



16 November 2011

PERKOA JV PROJECT UPDATE

KEY POINTS

- **Expansion business case continuing to be evaluated with decision on expansion now due early December 2011**
- **First ore expected in coming weeks**

Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) is pleased to provide the following project update on the Perkoa JV Project in Burkina Faso, West Africa.

Enhanced business case at Perkoa

The Company is continuing to receive and assess information in relation to the investment case proposed by Glencore in September 2011 to enhance operations at Perkoa. The enhanced business case proposes an increase in mine capacity and expansion of operations to include open-cut mining to extract and process silver, lead and zinc ore adjacent to the current underground mine development.

It was previously anticipated that all relevant information would be available for a decision to be made by mid-November 2011 regarding the Company’s support for the improvements and finance of Blackthorn Resources’ share of incremental capital *. There has been some delay in information being delivered and it is now expected that a final decision will be made early December.

The target date for commissioning under the expansion business case is mid-2012. The delay in the Company making its decision will not affect the commissioning date for the expansion case as Glencore is continuing to allocate resources and do work necessary to advance the improvements.

** Funding for Blackthorn Resource’s share of incremental capital is available via a project finance facility to be provided by Glencore based on terms agreed in May 2011.*

First ore

First development ore from a cross-cut driven off the main decline is expected by 1st week December. The decline has now advanced a total of 532 metres and the weekly



development rate is now meeting or exceeding budget. Two drilling jumbos are in place and underground work is proceeding 24 hours per day, 7 days per week.

Managing Director Mr Scott Lowe said:

“We are very excited by the potential for adding value to the current project through the changes that Glencore has proposed. All information received to date supports a decision to enhance the Perkoa Project. The delay in finalising Blackthorn’s assessment will not delay the commissioning of the Zinc project or the expanded operation, as Glencore is proceeding with essential work for the improvements. This is a very positive indication. Of course we are looking forward to the production of first ore from Perkoa in coming weeks which will represent a major milestone in the history of the Project.”

About the Perkoa Zinc Project

The Perkoa Zinc Project is a zinc mine that is currently under construction and is being operated as a joint venture between Blackthorn Resources (39.9%) and Glencore International (50.1%), with the remainder (10%) being held by the Government of Burkina Faso as a free carried interest. Since the formation of the JV in late 2010, Glencore has been managing and operating the construction activities at the Perkoa Mine site which has significantly scaled up operations by mobilising personnel, plant and machinery early in 2011. Glencore has already procured equipment, awarded a number of contracts and appointed key personnel to oversee the success of operations onsite.

The Project is located within the Proterozoic, Boromo Greenstone belt in Burkina Faso and is situated approximately 120km west of the capital, Ouagadougou.

Should you require further information please contact:

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