



23 May 2011

BHP BILLITON ADVISES OF INTENTION TO WITHDRAW FROM MUMBWA JV

KEY POINTS

- **BHP Billiton has advised Blackthorn Resources of its intention to withdraw from the Mumbwa Project and to terminate the Mumbwa Joint Venture (JV).**
- **Upon termination of the Mumbwa JV, Blackthorn Resources will hold a 100% interest in the Mumbwa Project and BHP Billiton will be entitled to receive a 2% production value royalty from any future mining from the Mumbwa JV area.**
- **Some arrangements applying to BHP Billiton's withdrawal and the date the withdrawal will take effect have yet to be agreed in detail with Blackthorn Resources.**
- **Blackthorn Resources will work with BHP Billiton to maintain the Mumbwa licence in good standing and to effect the renewal, and transfer of the licence to Blackthorn Resources in due course.**
- **Blackthorn Resources has plans for follow-up exploration drilling targeting the Kitumba mineral resource area and other anomalies where drill testing is considered by the Company to be sparse.**
- **Former head of exploration for BHP Billiton, Dr Tom Whiting has been engaged by Blackthorn Resources to assist with the design of the Phase 5 exploration program that will include drilling of the Kitumba deposit which is currently host to an Inferred Mineral Resource containing 87Mt at 0.94% copper (using 0.5% Cu cut-off).**
- **Other large scale anomalous targets within the 500sq km prospecting licence will also be considered for drilling, before a mandatory 50% reduction of the prospecting area upon renewal of the licence, due later in 2011.**
- **Blackthorn Resources is well funded and intends to commence drilling as soon as practicable. While drilling is underway, strategic funding alternatives for further work at Mumbwa will be evaluated.**



Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) wishes to announce that JV partner BHP Billiton has advised the Company of its intention to withdraw from direct involvement in the Mumbwa JV Project in Zambia.

JV Termination

Under the terms of the JV agreement, BHP Billiton will assign its interest in the JV to Blackthorn Resources, who will then hold a 100% interest in the Mumbwa Project.

BHP Billiton will remain entitled to receive a 2% production value royalty from any future mining to be conducted on the Mumbwa JV area.

The date for termination of the JV and some detailed arrangements applying to BHP Billiton’s withdrawal have yet to be agreed and are the subject of discussions.

Tenement Management

Blackthorn Resources intends to work closely with BHP Billiton to keep the Mumbwa prospecting licence in good standing and to effect a renewal and transfer of the licence to Blackthorn Resources’ Zambian subsidiary in due course. The prospecting licence currently covers a 500 sq km area, of which a mandatory 50% must be relinquished upon renewal, due in the latter half of 2011.

Future Exploration – Phase 5

Blackthorn Resources has commenced planning the future exploration program, which includes further delineation of the inferred mineral resource at Kitumba and the assessment of other regional scale targets. The initial drilling program will aim to increase the drilling density and confidence levels of the Kitumba deposit and upgrade the mineral resource status based on results from the infill and step-out drilling. The Company is encouraged by the prospectivity at Kitumba and is eager to conduct work to further validate Kitumba as a world class copper deposit. On 19 October 2009 the Company reported a JORC code compliant inferred mineral resource for the Kitumba deposit which was estimated at 87Mt grading 0.94% Cu (using 0.5% Cu cut-off).

The Company has engaged the consultancy services of Dr Tom Whiting, who previously held the position of Vice President Exploration (Minerals Division) with BHP Billiton. Dr Whiting has considerable experience in the exploration of Iron Oxide Copper Gold (IOCG) style deposits gained from work on Olympic Dam and Prominent Hill in South Australia. The proposed follow-up Phase 5 drilling program initially plans to core drill to infill the existing drill pattern and subsequently conduct step-out drilling to test areas where mineralisation is considered ‘open’. The Company is targeting the southwest, west and



northern limits of the Kitumba deposit. In addition, other regional scale drill targets are being reviewed where BHP Billiton's Phase 4 drilling is considered by Blackthorn Resources to be sparse.

Future Funding

Blackthorn Resources is well funded and intends to commence drilling as soon as practicable. While drilling is underway, strategic funding alternatives for further work at Mumbwa, including pre-feasibility and feasibility studies, will be evaluated.

Blackthorn Resources Managing Director Mr Scott Lowe said:

"This is a very positive development indeed for Blackthorn Resources' shareholders.

Following termination of the JV, our Company will hold 100% of the equity in the project where there is already an Inferred Mineral Resource. We are confident about the potential to expand this resource and also very optimistic about the prospectivity of the Mumbwa region. There are targets within the lease area that remain untested and we are enthusiastic about drilling in these areas.

Blackthorn Resources would like to thank BHP Billiton for the opportunity to earn-in to the Mumbwa Project and for their efforts. We look forward to continuing to collaborate on the transition process, including tenement management."

The information in this report which relates to Exploration Results at the Mumbwa JV Project in Zambia has been reviewed and approved for release by Mr Michael J Robertson, MSc, Pr.Sci.Nat., MSAIMM, who is a member of The South African Institute of Mining and Metallurgy. Mr Robertson has 22 years' experience in mineral exploration and is a full-time employee of the MSA Group. Mr Robertson has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Robertson has consented to inclusion in the report of the matters based on his information in the form and context in which it appears.

ATTRIBUTION

The information in this report which relates to Mineral Resources at the Mumbwa JV Project has been reviewed and approved for release by Mr. Michael R Hall, MBA, Pr.Sci.Nat, MAusIMM, who is a member of the Australian Institute of Mining and Metallurgy. Mr. Hall has 30 years' experience in mineral exploration and is a consultant to the MSA Group. Mr. Hall has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Hall has consented to inclusion in the report of the matters based on his information in the form and context in which it appears.



Should you require further information please contact:

Scott Lowe
Managing Director
Ph: + 61 2 9357 9000

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