

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Blackthorn Resources Limited

ABN

63 009 193 980

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration and evaluation	(1,148)	(6,409)
(b) development	(991)	(27,846)
(c) production	-	-
(d) administration	(809)	(4,476)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	202	1,611
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	8	8
Net operating cash flows	(2,738)	(37,112)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4,797)
1.9 Proceeds from sale of:		
(a) tenement interest	1,552	1,552
(b) equity investments	-	-
(c) other fixed assets	2	165
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (security deposits)	(374)	(275)
Net investing cash flows	1,180	(3,355)
1.13 Total operating and investing cash flows (carried forward)	(1,558)	(40,467)

1.13	Total operating and investing cash flows (brought forward)	(1,558)	(40,467)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 – equity issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,558)	(40,467)
1.20	Cash at beginning of quarter/year to date	20,016	57,718
1.21	Exchange rate adjustments to item 1.20	(118)	1,089
1.22	Cash at end of quarter	18,340	18,340

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	211
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Aggregate payment of remuneration for Executive Directors and directors fees to non-executive directors, plus consulting fees paid to director related entities.

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	460
4.2 Development	1,700
Total	2,160

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	480	756
5.2 Deposits at call	17,860	19,260
5.3 Bank overdraft	-	-
5.4 Other (provide details)		-
Total: Cash at end of quarter (item 1.22)	18,340	20,016

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	PL LS 374	Mumbwa exploration permit, Zambia*	70%	60%
6.2 Interests in mining tenements acquired or increased				

* Subject to JV agreement with BHP Billiton – 10% back-in payment received from BHP Billiton

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)	Amount paid up per security (see note 3)
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	106,885,300	106,885,300		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Performance Rights	-	-	<i>Exercise price</i> -	<i>Expiry date</i> -
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted, lapsed				
7.7 Options <i>(description and conversion factor)</i>	14,519,257 4,900,000*	- -	<i>Exercise price</i> \$4.50 \$0.45	<i>Expiry date</i> 28 September 2010 28 April 2012
7.8 Issued during quarter	4,900,000*	-	\$0.45	28 April 2012
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	13,195,945	13,195,945	\$1.00	30 June 2009
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

* Employee Options issued pursuant to the Company's Employee Option Plan approved by shareholders on 18 June 2009.

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 31 July 2009

Print name: Chris Brown

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards:** ASX will accept, for example, the use of International Accounting 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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