

Blina Minerals NL

29th January 2016

Board:

David Porter (Executive Director)
Brett Fraser (Non-Executive Chairman)
Justin Virgin (Non-Executive Director)

Capital Structure:

2.54 Billion Shares

120 Million Options @ 0.17c exp 31/10/20

296 Million Options @ 0.17c exp 18/12/17

ASX Code:

BDI

Quarterly Activities Report

- Blina signed a Binding Heads of Agreement to Farm into Andes Resources Limited Colombian Gold/Copper Project
- Project highlights include:
 - **8 discrete soil geochemical anomalies over combined 20km strike length**
 - *10m spaced soil line sampling has reported high grade results across the Project including:*
 - **90m @ 5.2g/t Au & 220 g/t Ag**
 - **50m @ 3.5g/t Au**
 - **60m @ 2.8g/t Au**
 - **640m @ 1.3g/t Au (20m sample spacing)**
 - **110m @ 1.1g/t Au**
- *\$887,000 raised via a placement to sophisticated investors to fund due diligence and on ground exploration activities*

Blina Minerals NL ("Blina", ASX: **BDI**) is pleased to announce the activities undertaken during the December 2015 quarter. The key milestone for Blina was the signing of a Binding Heads of Agreement to farm into Andes Resources Limited Colombian Gold/Copper Project ("Project"). Blina has the right to earn up to 50% equity in the Project via spending AU\$5M over a 3 year period.

Through this transformational transaction, Blina has gained exposure to a significant gold/copper portfolio.



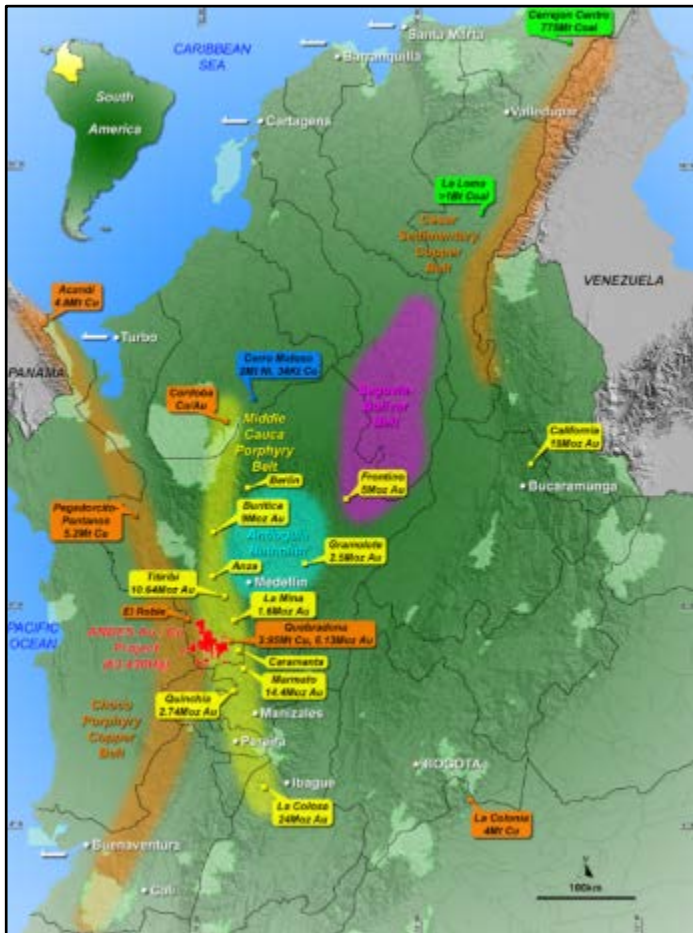


Figure 1 : Andes Project Location and major deposits of Colombia

Andes Project Overview¹

The Andes Project is located in central Colombia, 65km south west of Medellin with excellent access on sealed roads to the project area. Topography of the project area ranges between 1,500 and 3,000m ASL.

The size of the strategic land holding, 63,430Ha (634km²), makes it one of the largest Au/Cu land holdings in Colombia. The project is uniquely located at the Junction between the relatively unexplored world-class Middle Cauca and Choco Porphyry Copper Belts (Figure 1).

Land utilisation in the vicinity of the project area consists of predominantly traditional coffee farms. The Project area is very-low security risk.

Regional Geology & Metallogenesis

The geology of central Andes comprises a thick sequence of Cretaceous sediments with mid-Miocene granodiorite intrusives (Farallones Batholith), while the east hosts Late-Miocene porphyry intrusives. Mineralisation styles consists of high-grade steeply dipping Au-Ag quartz-carbonate sheeted vein, stockwork and breccia systems plus Au-Cu-Zn quartz-carbonate stockwork and disseminated diorite porphyries. ~40km of the Farallones contact, hosting deeper high grade Au/Ag sheeted vein, stockwork and breccia mineralisation occurs within the Project.

Over 70 artisanal gold mines are currently operating in an area of 20x5km within the Cretaceous sediments.

Notable mineral resources totalling in excess of 35Moz Au within 30km of the Project include:

Table 1 : Notable Mineral Resources Proximal to Project

| Distance from Project | Project | Resource |
|-----------------------|------------|--------------------------------------|
| 30km NE | Titiribi | 10.64 Moz Au ¹ |
| 20km SE | Marmato | 14.4 Moz Au ² |
| 3km E | Quebradona | 3.95Mt Cu & 6.13 Moz Au ³ |
| 20km NE | La Mina | 1.6 Moz Au ⁴ |
| 30km SE | Quinchia | 2.74 Moz Au ⁵ |

¹Sunward Resources, NI43-101 Report, Titiribi Project, September 2013

²Gran Colombia, NI43-101 Report, Marmato Project, June 2012

³Anglo Gold Ashanti, ASX Release, Quebradona, 3 November 2014

⁴Bellhaven, NI43-101 Report, La Mina, July 2012

⁵Seafield Resources, NI43-101 Report, Quinchia (Mira Flores Deposit April 2013 & Dosquebradas December 2011)

Recent Exploration

Recent exploration completed across the Project area comprises of:

- 50,000Ha of geophysical and Lidar surveys
- 13,093 stream, rock chip, adit and soil samples completed during 2014/15 (largest regional geochemical sampling campaign undertaken in Colombia in 2015)
- In excess of AU\$2.5 million has been spent to date on exploration

Approximately 10% of the Project area has been surfaced sampled to date. The exploration completed has resulted in the discovery of 8 substantial geochemical anomalies across a 22km by 5km area. Soil geochemistry grades of >100ppb Au cover an area of 2km². Approximately 2% of the reported soil sample results (185 samples) have grades >1g/t Au with nine soil samples reporting >10g/t and peak soil values of up to **303.59g/t Au** and **579g/t Ag**.

Significant 10m spaced soil line sample results include:

- **640m @ 1.3g/t Au (20m spaced soil line)**
- **90m @ 5.226g/t Au & 220g/t Ag**
- **50m @ 3.455g/t Au**
- **60m @ 2.79g/t Au**
- **110m @ 1.1g/t Au**

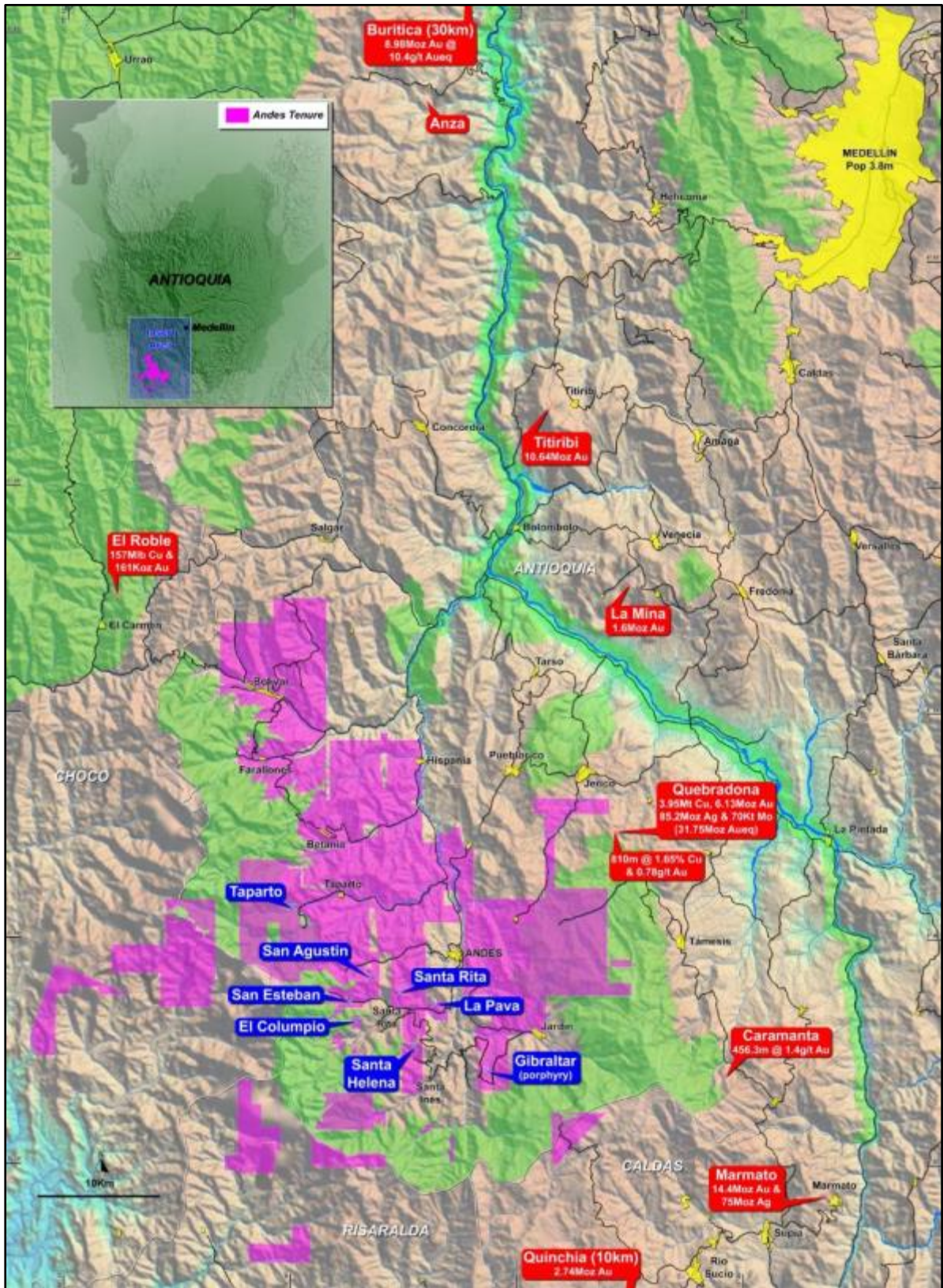


Figure 2 : Andes Project concessions, prospects & neighbouring deposits

El Columpio Prospect – (US\$300,000 to acquire 100% Interest- BDI earning up to 50%)

The El Columpio prospect is subject to a purchase agreement for US\$300,000 over a two year period to acquire 100% (effective 50% interest by Blina in prospect upon completion of AU\$5,000,000 earn in to acquire 50%).

El Columpio prospect is a high-grade Au-Ag carbonate sheeted-vein system currently in small-scale production at an average grade of ~20g/t Au. Mineralogy primarily consists of numerous sub-vertical, sub-parallel plus cross cutting quartz-carbonate veins 0.5m to 5m thick with some infill stockwork mineralisation in graphitic shales and hornfel host rocks. Mineral assemblage consists primarily of arsenopyrite, pyrite, with minor amounts of chalcopyrite, bornite, sphalerite, galena and pyrrhotite.

~1,100 soil and rock chip samples were taken during the two month due diligence period with significant high-grade Au and Ag soil results over a 1km strike length (Figure 3 & Appendix 1). Surface sampling results include:

- **90m @ 5.226g/t Au & 220g/t Ag (10m soil line)**
- **50m @ 3.175g/t Au (10m soil line)**
- **140m @ 0.687g/t Au (10m soil line)**
- **6.36g/t Au & 1,682g/t Ag (Outcrop)**
- **14.13g/t Au & 620g/t Ag (Outcrop)**
- **12.31g/t Au & 130g/t Ag (Soil sample)**
- **8.23g/t Au & 491g/t Ag (Soil sample)**

Several veins were also mapped with adit sampling restricted to remnant veins as the thicker veins are mined first (Figure 4 & Appendix 2). First pass adit sampling results include:

- **1m @ 26.13g/t Au & 559g/t Ag**
- **0.47m @ 63.26g/t Au & 64.9g/t Ag**
- **1.8m @ 8.49g/t Au & 97.7g/t Ag**
- **0.5m @ 11.54g/t Au & 1,210g/t Ag**
- **0.43m @ 33.96g/t Au**
- **0.77m @ 18.16g/t Au**
- **0.78m @ 17.36g/t Au**
- **0.54m @ 19.55g/t Au**

Further detailed surface sampling, mapping, adit sampling, surveying and metallurgical sampling is planned prior to the maiden diamond drilling program in 2016.

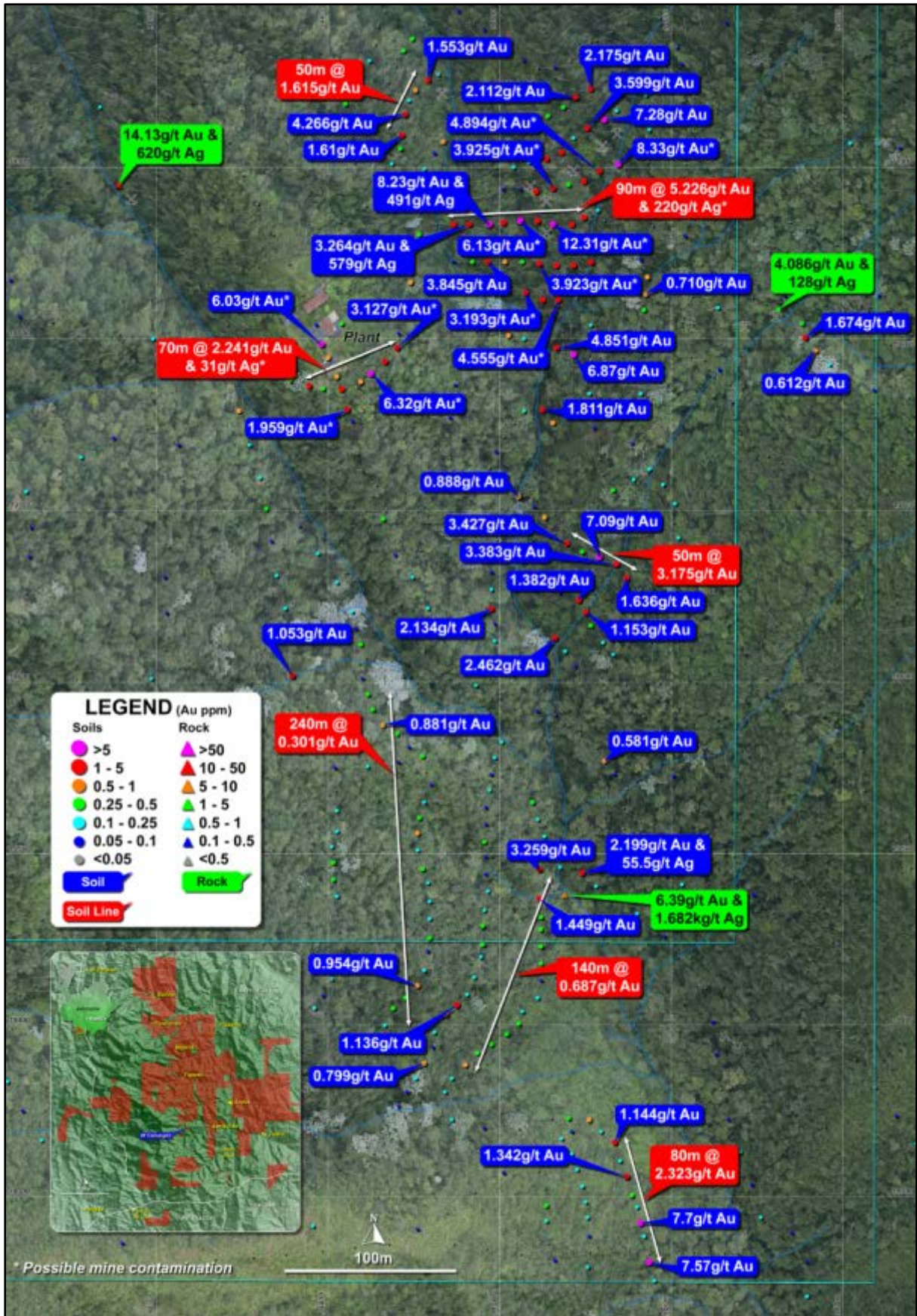


Figure 3 : Surface Geochemical Sampling Results El Columpio

Figure 4 : El Columpio adit and outcrop sampling photos and results



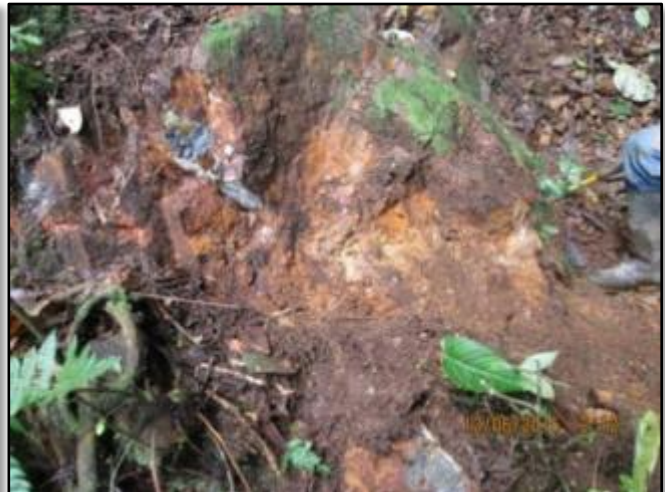
100cm @ 26.13g/t Au & 559g/t Ag (La Guagua Mine)



47cm @ 63.26g/t Au & 64.9g/t Ag (La Guagua #3 Mine)



80cm @ 23.4g/t Au & 524g/t Ag (Las Animas Mine)



180cm @ 8.49g/t Au & 97.7g/t Ag (El Borruchio Outcrop)

Santa Rita Prospect – (BDI earning up to 50%)

Santa Rita prospect is a high-grade Au-Ag sheeted-vein epithermal system currently in medium-scale production from several operating mines. Mineralogy primarily consists of numerous sub-vertical, sub-parallel and cross-cutting quartz veins up to several meters thick plus stockwork breccias in graphitic shale host rock. Mineral assemblage consists of primarily of arsenopyrite, pyrite, with minor amounts of chalcopyrite and pyrrhotite.

~2,100 stream sediment and soil samples were taken with a soil geochemistry anomaly covering a 1.2km by 0.5km area (Figure 5 & Appendix 3). Surface sampling results include:

- **110m @ 1.1 g/t Au (10m soil line)**
- **60m @ 2.068 g/t Au (10m soil line)**
- **40m @ 1.734 g/t Au (10m soil line)**
- **16.9g/t Au (Outcrop)**
- **15.1g/t Au (Outcrop)**
- **49.93 g/t Au (Soil sample)**

Several mines were mapped with adit sampling restricted to remnant veins as the thicker veins are mined first. Adit sampling results include:

- **1.6m @ 17.2g/t Au**
- **0.6m @ 65.3g/t Au**
- **0.7m @ 27.7g/t Au & 26.9g/t Ag**
- **0.6m @ 51.5g/t Au**
- **0.6m @ 44.1g/t Au & 11.9g/t Ag**
- **0.6m @ 25.4g/t Au**
- **0.3m @ 61.5g/t Au & 86.4g/t Ag**

Further infill surface sampling, mapping, adit sampling and surveying are planned for 2016.

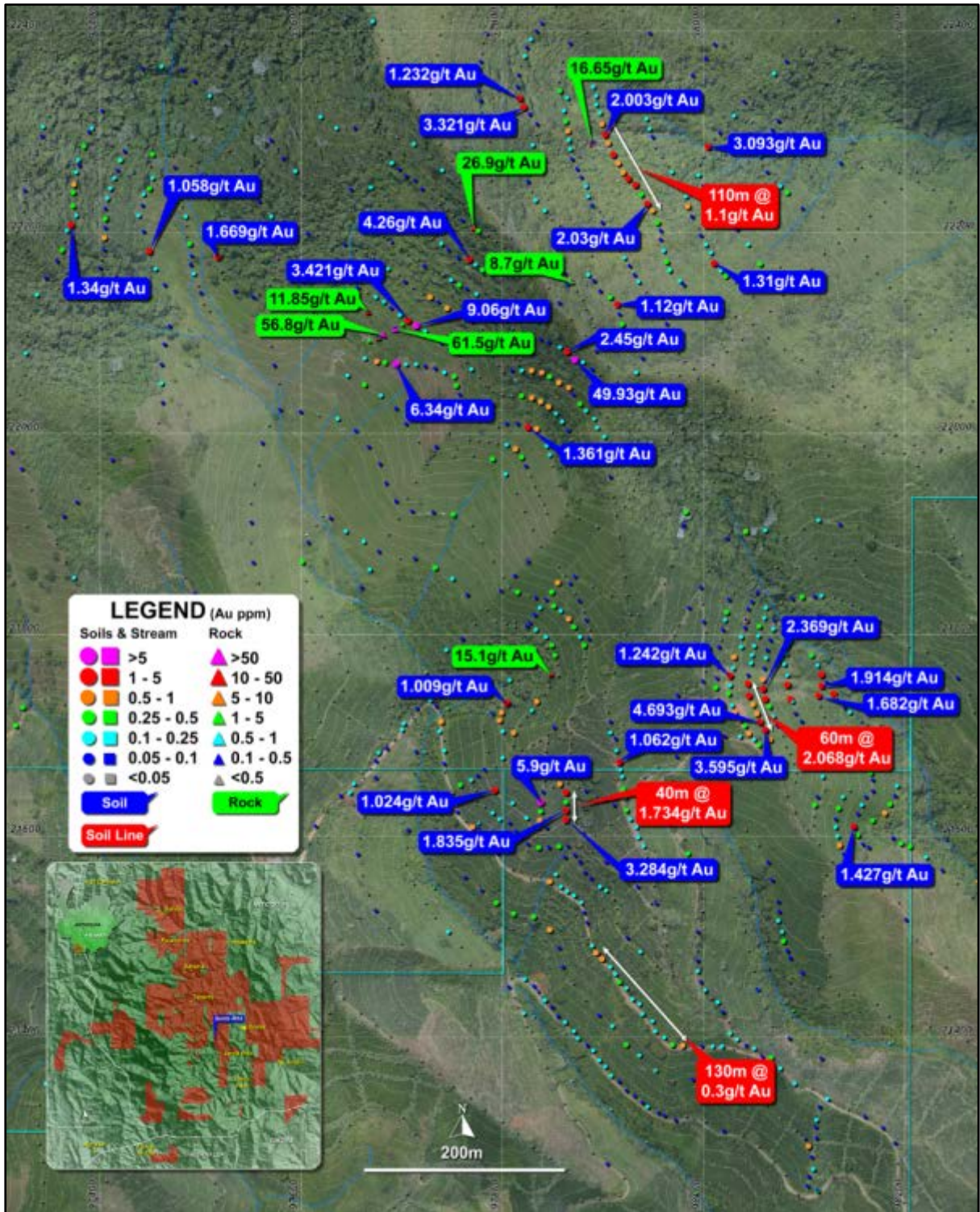


Figure 5 : Surface Geochemistry at Santa Rita Prospect

Gibraltar Porphyry Prospect – (BDI earning up to 50%)

The Gibraltar prospect is located within the Middle Cauca Miocene porphyry belt, approximately 20km to the south of Quebradona (Anglogold Ashanti) in the eastern portion of the project. Although there are limited intrusive exposures for mapping and sampling, there are several outcrops over a 2km by 1km area demonstrating well-defined phyllic alteration plus a creek exposure of mineralized quartz-diorite with quartz-carbonate stockwork and strong argillic overprint. Float samples from the creek have assayed up to **3.3g/t Au, 26.8g/t Ag and 2.74g/t Zn**. Stream sediment sampling of the surrounding creeks was highly anomalous with assays up to **0.956g/t Au** (Figure 6). Further sampling and mapping is planned for 2016.

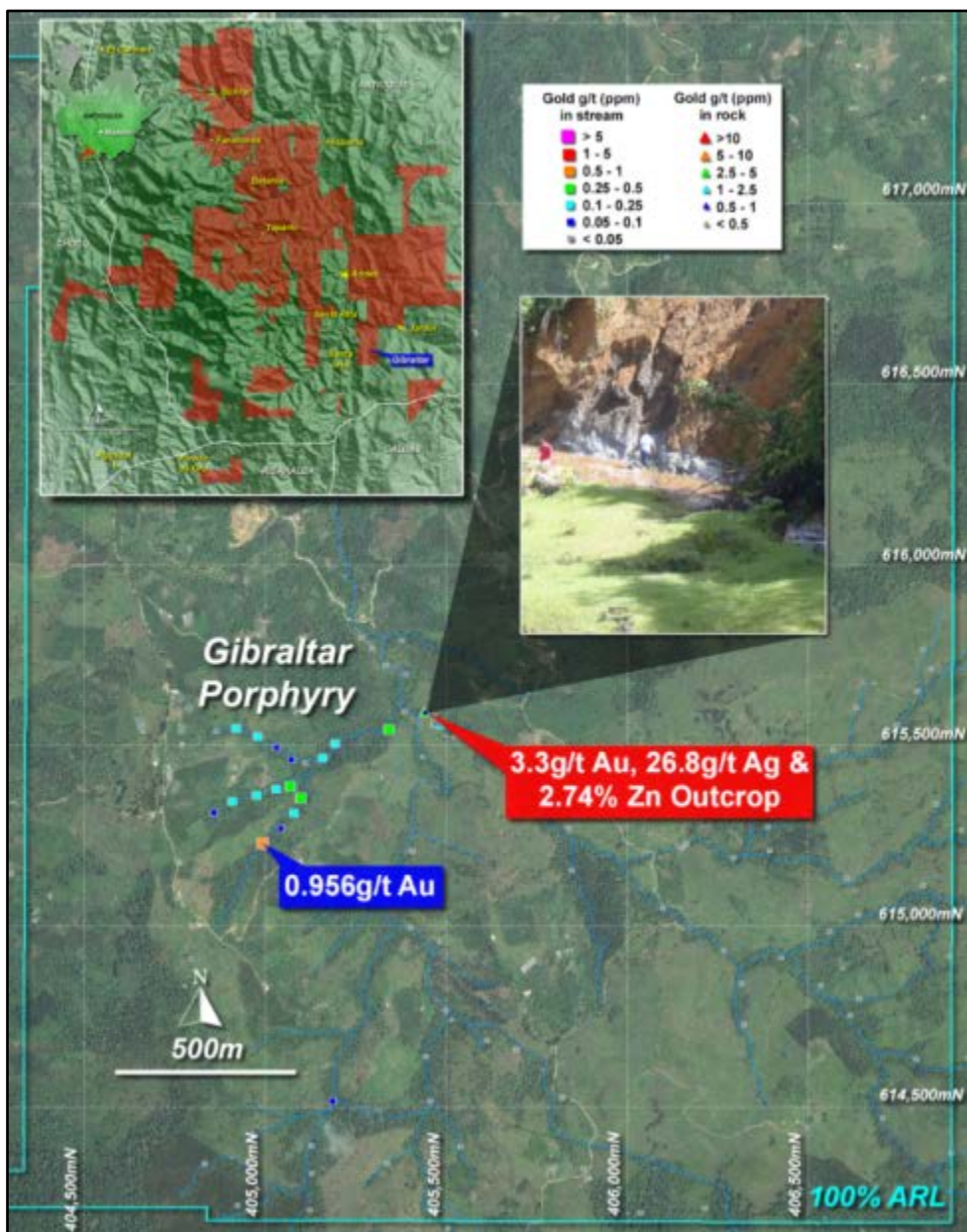


Figure 6 : Stream sediment sampling results at Gibraltar. Insert photo shows the mineralised diorite outcrop (white) with argillic alteration

Transaction

Blina has signed a Binding Heads of Agreement to earn a 50% equity interest in the Andes Colombian Project via an exploration expenditure of \$5M within a period of 3 years.

A four month due diligence period applies whereby Blina will conduct legal due diligence on tenure, conduct verification mapping, sampling, costeaning/trenching. The aim of the technical work to be undertaken during the due diligence phase is to gain an understanding towards the true width of the mineralisation identified across the priority target areas.

Diakouli Project, Burkina Faso

A review of exploration data and current political situation is presently underway. Pending the results of the review, field based exploration may be conducted next quarter.

Placement

In conjunction with signing the Binding Heads of Agreement, Blina also secured a placement of 887,000,000 shares at an issue price of \$0.001 per share and 295,666,667 free attaching options with 2 year expiry and an exercise price of \$0.0017. Total issued capital upon completion will be 2,543,891,570 shares on issue.

The placement raised a total of \$887,000 before costs of the issue. Funds will be applied to completion of due diligence on the Andes Project and general working capital. Blina welcomes a group of high net worth sophisticated investors to its register as a result of this placement.

Contact

For further information please contact:

David Porter
Executive Director
+61 8 6141 3580

DISCLAIMER

Information included in this release constitutes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue” and “guidance” or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate environmental conditions including extreme weather conditions, staffing and litigation

Forward looking statements are based on the company and its management’s assumptions made in good faith relating to the financial, market, regulatory and other relevant environments that exist and affect the company’s business operations in the future. Readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements are only current and relevant for the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or advise of any change in events, conditions or circumstances on which such statement is based.

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk. It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

COMPETENT PERSONS STATEMENT

The information in this Announcement that relates to Exploration Results was compiled by Mr Robert Jewson, who is a member of the Australian Institute of Geoscientists, and a consultant to Blina Minerals NL. Mr Jewson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves’. Mr Jewson consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

About Andes

Andes Resources Limited (ARL) is an Australian unlisted public company established in November 2013, focused on mineral exploration in Colombia, South America. The dedicated team consists primarily of geologists with over 130 years of combined industry experience with the managing director residing in Colombia since 2010.



Town of Andes, Colombia



In Country Field Team

About Colombia

- **1st ease of doing business destination** and leading reforming country in Latin America (World Bank 2015)
- **Best investor protection in Latin America** and 6th worldwide (World Bank 2013)
- 3rd largest economy in Latin America (GDP \$400 billion in 2014) and 31st in the world (IMF 2015)
- GDP growth of 4.6% in 2014 (Colombia Central Bank 2015)
- Mining royalty of 3.2% and a tax rate of 34%
- **US\$8.8 billion infrastructure investment in 2012.** Mostly on roads, power and ports
- **Over 4M visitors in 2014**, 12% increase from 2013, substantial North American Tourist influx
- **Colombia received almost US\$16 billion in foreign direct investments (FDI) in 2014** with mining contributing ~30%
- New free trade agreements with Canada & USA and working with Mexico, Chile and Peru to develop a Pacific trade alliance
- **Low cost professional workforce** (97.9% Literacy rate), excellent supplies of cheap water and power is 2-3 times cheaper than Australia.

Appendix 5B

Mining 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, 01/05/2013

Name of entity

BLINA MINERALS NL (BDI)

ABN

25 086 471 007

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (6 Months) \$A'000 |
|---|-------------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for: | | |
| (a) exploration and evaluation | (91) | (134) |
| (b) development | - | - |
| (c) production | - | - |
| (d) rehabilitation | (7) | (22) |
| (e) administration | (57) | (113) |
| (f) project development costs | - | - |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 1 | 3 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other | - | - |
| Net Operating Cash Flows | (154) | (266) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net Investing Cash Flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (154) | (266) |

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|------------|------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (154) | (266) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. net of costs | 871 | 871 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | Net financing cash flows | 871 | 871 |
| | Net increase (decrease) in cash held | 717 | 605 |
| 1.20 | Cash at beginning of quarter/year to date | 227 | 334 |
| 1.21 | Exchange rate adjustments to item 1.20 | (3) | 2 |
| 1.22 | Cash at end of quarter | 941 | 941 |

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | Current quarter \$A'000 | |
|------|--|-----|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 105 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Geological consulting, rehabilitation consulting, corporate management fees paid to associated company, and expense reimbursement.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 46 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 57 |
| Total | 103 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 70 | 53 |
| 5.2 Deposits at call | 871 | 174 |
| 5.3 Bank overdraft | | - |
| 5.4 Other: Refundable Guarantees ⁽ⁱ⁾ | | - |
| Total: cash at end of quarter (item 1.22) | 942 | 227 |

⁽ⁱ⁾ In addition to the cash available to the Company, the Company is due to receive a refund of an environmental bond to the value of \$247,000 (not received in this quarter). The effect of this would be to reduce the estimated cash out flow for the next quarter to an in-flow \$121,000.

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|-----------------------|-------------------------------------|--|-------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | Nil | | | |
| 6.2 Interests in mining tenements acquired or increased | Nil | | | |

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|---------------|---------------|---|--|
| 7.1 Preference +securities <i>(description)</i> | - | - | | |
| 7.2 Changes during quarter | - | - | | |
| (a) Increases through issues | | | | |
| (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 2,543,891,570 | 2,543,891,570 | | |
| 7.4 Changes during quarter | 47,325,653 | 47,325,653 | 0.1 cents | 0.1 cents |
| (a) Increases through issues | 887,000,000 | 887,000,000 | 0.1 cents | 0.1 cents |
| (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 +Convertible debt securities <i>(description)</i> | - | - | | |
| 7.6 Changes during quarter | - | - | | |
| (a) Increases through issues | | | | |
| (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | 120,000,000 | - | <u>Exercise price \$</u> \$0.0017 | <u>Expiry date</u> 31.10.2020 |
| | 295,666,667 | - | \$0.0017 | 23.12.2017 |
| 7.8 Issued during quarter | - | | | |
| 7.9 Exercised during quarter | - | - | | |
| 7.10 Expired during quarter | - | - | | |
| 7.11 Debentures <i>(totals only)</i> | - | - | | |
| 7.12 Unsecured notes <i>(totals only)</i> | - | - | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Signed:



Dated: Friday, 29 January 2016

Company Secretary

Print name: JAY STEPHENSON

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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