



1 June 2011

PERKOA ZINC PROJECT: CONSTRUCTION AND PROGRESS UPDATE

KEY POINTS

- **Mine development activities are on target at the Perkoa Mine site with construction progress, including:**
 - **Tailings and process water dams and settling pond**
 - **Workshop, warehouse, offices and ablution facilities**
 - **Seboun water supply pipeline surveying and site clearance**
 - **Delivery of pipework**
 - **Development of the main access decline progressed to ~150m**
- **The first of two mechanised drilling ‘jumbos’ delivered to site to take over the hand-held drilling for mine development.**
- **A logistics office is being established in Ouagadougou and is expected to be operational in June 2011.**
- **Optimised processing plant design and layout work progressing.**
- **Diamond core exploration drilling program totalling ~1,900m commenced at Perkoa Mine site to test for extensions of silver, lead and / or zinc mineralisation.**
- **Key site managers have been appointed.**



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

The Perkoa Zinc Project is being operated as a joint venture between Blackthorn Resources (39.9%) and Glencore International AG (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 on site.

Construction Activity

Following mobilisation of the construction team in December 2010, work has been progressing to complete the remaining mine site infrastructure. Several construction activities are being completed simultaneously and in-line with the planned development schedule.

Construction of water management systems is nearing completion including mine water settling ponds, rain water handling and recycling. In addition, construction of the tailings and process water dams have commenced well in advance of the annual wet season. A series of three tailings dams are included in the process plant design and are to be completed in stages as production ramps up to full capacity.

Other onsite construction activities include the final stages to complete the mining workshop, warehouse, change room and ablution facilities, offices, laboratory and miners accommodation camp. All building fit-out is scheduled to be completed by June 2011.

The Perkoa Zinc Project has prior approval to source water for the process plant from the Seboun Dam, which is situated approximately 20km from the mine site. Final design parameters and tenders for construction of the pipeline have been finalised and the construction contract has been awarded. Site surveying and clearing of the proposed route for the pipeline has already commenced. Pipework has been delivered to site.

Construction of the process plant is continuing with detailed plant design and layout being scheduled to allow for timely completion of key building milestones. The design of a regrinding mill circuit has been finalised and an order issued to procure equipment by December 2011. All other process plant components have been previously delivered to site.

PRESS RELEASE

Mine Development

Ongoing mine development has been progressing steadily since the restart of site activities in December 2010. Mining contractors have been using hand-held pneumatic drills to advance development of the main access decline in the lead-up to the arrival of the mechanised drilling jumbo. The jumbo was delivered in May 2011 and is undergoing a workshop compliance check before commencing work underground.

Current progress has advanced the decline a further 67m, which now totals approximately 150m from the mine portal. It is expected that the rate of mine development will increase significantly upon start-up of the drilling jumbo, which is planned to advance at a rate of 100m per month.

Additional underground mining equipment has been delivered to site and includes low loader, various trucks and crane. Ancillary equipment to supplement the mining fleet will be delivered according to the mine development schedule.

Key personnel including engineers and plant managers have been appointed and mobilised to the Perkoa Mine site to oversee the successful implementation of the Project's development.

Project Optimisation Study and Exploration

Joint venture partner Glencore has initiated an investigation to review all parameters of the Perkoa Zinc Project including further exploration drilling, process plant optimisation, mine development schedule and the possibility of extracting other metals from the Perkoa concentrate product.

Glencore has designed a 1,900m exploration drilling program to be carried out close to the Perkoa Zinc Project. The drilling program is targeting extensions to the Perkoa deposit and aims to review the occurrence and relationship between the various metals hosted at Perkoa including silver, lead and zinc. The drilling program aims to explore and delineate parts of the existing Perkoa deposit where mineralisation is considered shallow and potentially amenable to mining by open-cut methods.

A diamond-core drilling contract has been awarded and drilling has commenced. Samples of drill core are being collected and will be sent to the ALS Chemex laboratory in Ouagadougou for analysis. Samples will be tested for multiple elements including zinc, silver and lead. Assay results from the drilling program will be reported as received.

PRESS RELEASE

Safety and environment

In-line with the Project's safety and environmental commitments, an industrial waste handling system has been introduced as well as improvements to safety standards and operating procedures.

Managing Director Mr Scott Lowe said:

"The Project is making good progress in accordance with expectations and to date has not been affected by the unrest that Burkina Faso has recently experienced. We are advised by local management that the Burkina Faso Government is dealing promptly and responsibly with the situation. Blackthorn Resources' and the JV's people and property have not been threatened and we remain in regular contact with Glencore to monitor the situation.

The Perkoa Project remains an important part of the Company's portfolio and we are also very excited by the potential for adding value to the current project through the changes that Glencore is investigating relating to silver and lead, increased throughput and open-cut mining."

About the Perkoa Zinc Project

The Perkoa Zinc Project is located within the Proterozoic, Boromo Greenstone belt in Burkina Faso and is situated approximately 120km west of the capital, Ouagadougou. The style of mineralisation at Perkoa is described as a Volcanogenic Massive Sulphide (VMS) deposit which hosts a JORC code compliant 'probable' ore reserve. The Perkoa deposit represents the first large scale zinc mine in Burkina Faso and Blackthorn Resources is the first ASX listed company to commence mining in the country.

The Perkoa deposit has significant upside exploration potential as the geological model is 'open' down dip beyond 600m vertical depth. Furthermore VMS style deposits represent ancient sea floor environments where volcanism was prevalent and these types of deposits typically occur in groups or clusters. Ongoing review of the geological data aims to target additional mineralised ore to supplement the existing Perkoa ore throughput.



ATTRIBUTION

The information in this report that relates to Exploration Results at the Burkina Faso Gold Project in Burkina Faso has been reviewed and approved for release by Mr Adama Barry, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Barry has 22 years' experience in mineral exploration and is a full-time employee of Nantou Mining Limited BV, a subsidiary of Blackthorn Resources Ltd in Burkina Faso. Mr Barry has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Barry consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Should you require further information please contact:

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Underground Truck



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Underground Loader



Drilling jumbo

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Various Surface vehicles



Underground Mine Portal Entrance

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Power House for Generators



Maintenance Workshop

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Assembling Steel Framework



Water Handling and Recycling System

Ends

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