



## QUARTERLY ACTIVITIES REPORT SEPTEMBER 2017

### BLINA MINERALS NL ASX ANNOUNCEMENT

31 October 2017

#### Board:

David Porter  
Non-Executive Director

Brett Fraser  
Non-Executive Chairman

Jay Stephenson  
Non-Executive Director

#### Capital Structure:

2.894 Billion Shares

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

296 Million Options  
@ 0.17c exp 23/12/2017

ASX Code: BDI

- *La Cobaltera cobalt Project acquired on 30 October 2017 after field work and due diligence completed in the September quarter.*
- *An Agreement allows for the acquisition of 29 square kilometres of exploration permits in the historic high-grade cobalt producing district of La Cobaltera.*
- *The Project incorporates the Cobaltera West copper/cobalt processing plant together with significant tailings dumps.*
- *Concurrently with the Cobaltera acquisition, the Company plans a placement of 700,000,000 at 0.1 cent per Share, together with one (1) free attaching option for every two (2) Shares to raise \$700,000.*
- *Two Exploration Licenses at the highly prospective gold project Diakouli East and Diakouli West were provisionally renewed for 9 years.*

#### La Cobaltera Cobalt Project, Chile

Extensive field investigations and due diligence was carried out on the La Cobaltera Cobalt opportunity in the September 2017 quarter culminating in the acquisition of the Project on the 30 October 2017 (see the ASX release: Acquisition of Cobalt Prospective Project in Chile for full details of the transaction).

Under the terms of an Agreement Blina Minerals NL (ASX: BDI) "Blina" or "the Company") has signed a Heads of Agreement with La Cobaltera Pty Ltd to acquire a 100% interest in the La Cobaltera Project ("the Project"), a promising cobalt exploration project located in the high-grade cobalt producing La Cobaltera precinct in Chile.

The Project comprises 29 square kilometres of exploration licences, which incorporate the inferred along-strike extent of known high-grade cobalt bearing veins. It lies immediately north, and therefore potentially along strike, of the historic high-grade cobalt producing precinct of La Cobaltera and incorporates the Cobaltera West copper/cobalt processing plant, together with significant tailings dumps.

Cobaltera West is one of two historic processing plants in the area, the other being the La Cobaltera processing plant which dealt exclusively with high-grade cobalt ores.

### **The La Cobaltera Project**

The geology of the La Cobaltera area is composed of Jurassic volcanic rocks of continental and marine origin which have been intruded by plutonic Cretaceous rocks (monadiorites, diorites, and granodiorites). Intrusive rocks from the Jurassic period have also been observed.



**Fig 1. Historic copper-cobalt working, southern part of the La Cobaltera Exploration Licenses showing shearing and secondary copper minerals**

In the northern part of the area the geology corresponds to a body of metamorphic rocks composed of meta-andesites, metasediments, metabasalts, metaconglomerates as well as cherts and marble of Devonian or Carboniferous age.

Immediately south of the La Cobaltera Project this metamorphic basement is host to copper and cobalt mineralised veins most of which run in a north-south and N30°E to N50°E direction and dip to the west at angles of between 50° to 64°.

The widths of the main veins observed are between half a metre up to twenty metres. Copper and cobalt mineralisation is structurally controlled and associated with a regional fault of more than seventy kilometres which runs in a N30°E direction. The cobalt mineralized veins have been described as structurally controlled vein swarms in the very limited literature relating to historic exploration and production in the area. Further, no previous substantial modern exploration or drilling is believed to have been undertaken in the area.



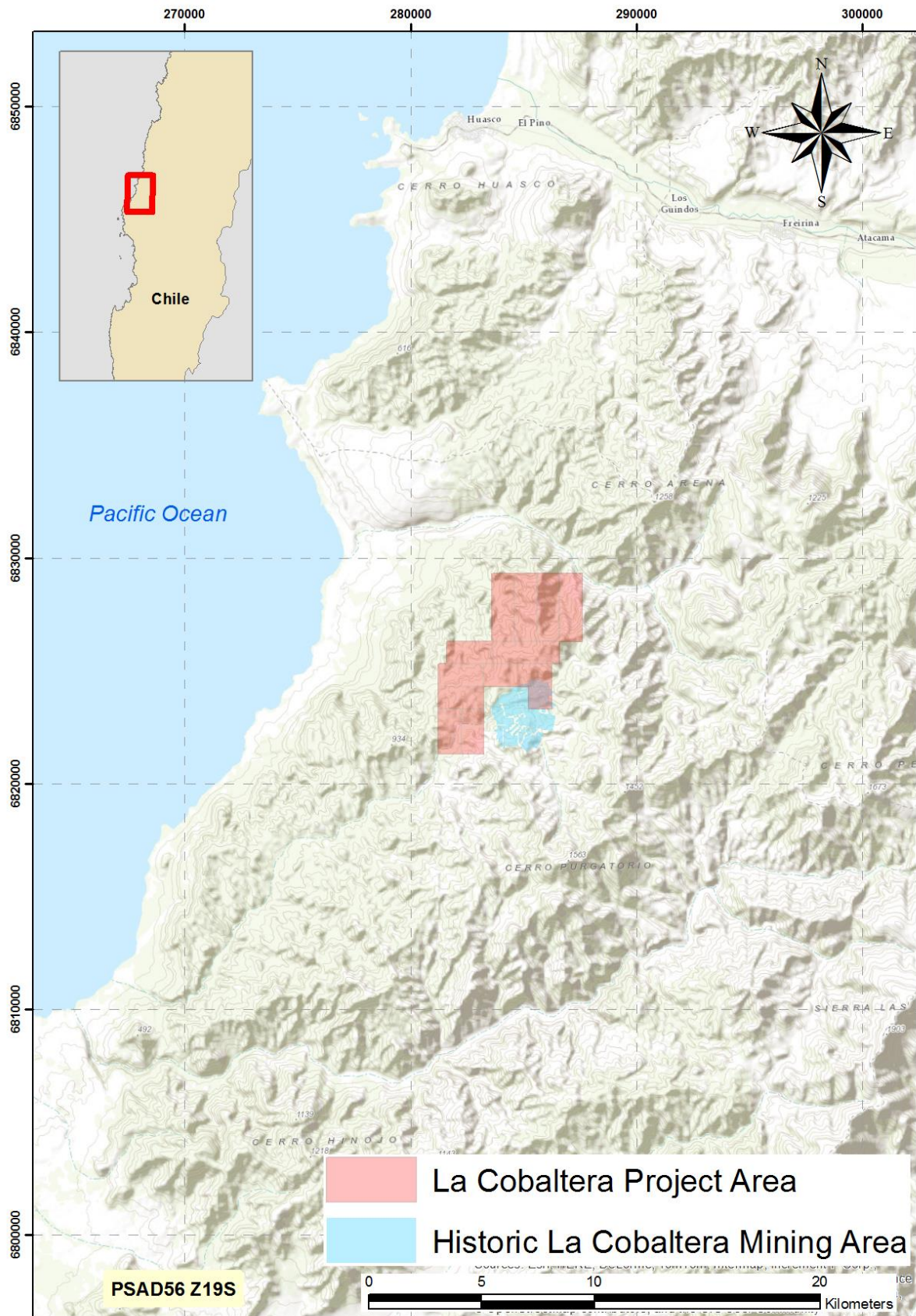


Fig 2. Project location map

### **Preliminary exploration program underway**

The Company has already commenced a preliminary exploration program that includes:

- (a) Reconnaissance mapping with priority targets including veins and other mineralised structures subjected to rock chip sampling and detailed observation.
- (b) Detailed structural mapping with emphasis on extensions and structural intersections as well as assessment of any potential stratigraphic controls (dilatory features, folding etc).
- (c) Rock chip sampling of veins within known historic areas to determine cobalt grades and stream sampling of adjacent areas to determine new targets along strike of existing known veins.
- (d) Generation and prioritisation of cobalt drill targets.

### **Capital Raising**

As part of the acquisition, the Company will complete a joint placement to Chieftan Securities Pty Ltd and Sanlam Private Wealth of 700,000,000 Shares at an issue price of 0.1 cent per Share, together with one (1) free attaching option for every two (2) Shares to raise \$700,000.

### **Heads of Agreement Terms**

Under the binding Heads of Agreement (“HoA”) with La Cobaltera Pty Ltd (“LCPL”), Blina has the option to purchase all of the Shares in LCPL under the following key terms:

- Issue of 100,000,000 Blina Shares to LCPL for an exclusive due diligence period of four months. The option may be exercised during this period at the discretion of Blina.
- Issue of 250,000,000 Blina Shares and 250,000,000 Blina unlisted options (exercisable on or before the date that is 3 years from the date of grant, at an exercise price of 0.5 cents each) upon exercise of the option.
- Issue of 500,000,000 Blina Shares upon the delineation of an Inferred Mineral Resource in accordance with the JORC 2012 Edition Guidelines of at least 3.5Mt at 0.33% equivalent Cobalt on the tenements or on any additional tenements acquired within a 100km radius of the La Cobaltera Project (“Area of Influence Tenements”) within 5 years of the date of the HoA.
- Issue of 200,000,000 Blina Shares should LCPL complete the acquisition of further tenements within a 100km area of La Cobaltera (“Area of Influence Tenements”) at any time within twelve (12) months of the settlement of the Acquisition.

Completion of the Acquisition is subject to the standard conditions typical of transactions of this nature including, but not limited to, BDI obtaining all necessary shareholder and regulatory approvals (including ASX approvals and waivers and ASIC relief) to complete the Acquisition.

The ASX have confirmed that BDI does not have to re-comply with Chapters 1 & 2 of the ASX Listing Rules.

## **Diakouli Gold Project, Burkina Faso**

During the September Quarter 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. Blina 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.

Blina has high regard for the exploration areas and as previously reported in the March 2017 Quarterly Report has carried out a complete review of the previous exploration work which has confirmed the potential of the areas. The largely soil covered mafic intrusive and volcanic rocks of the Birimian greenstones lie 20km north of the multimillion ounce Natougou gold mine and many gold-in-soil anomalies in transported soils point to sources of gold within the exploration permits. Several exploration targets have been delineated from geophysical interpretation adjacent to domal structures. The Natougou gold mineralization is located on the flank of domal structure within a flat dipping northwest structure in sheared mafic rocks.

Blina had previously planned a 5,000m auger drilling programme which was delayed pending the renewal of the licenses and geopolitical problems. The Company will now look to implement this programme as soon as feasible.

## **Project Development Work**

During the September Quarter, Blina continued to review new projects including cobalt and copper projects in other parts of the World and Australia.

## **Contact**

For further information please contact

**David Porter**

*Non-Executive Director*

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## **Competent Persons Statement:**

The information in this announcement that relates to the Exploration Results is based on information compiled and fairly represented by Mr Robert Jewson, who is a Member of the Australian Institute of Geoscientists and a consultant to Blina Minerals NL. Mr Robert Jewson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Robert Jewson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

*For further information with respect to the Dingo Gold Project acquisition please refer to ASX Announcement "Acquisition of Dingo Gold Project" released on 5th May 2017.*

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

**BLINA MINERALS NL (BDI)**

ABN

**25 086 471 007**

Quarter ended (Current quarter)

**30 September 2017**

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation (includes rehabilitation)	(87)	(87)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(108)	(108)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:	-	-
	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(194)</b>	<b>(194)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 Months) \$A'000
<b>3. Cash flows from financing activities</b>			
3.1 Proceeds from issues of shares	-	-	-
3.2 Proceeds from issue of convertible notes	-	-	-
3.3 Proceeds from exercise of share options	-	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-	-
3.5 Proceeds from borrowings	-	-	-
3.6 Repayment of borrowings	-	-	-
3.7 Transaction costs related to loans and borrowings	-	-	-
3.8 Dividends paid	-	-	-
3.9 Other (provide details if material)	-	-	-
3.10 <b>Net cash from / (used in) financing activities</b>	-	-	-
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1 Cash and cash equivalents at beginning of quarter/year to date	534	534	
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(194)	(194)	
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-	
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-	
4.5 Effect of movement in exchange rates on cash held	-	-	
4.6 <b>Cash and cash equivalents at end of quarter</b>	340	340	
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	29	54	
5.2 Call deposits	311	480	
5.3 Bank overdrafts	-	-	
5.4 Other (provide details)	-	-	
5.5 <b>Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)	340	534	
<b>6. Payments to directors of the entity and their associates</b>		Current quarter \$A'000	
6.1 Aggregate amount of payments to these parties included in item 1.2		89	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	Directors salary, fees, superannuation, and exploration consultancy, related to the current and prior quarter. Amounts include the payment of exploration consultancy fees included in creditors and relating to the 2014 financial year as well as payment for executive services rendered by a director.		
<b>7. Payments to related entities of the entity and their associates</b>		Current quarter \$A'000	
7.1 Aggregate amount of payments to these parties included in item 1.2		19	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	Payment to companies associated with a Director in relation accounting services and corporate services, related to the current and prior quarter.		

**8. Financing facilities available**

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Exploration and evaluation

87

9.2 Development

-

9.3 Production

-

9.4 Staff costs

-

9.5 Administration and corporate costs

80

9.6 Other (provide details if material)

-

9.7 **Total estimated cash outflows**

167

**10. Changes in tenements**  
(items 2.1(b) and 2.2(b) above)

	Tenement reference and location	Nature of interest	Interest at beginning of quarter %	Interest at end of quarter %
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

**Compliance statement**

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.



Signed:

Dated: Tuesday, 31 October 2017

Company Secretary

Print name: Julia Beckett



**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.