



BLINA MINERALS NL

18 November 2019

Board:

David Porter

Non-Executive Chairman

Gino D'Anna

Non-Executive Director

Matthew Driscoll

Non-Executive Director

Capital Structure:

5.454 Billion Shares

904 Million Options

@ 0.17c exp 31/10/2020

ASX Code: BDI

Letter to shareholders

Dear shareholder,

The Board of Blina Minerals NL (ASX: BDI) ("Blina", or the "Company") are writing to you to provide an update following the postponement of the General Meeting scheduled earlier this month.

The Company has resolved to provide shareholders with additional time and information to fully consider the resolutions which are proposed by Blina.

The Board urges you to vote in Favour of all Resolutions and to use the attached proxy form.

If you have previously submitted a proxy form then completing a new one will supersede your old one. If you do nothing, and you have previously completed your proxy, it will still remain valid.

The resolutions have been developed with the intention of offering security for all shareholders that Blina is **able to adequately fund its obligations and importantly continue operating as a going concern.**

The Board continues to carefully monitor your Company's financial position and considers the Company will require additional capital in the short term. The Company's ability to seek funding from investors is restricted without the ability to utilise its placement capacities and may place the Company at extreme risk of insolvency, which the Directors' have statutory and fiduciary duties to act upon prior to such a position.

Resolutions outlined at the General Meeting have been proposed to provide your Company with a prudent and efficient path to developing its prime asset, the highly prospective Barkly gold-copper project, located 45km east of the town of Tennant Creek in the Northern Territory. **The Company's ability to progress exploration at the Barkly project is dependent on the outcome of the General Meeting.**

The resolutions proposed as part of the General Meeting include the following:

RESOLUTION 1 – “That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000,000 Shares on the terms and conditions set out in the Explanatory Statement.

PURPOSE: To immediately enable the Company to place up to \$400,000 in much needed funding for exploration. **If not approved the Board will be forced to immediately assess the solvency of the business** moving forward and exercise their powers and discharge their duties in good faith and for proper purpose, act with care and diligence and in the best interests of the Company. The Directors’ must also exercise their duty to prevent the Company from trading whilst insolvent.

RESOLUTION 2 – “That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

PURPOSE: To incentivise participation in the placement.

RESOLUTION 3 – “That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

PURPOSE: To ratify a prior issue of shares to Calatos, a company controlled by Bruce McFarlane.

RESOLUTION 4 – “That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

PURPOSE: to ratify a prior issue of options to Calatos, a company controlled by Bruce McFarlane.

RESOLUTION 5 – “That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 180,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

PURPOSE: To ratify a prior issue of shares to Calatos, a company controlled by Bruce McFarlane for the Madacu option.

RESOLUTION 6 – “That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 409,082,386 Shares on the terms and conditions set out in the Explanatory Statement.”

PURPOSE: To ratify a prior issue of shares to Colour Minerals under ASX Listing rule 7.1 for the acquisition of its interest in the Barkly gold-copper project.

RESOLUTION 7 – “That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 451,917,614 Shares on the terms and conditions set out in the Explanatory Statement.”

PURPOSE: To ratify a prior issue of shares to Colour Minerals under ASX Listing rule 7.1A for the acquisition of its interest in the Barkly gold-copper project.

The ratification of these resolutions, in particular the ratification of previous share issues to reset the ASX Listing Rule 7.1 placement capacity (Resolutions 3 to 7), ensures the entity remains well-capitalised.

A failure to reset the placement capacity will significantly limit the paths through which Blina is able to access capital and the Company will be required to consider its remaining options, which may include the voluntary administration of the entity.

The outlined resolutions, (particularly Resolution 1 and 2) also offer the Company with a means to satisfy its current drilling commitments at the Barkly Project which has commenced (see ASX Announcement: 15 November 2019).

These commitments include the exploration spend of \$300,000, which also earn BDI a 50% interest in the project. The remaining interest is held by its largest shareholder Kalgoorlie Mine Management Pty Ltd (KMM).

The Board stresses the importance of maintaining an active program of works at its Barkly project, with the high-grade gold copper project representing Blina's sole asset and also a major prospect of generating future prosperity for shareholders.

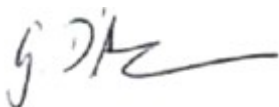
Annual General Meeting

Your board urges you to **vote in Favour of Resolutions 1 to 6 and Against Resolution 7 and 8** at the Annual General Meeting to be held one hour after the General Meeting. If the current board are not re-elected then the Company will be taken over by a new board with only one agenda – to use the Company for their benefit, so they can take control over a shell for their own purposes which may not be in the best interests of all shareholders. The proposed directors do not hold any shares in the Company and their interests will not be aligned with the interests of the shareholders of the Company.

The existing board would like to work with its shareholders to focus on the future of the Company and address the challenges facing the Company. Your current board is equipped to drive the Company forward and deliver shareholder value, and importantly to do so with the input of its shareholders.

Should you require further information on the Resolutions for the upcoming General Meeting, scheduled at 2.00pm AWST 28 November 2019, please do not hesitate to contact me directly.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "G D'Anna", with a long horizontal flourish extending to the right.

Gino D' Anna
Director
Blina Minerals NL
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