cobaltera cobalt project in the Atacama region of Chile in South America and on 28 February 2018 advised the vendors that it had decided not to proceed with the acquisition.**

- **A field drilling programme of 5,000 metres of drilling at the Diakouli Gold Project was delayed by terrorist violence in the capital city of Ouagadougou in Burkina Faso on 2 March 2018 which left 35 people dead.**

La Cobaltera Project

Blina Minerals NL (ASX: BDI) ("Blina Minerals" or "the Company") had until 28 February 2018 to complete the technical and legal due diligence on the La Cobaltera Project ("the Project"). On this date, Blina Minerals advised the Shareholders of La Cobaltera Pty Ltd ("LCPL") that it was not proceeding with the acquisition and terminated the Heads of Agreement dated 30 October 2017.

The Heads of Agreement ("HoA") dated 30 October 2017 with LCPL was to acquire a 100% interest in LCPL and the Project, a highly promising cobalt exploration project located in the historic high-grade cobalt producing La Cobaltera precinct in Chile. The acquisition was approved at the Annual General Meeting of Blina Minerals on 30 November 2017 subject to due diligence studies.

La Cobaltera Pty Ltd ("LCPL") holds exploration licenses over an area of about 29 square kilometres surrounding the historic mining district. It also held an option to acquire other mining tenements from Comet Minerals. However, it did not hold and could not acquire the prospective historic areas which were crucial to an amalgamation of the complex tenement holdings. On 25 January 2018 the Chilean national newspaper announced that Genlith, a US investment fund of Philadelphia USA would invest over US$100 million to acquire and develop the historic tenements.

From technical due diligence studies conducted by Blina Minerals it was concluded that historic production of up to 20,000 tonnes of cobalt ore produced per year between 1844 and 1944 along the La Cobaltera trend was from cobalt-rich sections of deep copper mines or as a by-product of copper-rich ores from these mines in the district which in places have been mined to 600 metres. The cobalt-rich veins such as Depreciada, Negita, Chancho and San Pedro are thin and have limited mining carried out. Exploration for deep or hidden copper deposits would therefore be expensive.

Due diligence sampling of old workings by Blina Minerals on the LCPL exploration licences showed some high copper values. The cobalt values associated with the high copper were low and where observed the copper veins were thin and of limited strike extent. In the exploration licence areas outside of the known thin veins there is excellent outcrop and it was thought that any secondary copper-cobalt mineralisation would have been easily recognised by prospectors and therefore it was concluded that there was limited scope for the discovery of a near surface copper-cobalt deposit of commercial tonnage and grade.

Diakouli Gold Project, Burkina Faso

Blina Minerals has been waiting final approval for the renewal of the Diakouli East and Diakouli West Exploration Permits. The Cadastre Department of the Mines Department has been closed for a technical upgrade of the coordinate system but reopened in the middle of February and Blina Minerals dossier is before the Minister of Mines.

Blina Minerals has designed a drilling programme of 5,000 metres and commissioned Sahara Minerals to carry out the work. This programme was delayed by a terrorist attacked in Ouagadougou on 2 March 2018 which left 35 people dead. The programme will test the southern and eastern part of Diakouli West where mafic volcanic rocks within the Natougou structural corridor are in contact with a circular diorite intrusive rock. Historic soil sampling by Blina Minerals has produced gold-in-soil values of up to 1,174ppb in transported regolith. An interpreted circular structure from aeromagnetic data lies on the contact between the mafic rock and diorite and this target will also be drilled.

As previously reported, the Diakouli Exploration Permits, comprising Daikouli East, Diakouli West and Diakouli South were provisionally renewed for a period of 9 years as two separate tenements one in the name of Blina Minerals SA and the other in the name of SEB SA, the private Company of Mr B Traore (Fig. 2). Blina Minerals has a joint venture with Mr Traore under which the Company may earn an 80% interest by spending US$500,000 over 4 years. Current expenditure is about US$370,000. The delay in renewal of the licenses was due to introduction of the new Mining Code in Burkina Faso.

Dingo Gold Project, E31/1138

No work was completed on the Dingo Gold Project in the March 2018 Quarter.

Project Development Work

During the March 2018 Quarter, Blina Minerals has continued to review new projects for cobalt and copper in Africa and Australia.

Competent Person Statement

Information in this report that relates to exploration results is compiled by Mr David Porter, BSc (Hons), MSc, FAusIMM, a non-executive Director of Blina Minerals, and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Porter has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity upon which he is reporting on 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 Porter consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.

Contact:

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure samples are representative and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other examples more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Blina Minerals Limited ("Blina" or the "Company") has undertaken surface rock chip sampling and stream sediment sampling. Rock chip samples were collected by a contract geologist from existing workings or from surface outcrop based on observations of veins during mapping. Stream sediment samples collected from the stream bed of ephemeral drainage across the granted exploration permits held on behalf of La Cobaltera Pty Ltd. Stream sediment samples were collected in secondary stream beds above respective convergence points with the main stream from depths to 0.5m. The total fraction of the sample was submitted for analysis. • Rock chip samples were crushed and split at the laboratory, with ~1kg pulverised, with ~150g used for ICP-AES assay determination (for multi-elements including Cu and Co). A 30g charge was taken for fire assay fusion (for gold). • Stream sediment samples were crushed and split at the laboratory, with ~1kg pulverised, with ~150g used for multi-element package by aqua regia digestion (for multi-elements including Au, Cu and Co). • The sampling techniques used are deemed appropriate for early stage exploration and this type of mineralisation.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Not applicable – No drilling undertaken.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Not applicable – No drilling undertaken.

Criteria	JORC Code explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Not applicable – No drilling undertaken.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise that samples are representative. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• For the surface rock chip and stream sediment samples, the average weight of sample was 0.9kg, with all ranges of sample weighing between 0.16-2.13kg. • All samples were submitted to ALS Copiapo for multi-element analysis. • The sample preparation included: All samples were crushed such that particle sizes >10mm were reduced by jaw crusher to 70% being less than 6mm. Samples were then split via rotatory splitter to achieve ~1kg split, The split samples was then pulverised such that a minimum of 85% passes 75um and 150g was used for analytical pulp. • Rock chips: ICP-AES assay determination (for multi-elements including Cu and Co). A 30g charge was taken for fire assay fusion (for gold). • Stream sediment samples: multi-element package by aqua regia digestion (for multi-elements including Au, Cu and Co).
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• All samples were assayed by industry standard methods through commercial laboratories in Chile (ALS). Rock chips: 150g pulps derived from sample preparation (outlines in the previous sections) were used for multi-element analysis. ALS method ME-ICP61 involves a 4-acid digestion (Hydrochloric-Nitric-Perchloric-Hydrofluoric) followed by ICP-AES determination. Samples that returned Cu or Pb grades >10,000ppm were analysed by ALS “ore grade” method CuOG62/OPbOG62, which is a 4-acid digestion, followed by AES measurement to 0.001%. Pulp samples were subsequently analysed for gold by ALS method Au-AA23; a 30g lead collection Fire Assay, followed by AAS to a detection limit of 0.005ppm Au. • Stream sediment samples: 150g pulps derived from sample preparation (outlines in the previous sections) were used for multi-element analysis (including gold). ALS method AU-ST43 involves aqua regia extraction followed by ICP-MS finish. • The Company inserted one blank into the samples collected with results being acceptable.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Not applicable – No drilling undertaken. • Limited adjustments were made to the returned assay data for the rock chip samples; values that returned lower than detection level were set to the methodology's detection level and some metal values were converted from ppm to %.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• A handheld GPS was used to identify the sampling positions in the field. • The handheld GPS has an accuracy of +/- 5m. • The datum used is WGS84, zone 19 south. • The Company is satisfied the sample locations have been located with a high degree of accuracy.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Prospecting along known zones of mineralization defined by artisanal activity and/or outcrop. Grab samples have been collected over artisanal activities and outcrops, however are not sufficient for any kind of resource estimation. • No sample compositing was applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• As per above, rock chips collected over structures and stream sediment samples collected in ephemeral creek beds in strategic locations with the granted exploration licences.
Sample security	• The measures taken to ensure sample security.	• The samples were taken directly to the ALS facility in Copiapo in sealed green plastic bags (with individual samples in calico bags) under the supervision of an experienced geologist employed as a consultant to Blina.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Internal (Blina) review assessment of results. Industry standards.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The sampling was undertaken across 12 granted exploration licences as well as over 'open' unpegged ground. • Granted licences have an area of approximately 29 square kilometres.. • The license is held 100% in trust for La Cobaltera Pty Ltd (LCPL). On 30 October 2017 Blina announced the signing of a HoA with LCPL to acquire a 100% interest in LCPL and thus the granted exploration licences. • The licenses are granted, in a state of good standing and have no known impediments to operate in the area.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The Company is not aware of any previous exploration undertaken in the La Cobaltera area, particularly no work completed regarding cobalt prospectivity.
Geology	• Deposit type, geological setting and style of mineralisation.	• The deposit type is described as vein-hosted - structurally, and possibly stratigraphically, controlled. • The mineralisation is hosted within Devonian/Carboniferous metasediments including siltstones and sandstones intruded by igneous rocks, primarily diorites. • Typically, the N-S trending Co/Cu mineralised veins have been observed between 5 and 20m thick.

Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
	  ○ easting and northing of the drill hole collar
	  ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
	  ○ dip and azimuth of the hole
	  ○ down hole length and interception depth
	  ○ hole length.
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.
		• Not applicable – No drilling undertaken.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable – No drilling undertaken.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not applicable – No drilling undertaken.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Figures show La Cobaltera tenure, appropriately scaled and referenced. • Refer to images in the main body of the text
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Samples have been reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No other exploration data to report.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Additional sampling work will be undertaken early 2018 to further refine cobalt targets and follow up anomalous gold and copper results. • The Company is also actively seeking to acquire yet more ground in the central La Cobaltera area in areas known to contain high grade cobalt.