

ASX ANNOUNCEMENT

16 July 2014

DIAKOULI GOLD PROJECT - BURKINA FASO

The Board of Blina Minerals NL (**ASX: BDI**) is pleased to announce that its wholly owned subsidiary, Blina Minerals Burkina SARL (**Blina SARL**) has signed a Binding Terms Sheet (**BTS**), to explore Exploration Licence DIAKOULI with Decree No 11-422/MCE/SG/DGMGC of 20 December 2011 in the Republic of Burkina Faso.

Under the terms of the BTS, Blina SARL may earn an 80% legal and beneficial interest in the tenement from Mr Hamidou Baba Traore by spending US\$1.0 million on exploration over a 4 year period and by making vendor payments of US\$12,500 per annum over the same period. Currently the Exploration Licence is due for its third renewal of 3 years and Blina SARL is assisting Mr Traore with this process.

The BTS is subject to satisfaction or waiver of the following conditions precedent by 31 July 2014 (unless extended by written agreement between the parties):

- Completion of due diligence by Blina SARL on the tenement;
- The parties to the BTS obtaining all necessary shareholder, regulatory and third party approvals to allow the parties to lawfully complete the matters set out in the BTS;
- BDI having, or being able to raise, sufficient funds to meet the commitment imposed by the BTS; and
- The parties entering into a formal joint venture agreement on the terms set out in BTS.

Blina SARL may withdraw from the BTS at any time by giving not less than 30 days notice subject to having satisfied all obligations imposed by the Mining Act for the whole of the tenement year in which the withdrawal is effective and also having contributed a minimum expenditure of US\$100,000 on work programs on the tenement.

DIAKOULI is located 350 km southeast of Ouagagougou in the Tapoa region of eastern Burkina Faso. It covers an area of approximately 250 square kilometres and extends 28.7 km east-west and 8.6 km north-south. It lies about 15 km north-northeast of Orbis Gold Ltd's gold discovery of 1.8Moz at Natougou. The Exploration Permit covers a poorly exposed area of Birimian Belt rocks and magnetic interpretation suggests underlying leptynite, basalt, gabbro and diorite rock- types. At the surface the area is covered by residual laterite and transported soils which form a low plateau from about 254m to 311m above sea level.

Blina was attracted to the area by exploration results from a previous explorer. The concession was previously soil sampled at a broad regional scale of 1,000 x 1,000m with some infill to 1,000m x 500m in the western part. In all, a total of 332 soil samples and 40 rock samples were collected during the programmes. The soil sampling showed high gold values in excess of 50ppb but Blina was unable to access the original analytical reports and has therefore adopted a cautious approach to the results. However, the regional setting of the Exploration Licence just 15km from the Natougou gold deposit on an interpreted north-northwest trending structure and along trend from the regional soil geochemistry anomaly of Orbis Gold makes the tenement an attractive exploration prospect.

Blina intends as a first step to verify the existing data base and infill the anomalous areas on a 400 x 80m soil sampling grid from the current 1,000 x 500-1,000m grid. Initial geological reconnaissance has indicated residual soils in the western part of the Exploration Licence and transported colluvium in the more prospective central part of the tenement. Therefore the planned programme may be only partly effective but will give a quick and cheap first pass appraisal over some parts of the tenement. The first phase work will be completed by August 2014.

Ends

For further information, contact:

David Porter

Director

Tel: +61 8 6141 3500

