



10 August 2010

PERKOA ZINC PROJECT - BLACKTHORN BOARD ENDORSES KEY JV DOCUMENTS

KEY POINTS

- **Glencore and Blackthorn Resources have concluded commercial negotiations and reached agreement on detailed key commercial terms contained within nine “cornerstone” JV documents.**
- **Blackthorn Resources’ Board has considered the cornerstone documents negotiated with Glencore senior management and given conditional approval for execution of the documents, subject to finalisation of a number of supporting legal documents.**
- **The process of finalising supporting documents is expected to take approximately one week, with the execution of binding documents to follow soon thereafter.**
- **Subject to execution of the required documents, Blackthorn will issue a Notice of Meeting for an EGM. This notice, including shareholder information about the proposed transaction, is currently in the process of being drafted.**
- **The establishment of a JV for the Perkoa Zinc Project will be subject to a limited number of conditions precedent, including shareholder approval.**

Blackthorn Resources Limited (ASX: BTR) (the “Company” or “Blackthorn Resources”) is pleased to provide the following status report on negotiations with Glencore International AG (“Glencore”) regarding the establishment of a JV for the completion of construction and operation of the Perkoa Zinc Mine Project in Burkina Faso, West Africa.

Current status of proposed transaction

Glencore and Blackthorn Resources have concluded commercial negotiations and reached agreement on detailed commercial terms contained within nine “cornerstone” JV documents, with a number of outstanding issues having been recently resolved.

Blackthorn Resources’ Board has considered the cornerstone documents negotiated with Glencore senior management and given conditional approval for execution of documents, subject to finalisation of a number of supporting legal documents.



Next steps

Work is continuing with legal teams to conclude supporting legal documentation and implement the necessary transaction steps. The process of finalising supporting documents is expected to take approximately one week, with the execution of binding documents to follow soon thereafter.

Following execution of the full set of required documents, the establishment of a JV for the Perkoa Zinc Project will be subject to a limited number of conditions precedent, including shareholder approval via an EGM. A Notice of Meeting for an EGM, incorporating shareholder information about the proposed transaction, is currently being drafted. This notice will be issued when definitive transaction documents are executed and will schedule a meeting to seek shareholder approval of the transaction.

Managing Director Scott Lowe said: *"We are pleased that the detailed commercial terms contained within the cornerstone documents have now been settled. The remaining work required to allow execution of binding documents is largely legal rather than commercial in nature, and we look forward to having this work finalised in the near future."*

Greenwich Legal is acting as Blackthorn Resources' legal adviser and UBS AG, Australia Branch is acting as Blackthorn Resources' financial adviser.

Should you require further information please contact:

Scott Lowe
Managing Director
Ph: + 61 2 9357 9000

Ends