

22 September 2009

MUMBWA JOINT VENTURE PROJECT – PROGRESS REPORT

KEY POINTS:

- Results received from drill holes ZMMUM-003 and ZMMUM-007, drilled on the Kitumba and Mushingashi Anomalies respectively, revealed copper and gold mineralisation.
- ZMMUM-003, drilled on the Kitumba Anomaly, revealed copper (“Cu”) mineralisation as follows:
 - 2m at 0.26 % Cu between 14m and 16m
 - 6m at 0.29 % Cu between 54m and 60m
 - 2m at 0.26 % Cu between 90m and 92m
 - 2m at 0.32 % Cu between 188m and 190m
 - 6m at 0.71 % Cu between 242m and 248m
 - 2m at 0.30 % Cu between 278m and 280m

(No gold mineralisation above cut off was detected in this hole)

- ZMMUM-007, drilled on the Mushingashi Anomaly, revealed gold (“Au”) mineralisation as follows:
 - 2m at 0.45 g/t Au between 495m and 497m *
 - 4m at 0.27 g/t Au between 589m and 593m *
 - 4m at 0.70 g/t Au between 611m and 615m *
 - 2m at 0.62 g/t Au between 623m and 625m *
 - 2m at 0.98 g/t Au between 649m and 651m *

(No copper mineralisation above cut off was detected in this hole)

** Denotes gold mineralisation*

- Phase 3B has to date completed 4 holes on the Mushingashi Anomaly with assay results for the remaining 3 holes expected in the near future.
- A further 8 targets over the Mushingashi Anomaly are being reviewed with an additional 6,400m of drilling currently planned.
- A range of additional safety improvements are being implemented following a number of hazards identified in the area, including the management of wildlife, specifically lions.
- The contract with the drilling company has been terminated, and a process is underway to identify a replacement contractor.
- Drilling has been suspended due to difficulties caused by the wet season.
- The site camp is being relocated to be closer to the Mushingashi Anomaly, where future work will be concentrated.
- Preparation of a JORC code compliant mineral resource estimate commissioned by Blackthorn Resources for the Kitumba Anomaly is progressing well.
- BHP Billiton maintains an option to fully fund the next exploration stage - Phase 4 Concept Study.



Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) provides the following progress report for the Mumbwa JV Project in Zambia.

The Mumbwa project is targeting Iron Oxide Copper-Gold (“IOCG”) style of mineralisation and includes 3 anomalies that were previously identified by exploration techniques including the Falcon™ gravity survey; the Kitumba, Mutoya and Mushingashi anomalies.

BHP Billiton (40% JV partner) is currently managing and funding the Phase 3B drilling program, which has been drilling both the Kitumba and Mushingashi anomalous areas. Previous results announced have been from drilling the Kitumba Anomaly where drilling has detected mineralisation in a zone measuring approximately 1km in length and 400m wide.

The Mushingashi Anomaly is located approximately 5km north-northwest from Kitumba and is described as a north-south trending ‘density anomaly’ which extends for a 19km strike length. Mushingashi covers a large area which has not been thoroughly drill tested, as much of the area, particularly towards the north, is covered by overlying Karoo sediments which can be in excess of 200m thick at some locations.

Kitumba Assay Results

Assay results were received from cored drillhole ZMMUM-003 represent results from the 3rd hole from 5 drilled at the Kitumba Anomaly during Phase 3B.

ZMMUM-003 was core drilled at an angle of 60 degrees towards the west (270 degrees) and was terminated at a drilled depth of 430.4 metres. A total of 241 samples of drill core and quality control samples were submitted for sample preparation and multi-element analysis.

Reported mineralised intersections represent drilled thickness intervals and calculated on weighted average grades using cut-off grades of 0.25 g/t Au and 0.25% Cu. True width intersections are not quoted as additional interpretation is required to correlate data from adjacent holes.

Drilled thickness intercepts of copper from drill hole ZMMUM-003 above the cut-off include:

- 2m at 0.26 % Cu between 14m and 16m
- 6m at 0.29 % Cu between 54m and 60m
- 2m at 0.26 % Cu between 90m and 92m
- 2m at 0.32 % Cu between 188m and 190m
- 6m at 0.71 % Cu between 242m and 248m
- 2m at 0.30 % Cu between 278m and 280m

(No gold mineralisation above cut off was detected in this hole)

Mushingashi Assay Results

Assay results received from cored drillhole ZMMUM-007 represent the first set of results received from the Mushingashi Anomaly.

ZMMUM-007 was core drilled at an angle of 60 degrees towards the west (270 degrees) and was terminated at a drilled depth of 750.4 metres. A total of 195 samples of drill core and quality control samples were submitted for sample preparation and multi-element analysis.

Reported mineralised intersections represent drilled thickness intervals and calculated on weighted average grades using cut-off grades of 0.25 g/t Au and 0.25% Cu. True width intersections are not quoted as additional interpretation is required to correlate data from other holes.

Drilled thickness intercepts of gold from drill hole ZMMUM-007 above the cut-off include:

- 2m at 0.45 g/t Au between 495m and 497m *
- 4m at 0.27 g/t Au between 589m and 593m *
- 4m at 0.70 g/t Au between 611m and 615m *
- 2m at 0.62 g/t Au between 623m and 625m *
- 2m at 0.98 g/t Au between 649m and 651m *

(No copper above the cut off grade was detected in this hole.)

For the above holes, samples were prepared and gold fire assay analysis and multi-acid digestion and multi-element analysis performed by ICP-MS and ICP-AES techniques. Samples were prepared by the SGS laboratory in Ndola, Zambia and sent to the SGS laboratory in Johannesburg, South Africa for analysis.

Assays for the remaining 3 holes drilled to date on the Mushingashi Anomaly are expected in the near future.

Phase 3B – Progress Report

Drilling

The Phase 3B program has completed in excess of 8000m, comprising 11 holes drilled over the Kitumba Anomaly, where Blackthorn Resources had concentrated the previous drilling phases and 4 holes (plus 2 abandoned holes) over the Mushingashi Anomaly, where exploration efforts are now being focused.

The on-set of the wet season has inhibited site access and limited drilling progress, such that BHP Billiton has suspended drilling operations due the conditions. As the operator, BHP Billiton is also introducing a range of changes and safety improvement initiatives to mitigate potential safety hazards identified during a recent safety audit and investigation.



Hazards identified included sightings and evidence of wildlife, namely lions, in the immediate vicinity of the drilling area.

The drilling contractor has been terminated, and a process is underway to identify a replacement drilling company to continue drilling the Phase 3B program. Drilling will only recommence after the wet season and following implementation of the safety improvement program.

The full BHP Billiton team remains in place and while drilling is on hold for the wet season, is continuing to manage and fund the following work:

- a) Erection of fencing and implementation of a wildlife management plan
- b) Relocation of the camp to a site closer to the Mushingashi Anomaly
- c) Further analysis of geological and other exploration data-sets
- d) Review and re-design of future drilling pattern

BHP Billiton Option to fully fund Phase 4

Under the terms of the JV agreement, BHP Billiton holds an option to fully fund the next phase of the program - Phase 4. This phase involves conducting a Concept Study, and may also include additional drilling. If it elects to do so, BHP Billiton may increase its interest in the project to 60% by successfully completing this study and then paying Blackthorn Resources a back-in payment of 150% of the Company's actual exploration costs incurred in Phases 1 – 3 (minus the initial back-in payment of USD 1.1M paid earlier this year.)

If BHP Billiton chooses not to fully fund the next phase, it must assign its 40% interest to Blackthorn Resources at no cost, but will retain a 2% production royalty from any future mining operations.

The deadline for the completion of the current Phase 3B work is the 31st December 2009.

Future drilling

In addition to holes that have been drilled on the Mushingashi Anomaly, a further 6,400m of drilling is planned from another 8 drill targets (see TABLE 1 and FIGURE 2). These targets are based on re-interpretation by BHP Billiton of the initial Falcon™ exploration data and analysis of other information. The drill pattern is currently under review and future drilling will be designed to target potential copper, gold and uranium associated with IOCG style of mineralisation.

TABLE 1 – Planned drilling at Mushingashi - 6,400m from 8 targets.

Target ID	Proposed Depth (m)	Easting (m)	Northing (m)	Dip (degrees)	Azimuth (degrees)	Status
MUS_004	800	474,839	8,377,599	-60	045	Planned
MUS_006	800	471,950	8,391,550	-60	090	Planned
MUS_007	800	471,975	8,390,270	-60	090	Planned
MUS_008	800	471,990	8,388,800	-60	135	Planned
MUS_009	800	472,080	8,387,240	-60	090	Planned
MUS_010	800	472,490	8,385,720	-60	090	Planned
MUS_011	800	473,630	8,384,860	-60	270	Planned
MUS_012	800	472,990	8,383,370	-60	135	Planned
TOTAL	6,400					

Kitumba - Mineral Resource Estimate

The MSA Group is making good progress in preparing a 2004 JORC code compliant mineral resource estimate, focussed on the Kitumba anomaly. The resource estimate study will be based on copper and gold mineralisation identified by previous drilling programs and relevant Phase 3B holes, involving up to 25 drill holes.

Blackthorn Resources commissioned the MSA Group to conduct this study, and cannot predict the outcome of this study, however the Company is encouraged by results from the previous Phase 3 drilling program and is advised there is likely to be sufficient data to determine an initial resource estimate. Work on this study will also incorporate relevant findings from the current Phase 3B drilling program, and the Company is expecting to receive a report before the end of October 2009. Findings of this study will be communicated once the final report is made available.

Managing Director Scott Lowe said:

“Blackthorn Resources fully supports BHP Billiton’s decision regarding safety improvements and the suspension of drilling during the wet season.

The results from hole ZMMUM-007 are the first received from the Mushingashi system, and assays are pending from 3 more holes that are located in the southern end of Mushingashi Anomaly, in an area that appears to be near an intersection of 2 distinct regional lineaments. This 19km anomaly will require numerous holes to be drilled to fully test for mineralisation.

The indications are that a broad IOCG system is present at Mumbwa, and that it has potential to be world class. However this can only be quantified once sufficient drilling is complete across the property. In the meantime we are making good progress with the JORC code compliant resource estimate on the 1km long Kitumba anomaly and we expect to be in a position to announce the outcome of this by end October 2009.

We remain excited about Mumbwa. While there is currently some necessary delay to the drilling, we remain very optimistic about future work and we look forward to coming months as the project develops.”



Note:

Gold and copper assays were performed by ISO 9001 and ISO/IEC 17025 accredited SGS South Africa (Pty) Ltd laboratory in Johannesburg, South Africa. Samples were analysed by multi-acid digest followed by inductively coupled plasma atomic emission spectrometry (ICP-AES) and inductively coupled plasma mass spectrometry (ICP-MS) for multi-elements and by fire assay with atomic absorption spectrometry finish for gold. Where acid digestion analysis exceeded the upper detection limit for copper (>10,000 ppm copper), the sample was re-assayed for copper using sodium peroxide fusion techniques followed by ICP-AES.

ATTRIBUTION

The information in this report which relates to Exploration Results at the Mumbwa JV Project has been reviewed and approved for release by Mr Michael J Robertson, MSc, Pr.Sci.Nat., MSAIMM who has 20 years experience in mineral exploration, and who is a full-time employee of the MSA Group, and 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 of this information in the form and context in which it appears.

Should you require further information please contact:

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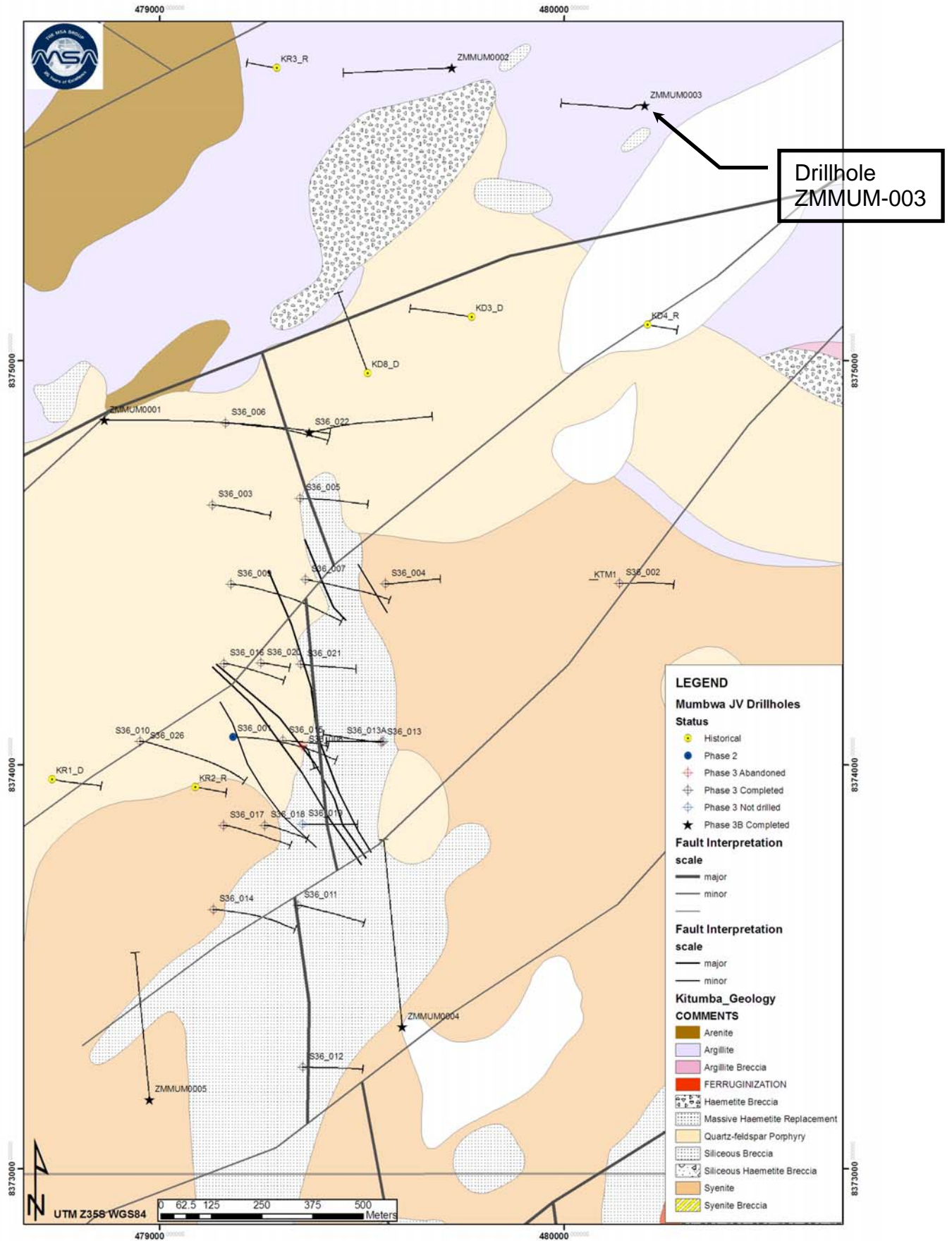


FIGURE 1 – Drillhole Plan for the Kitumba Anomaly illustrating Phase 3B collar locations.



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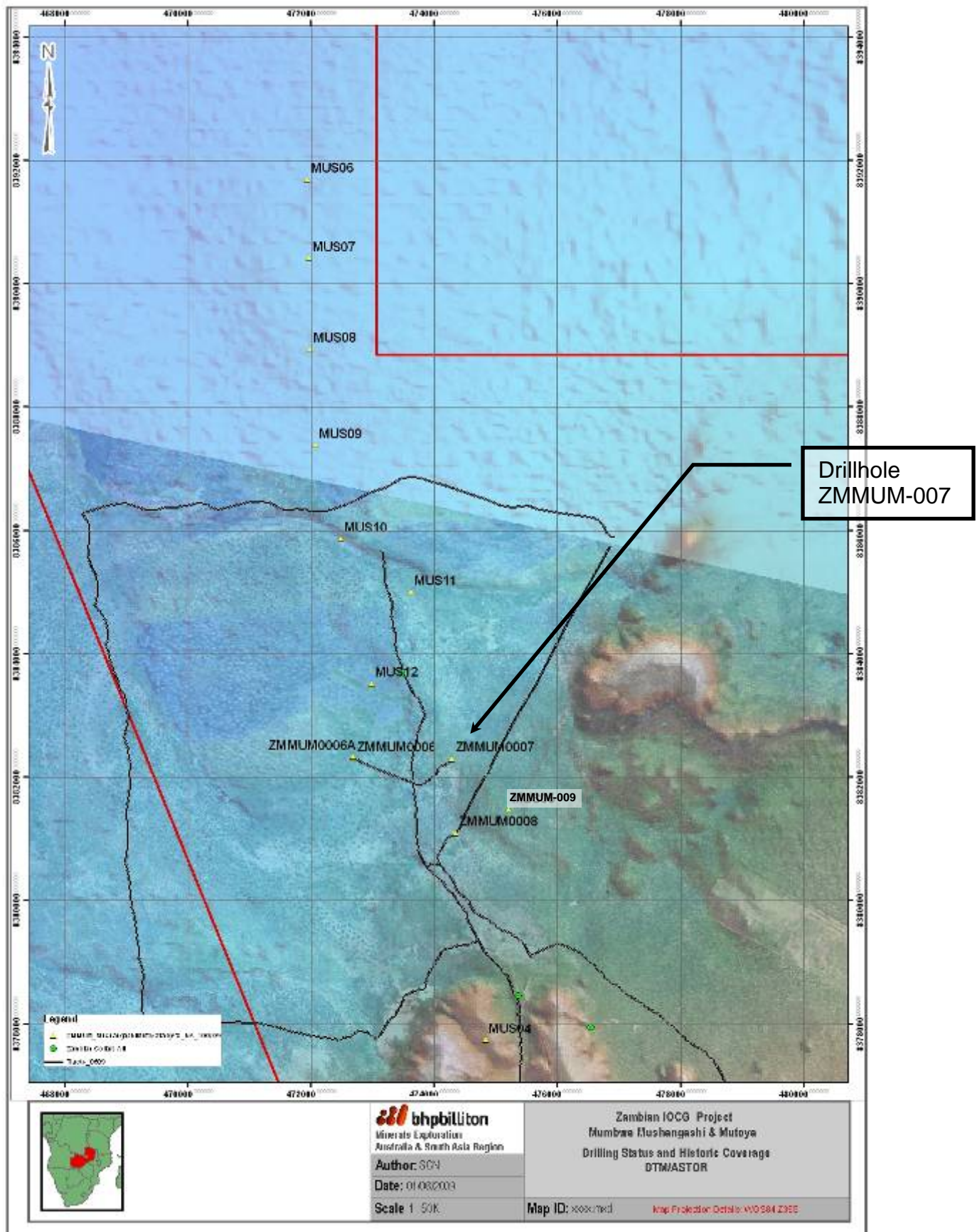


FIGURE 2 – Drillhole Plan for Mushingashi Anomaly illustrating current and planned Phase 3B collar locations.

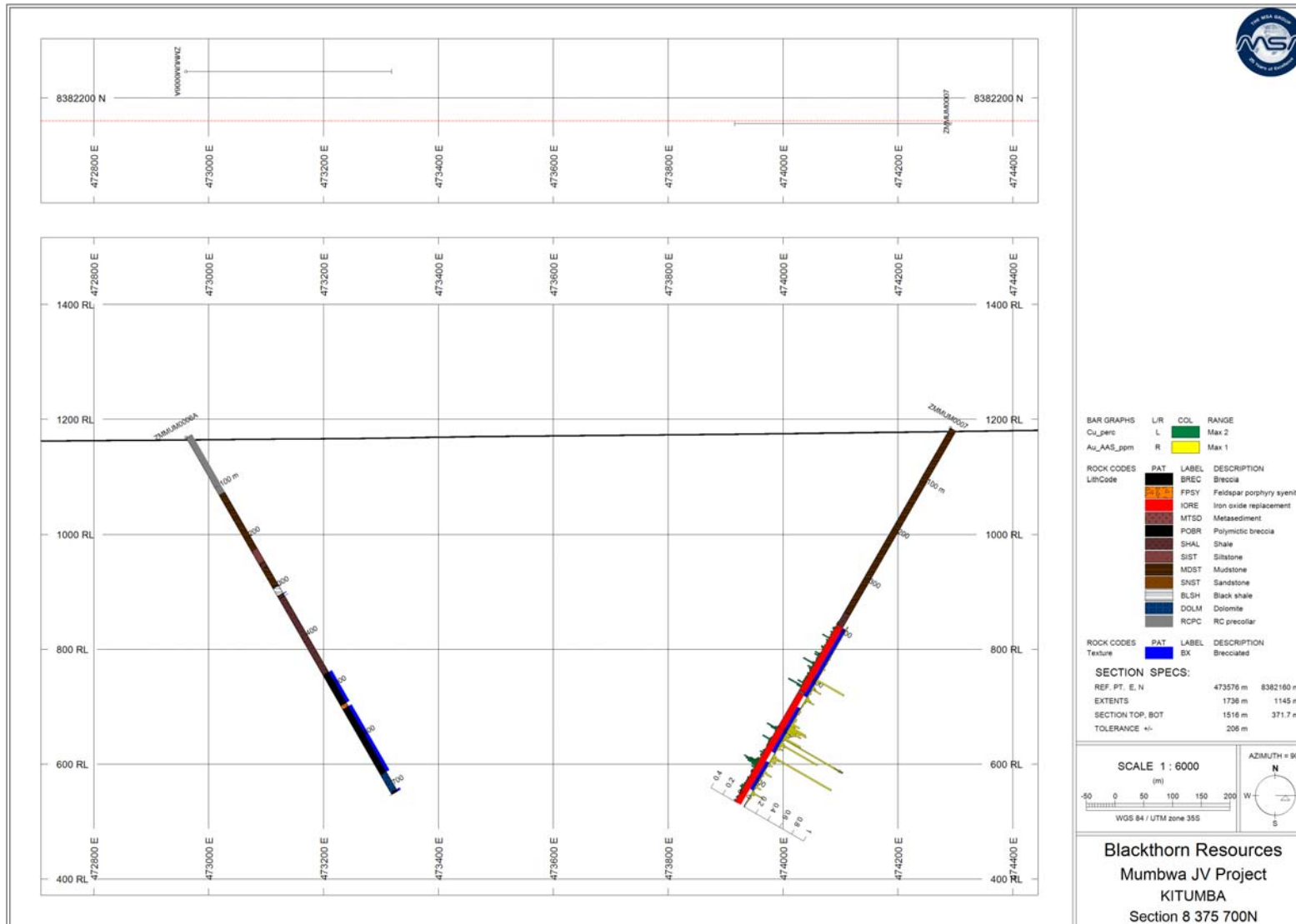


FIGURE 4 – East-West Section across the Kitumba Anomaly from the Mumbwa Project area illustrating the drill trace for hole ZMMUM-007, showing Cu and Au values. This diagram is schematic and for illustration purposes only. Finalization of downhole survey data is awaited

Ends