



30 June 2011

BLACKTHORN RESOURCES PLANS PHASE 5 DRILLING PROGRAM AT MUMBWA IN ZAMBIA

KEY POINTS

- **A Phase 5 exploration program for the Mumbwa Project in Zambia has been designed. Drilling is forecast to commence in early August 2011.**
- **The Phase 5 program plans ~ 7,000m of cored drilling over 14 holes.**
- **The initial focus in Phase 5 is to conduct further resource drilling over the Kitumba Deposit with the aim of increasing the confidence level in the existing mineral resource model and achieving a mineral resource upgrade. Future drilling will also include exploration ‘scout’ holes on various targets within the Mumbwa licence area which were generated by re-modelling the previous FALCON™ gravity and magnetic data.**
- **The exploration program has been designed by the MSA Group and overseen by Dr Tom Whiting who is a consultant to the company. Dr Whiting was formerly Vice President of Exploration (Minerals Division) with BHP Billiton.**
- **The planned exploration budget for the Phase 5 program is AUD5M. Contracts are being finalised and the program is on schedule to allow approximately 3 months of drilling before the commencement of the annual wet season. The Company will also commence a high level “Concept Study” on the Kitumba resource.**



Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) is pleased to advise that a detailed exploration program has been designed for the Mumbwa Project in Zambia. The Phase 5 program includes ~ 7,000m of cored drilling from a series of 14 holes over the Kitumba deposit, which has been previously estimated to contain a JORC code compliant inferred mineral resource containing 87Mt at 0.94% copper (using 0.5% Cu cut-off).

The focus of the Phase 5 program is to conduct additional drilling over the Kitumba deposit with the aim of further delineating the mineral resource and generating an upgrade to the mineral resource category, tonnage and grade. During the previous mineral resource study at Kitumba in 2009, it was recommended that further drilling be conducted in areas where the mineral resource was considered ‘open’. The Company plans to tighten the drill spacing over the Kitumba mineral resource deposit area through infill drilling, and to test the ‘open’ areas by a series of step-out drill holes.

BHP Billiton did not deliver a concept study in Phase 4 in the required time frame. The Company intends to initiate its own concept study to begin the process of assessing the economic viability of the Kitumba Area.

In future, further exploration drilling of untested or refined targets will be conducted following a detailed review of the existing FALCON™ gravity and magnetic data-set. The re-modelling of the FALCON™ data was completed by PGN Geoscience in Melbourne and involved incorporating data from recent drilling phases to further constrain the data and review the anomalous targets again. Some additional sites of interest have been identified which warrant further investigation and drill testing.

Phase 5 Program

The planned Phase 5 drilling program has been designed by the MSA Group from Johannesburg following a detailed review of all existing data collected during the previous four exploration phases since 2004. This extensive data-set includes the geological model from the previous Kitumba mineral resource study, re-modelling of Phase 1 FALCON™ data and incorporating new data collected during the subsequent Phase 2 – 4 drilling programs, which included more than 35,000m of drilling from over 50 drill holes.

Significant information was obtained from the drilling which intersected copper and gold mineralisation. However, the drill holes which were considered barren have also contributed valuable information into the data-set allowing further significant geological modelling to be conducted.

Kitumba Mineral Resource Area

The primary focus of the Phase 5 drilling program is the Kitumba Deposit which was discovered by the Mumbwa JV during the Phase 2 drilling campaign in 2006/07. Subsequent drilling allowed a JORC code compliant inferred mineral resource estimate of 87Mt at 0.94% copper (using 0.5% Cu cut-off) to be delineated from 25 drill holes.

During this next phase of drilling, the Company plans a series of 'infill' holes to tighten the drill spacing over the deposit and increase the confidence level for interpretation of the geological model. In addition, these holes will test the down-dip extension of the mineral resource which was considered 'open' at depth.

Additional 'step out' drilling is planned to test areas of the mineral resource model where mineralisation was considered 'open' in a number of directions. These areas are situated towards the southwest, west and far north of the current Kitumba copper mineralisation halo. Furthermore, some drill holes that were drilled during the previous Phase 3B mineral resource study were not incorporated into the mineral resource calculations because assay results were not available at the time of reporting. Upon receipt of assay results it was identified that some intervals of copper mineralisation from drill hole ZMMUM-005 have potential to be incorporated into the mineral resource estimate. Results from this hole can now be included into the revised geological model together with new data collected during the Phase 5 program.

The Phase 5 program is designed to be dynamic and will be assessed and fine-tuned as the drilling progresses and assay results are received. The Company plans to drill 14 holes from the immediate Kitumba mineral resource area as shown in Figure 1. Initially infill drilling will target the known resource before stepping out and drill testing other parts of the system.

The Company is currently is in the process of establishing a number of operational contracts including drilling, assays and site logistics. Good progress is being made and operations are planned to commence well in advance of the annual wet season, which is anticipated to start in November. Drilling is likely to continue until the year-end without being adversely effected. The geography of the Kitumba area maintains some elevated topographical relief allowing field access through the rainy period. The wet season in Zambia typically abates towards the end of February. Drill targets that cannot be accessed due to wet ground will be deferred until access permits.

Future Drilling - Other Mumbwa targets

Beyond this next phase, which is focussed on Kitumba, the Company has been evaluating a number of ranked exploration targets for testing by 'scout' drilling. In recent months Blackthorn Resources has commissioned a re-analysis and re-modelling of the previous FALCON™ data-set, incorporating all new drilling data to better understand the underlying geology.



Dr Tom Whiting has been engaged as a consultant to review and assist in the planning and re-interpretation of results. Some significant developments have been revealed and further drilling is recommended to further test these targets. Dr Whiting was formerly Vice President of Exploration (Minerals Division) with BHP Billiton and is familiar with the exploration techniques for this style IOCG mineralisation and similar style IOCG deposits at Olympic Dam and Prominent Hill in South Australia.

Managing Director, Mr Scott Lowe said;

“Blackthorn Resources is very eager to resume management of the Mumbwa Project and expedite further drilling in the Kitumba area, as well as looking further afield to test some other highly ranked targets within the licence area. While the JV between Blackthorn Resources and BHP Billiton is in the process of being terminated, the companies are continuing to work very closely to ensure a smooth transition in the licence transfer process.

This period is an exciting time for the Company and our objective is to add further value to Blackthorn Resources’ current mineral resource inventory of copper.”

The information in this report which relates to Exploration Results at the Mumbwa 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 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

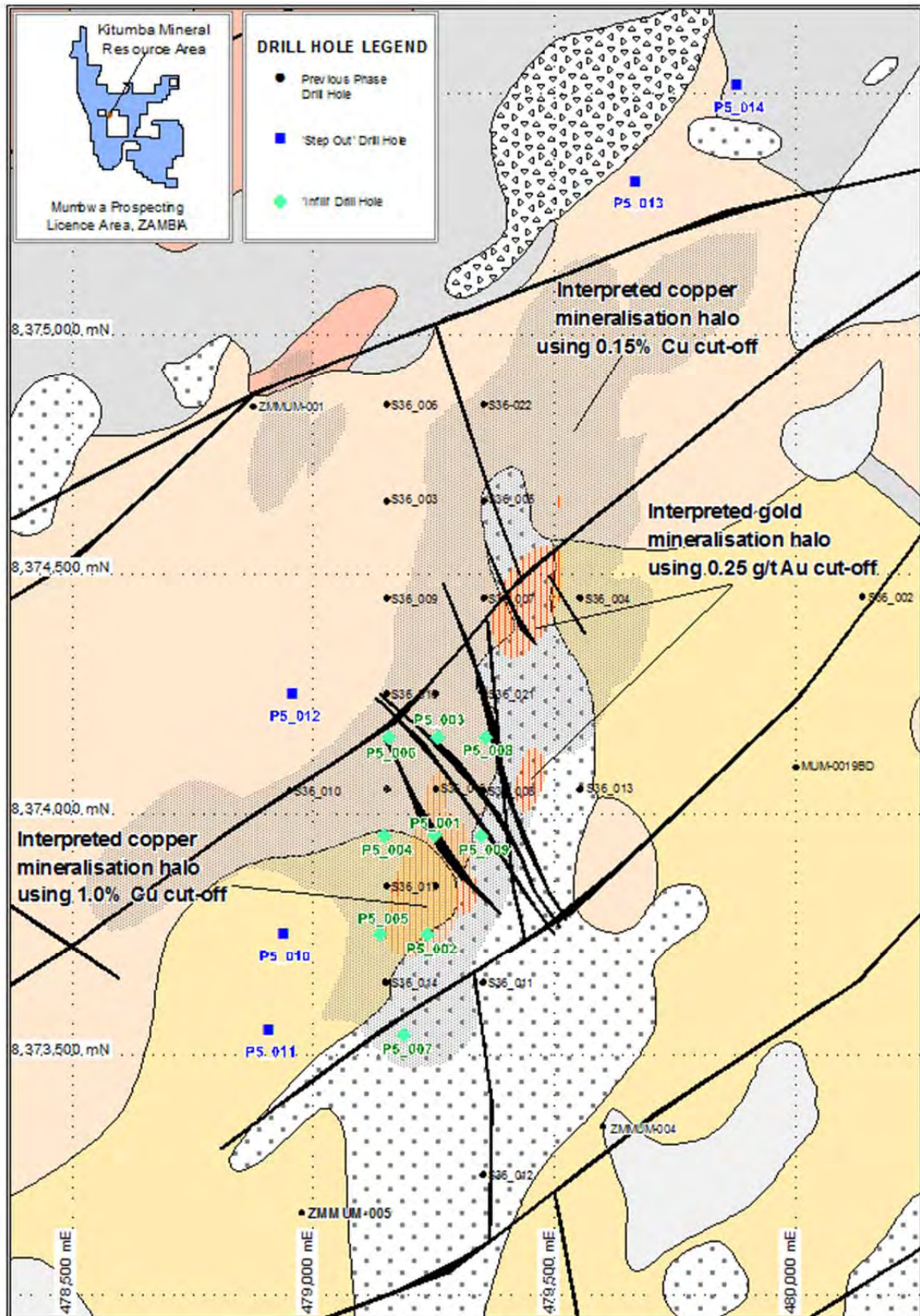


FIGURE 1 - Phase 5 drill collar plan over the Kitumba mineral resource area showing initial 'infill' and 'step-out' drill holes.

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