



BLINA MINERALS NL
ASX ANNOUNCEMENT

30 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

ACQUISITION OF COBALT-PROSPECTIVE PROJECT IN CHILE

Highlights

- **Agreement to acquire a 100% interest in over 29 square kilometres of exploration permits in the historic high-grade cobalt producing district of La Cobaltera in Chile.**
- **Project lies immediately adjacent to the historic high-grade cobalt producing precinct of La Cobaltera and incorporates the Cobaltera West copper/cobalt processing plant, together with significant tailings dumps.**
- **Company has already commenced a preliminary exploration program that includes:**
 - **Reconnaissance mapping with priority targets including veins and other mineralised structures subjected to rock chip sampling and detailed observation.**
 - **Detailed structural mapping with emphasis on extensions and structural intersections as well as assessment of any potential stratigraphic controls (dilatatory features, folding etc).**
 - **Rock chip sampling of veins to determine cobalt grades within known historic areas to determine cobalt grades and stream sampling of adjacent areas to determine new targets along strike of existing known veins.**
 - **Generation and prioritisation of cobalt drill targets.**
- **Company will complete a joint placement to of 700,000,000 Shares at of 0.1 cent per Share, together with one (1) free attaching option for every two (2) Shares to raise \$700,000.**
- **Consideration made up of up to 1,050,000 Blina shares, linked to clear exploration and corporate milestones.**
- **ASX have confirmed that Blina does not have to re-comply with Chapters 1 & 2 of the ASX Listing Rules.**

Introduction

Blina Minerals NL (ASX: BDI) ("Blina" or "the Company") has signed a Heads of Agreement (HoA) with La Cobaltera Pty Ltd (LCPL) to acquire a 100% interest in the La Cobaltera Project (the Project), a highly 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 (monzodiorites, 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.

According to a report obtained from the library of the Chilean geological survey (SERNAGEOMIN), between 1899 and 1906, more than three hundred tonnes of high grade cobalt ore was mined and exported from the La Cobaltera area which is located immediately adjacent and to the south of the Cobaltera Project.

The workings primarily concentrated on three cobalt mineralized veins and were processed in a small cobalt-only plant which was also located in the same La Cobaltera district (known then as San Juan). The mineralisation was composed of cobaltite, cobaltian arsenopyrite, smaltite, black cobalt and erythrite.

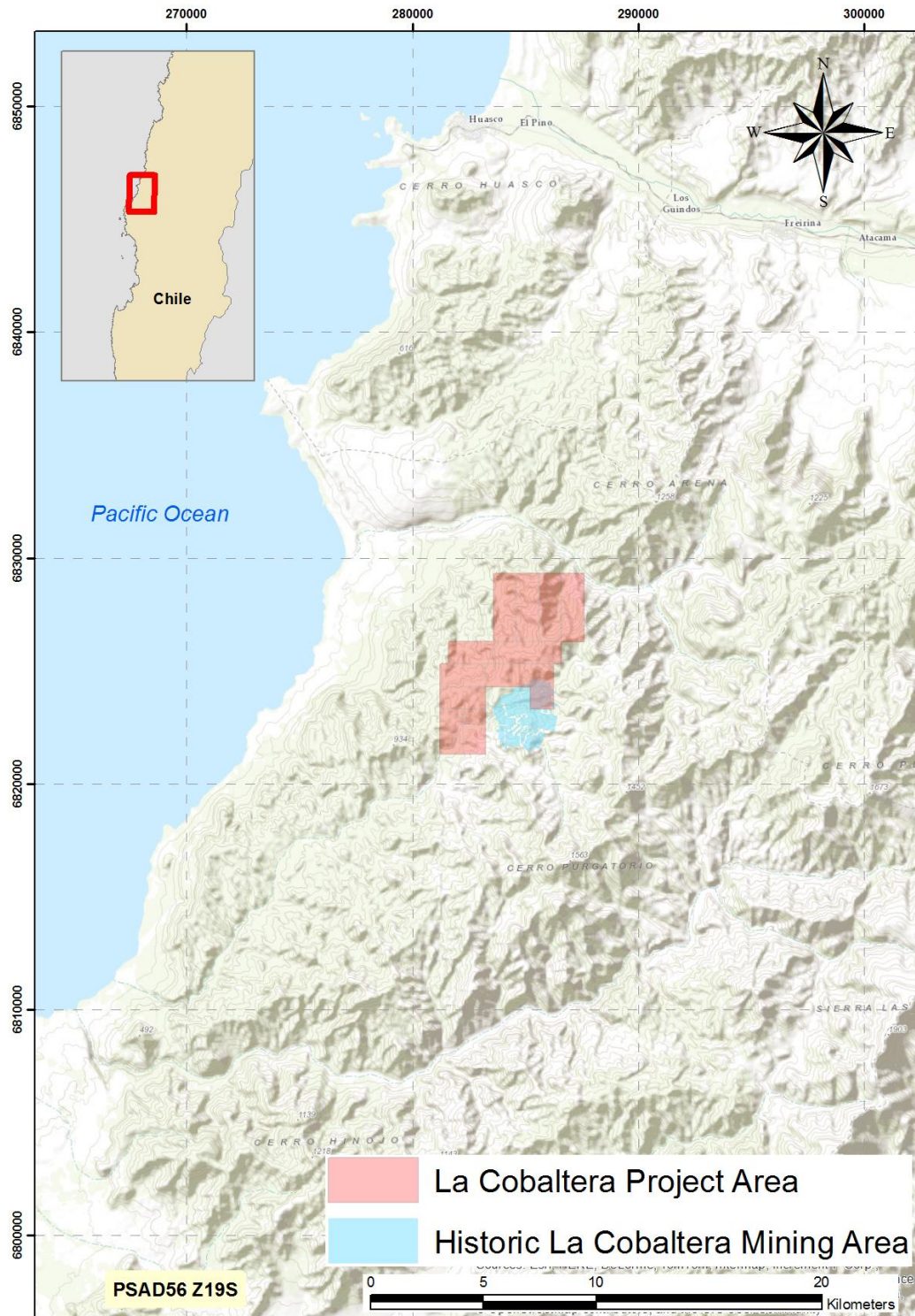


Fig 2. Project location map

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 (dilatatory 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 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) 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.

Contact:

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