



15 September 2011

GLENCORE PROPOSES ENHANCED PERKOA BUSINESS CASE INCLUDING SILVER AND LEAD PRODUCTION

KEY POINTS

- **Glencore has advised Blackthorn Resources that it considers there to be an attractive investment case for expansion and production of silver and lead at Perkoa.**
- **Blackthorn Resources is reviewing the technical, operational and financial information provided.**
- **A final decision to proceed will only be made after final assay results are received from the recent drilling campaign and the review is completed.**
- **If Blackthorn Resources supports the investment proposal, financing will be available for the incremental funding via a project finance loan to be provided by Glencore.**

Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) is pleased to advise that it has received an investment proposal from JV partner Glencore International Plc (50.1%) (“Glencore”), to enhance the business case for the Perkoa Project in Burkina Faso, West Africa.

The changes in the investment proposal include:

- Modifying the process plant configuration to include separate Ag/Pb concentrate and Zn concentrate product streams
- Increase plant throughput capacity to 1Mtpa ROM at peak production.
- Open-cut mining to supplement the underground mine

Detailed technical and financial information has been provided by Glencore, including a financial model supporting the investment case. This information includes tonnage and grade estimates based on both historical data and assays received to date from the 14 holes drilled to explore for along strike extension of mineralisation in the proposed open-cut area. Tonnage and grades will be confirmed once all assay results from remaining holes are received.

Glencore has advised Blackthorn Resources that it believes that from its perspective, there is an attractive business case with a much improved return on investment compared with the zinc base case.



Blackthorn Resources will now thoroughly review the proposed business case for the expansion. Following a detailed review and critique of the information provided, and after receipt of all assay results, Blackthorn Resources will then decide if it wishes to support the proposal. It is expected that this process may take until the end of October including time for assays to be received and processed.

If Blackthorn Resources agrees to proceed, then funding will be available via a project finance loan from Glencore to the JV. The terms of this facility were previously agreed with the Company. If Blackthorn Resources does not wish to proceed, Glencore has the option to go ahead with the expansion by financing all of the incremental capital and retaining the incremental benefits.

Blackthorn Resources will inform the market of its final decision and financial implications once it has completed a review of the proposal and pending assay results.

Managing Director, Mr Scott Lowe said;

“Blackthorn Resources is very pleased indeed to have received the investment proposal from Glencore to add silver and lead to the Perkoa operation as well as other improvements. This represents a potential major development in Perkoa’s history and if a final decision to proceed is made, it would represent increased value for shareholders. The Company is eager to receive the assays from pending drill holes to confirm the business case.”

Should you require further information please contact:

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