



6 July 2010

PERKOA ZINC PROJECT – JV NEGOTIATIONS PROGRESS REPORT

KEY POINTS

- **Glencore and Blackthorn Resources have now formally signed an Off-Take agreement for all available zinc concentrates. This Off-Take agreement will take effect only once a JV is formed and Glencore procures or provides the necessary funding to complete project construction.**
- **Progress continues to be made in negotiating documents for the establishment of a Joint Venture (“JV”) for the Perkoa Zinc Project in Burkina Faso based on the Heads of Agreement document signed in January 2010.**
- **A number of “cornerstone” documents containing key commercial and legal terms and conditions for the JV have been prepared. These documents are expected to be submitted to the Blackthorn Board and Glencore senior management in Switzerland for review within one week.**
- **The preparation of other supporting transaction documentation is well advanced.**
- **Following execution of the full set of required documents, the establishment of a JV for the Perkoa Zinc Project will be subject to a number of conditions precedent, including shareholder approval via an EGM.**

Blackthorn Resources Limited (ASX: BTR) (the “Company” or “Blackthorn Resources”) is pleased to provide the following update 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 now formally signed an Off-Take agreement for all available zinc concentrates. This Off-Take agreement will take effect only once a JV is formed and Glencore procures or provides the necessary funding to complete project construction.



In addition to signing this document, a number of “cornerstone” documents containing key commercial and legal terms and conditions for the JV have been prepared by the negotiating teams representing the parties and are expected to be submitted to the Blackthorn Resources’ Board and Glencore senior management in Switzerland for review within one week.

Other supporting transaction documents are also being prepared.

Next steps

Work on finalisation of supporting transaction documentation will continue while the “cornerstone” documents are under review by Glencore’s senior management and the Blackthorn Board.

The establishment of the JV will be subject to a number of conditions precedent, including shareholder approval. A Notice of Meeting for an EGM will be issued soon after definitive transaction documents are executed. This notice will schedule a meeting to seek shareholder approval.

Managing Director Scott Lowe said: *“The Off-Take agreement is a core component of the proposed transaction with Glencore and we are pleased that it has been signed off. Negotiation in good faith continues between the parties on the comprehensive range of documents required to establish the JV, with good progress continuing to be made. The Company will keep the market informed of further developments.”*

Should you require further information please contact:

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Ends