



23 March 2011

## **BLACKTHORN RESOURCES RAISES \$10 MILLION THROUGH A PRIVATE PLACEMENT TO GLENCORE**

**Blackthorn Resources Limited (ASX:BTR) (“the Company” or “Blackthorn Resources”) is pleased to announce the placement of 16,032,700 ordinary shares to its joint venture (JV) partner for the Perkoa Zinc Project in Burkina Faso, Glencore International AG (Glencore). The placement, which will raise approximately \$10 million, will be acquired at a price which is a 20% premium to the 45 day volume weighted average share price (VWAP) based on the 45 trading days prior to 22<sup>nd</sup> March, which equates to 0.6245 cents per share.**

Following the placement, Glencore will become the Company's largest shareholder with a holding of 13%. Except in certain customary circumstances, Glencore is required to hold the shares for at least 12 months.

The issue of shares under this placement falls within the Company's 15% limit available pursuant to ASX Listing Rule 7.1, and does not require shareholder approval.

The proceeds from the placement will enable the Company to fund the following business activities:

- Exploration projects including further gold exploration in Burkina Faso
- Potential further investment in the Perkoa Zinc Project
- Business development and growth projects
- Corporate working capital

Glencore has also been granted the following additional entitlements in relation to its shareholding:

- The right to participate in any future capital raisings the Company may undertake to maintain its % shareholding.
- Provided Glencore's shareholding remains above 9.99%, Glencore will have the support of the Company to nominate a representative to sit on the Board of Blackthorn Resources. Any appointment will be subject to the usual shareholder approvals.

In relation to the Mumbwa Project in Zambia, Glencore will be entitled to purchase on industry benchmark terms 20% of the Company's share of any off-take which may become available from any future mining operations at the Mumbwa Project. Glencore has a right of first refusal to purchase shares that the Company may wish to issue in the future that includes the sale of any further off-take the Company may have from the Mumbwa Project. Glencore also has a right of first refusal to participate in any JV that the Company may elect to establish as part of any future funding strategies for the Mumbwa Project.



In addition to the placement, a separate Heads of Agreement (HoA) has also been signed with Glencore regarding co-operation on investigations into the possible expansion of the Perkoa Zinc Project in Burkina Faso to produce lead and silver, increase plant capacity and lower operating costs. This HoA includes the terms of a loan facility from Glencore to the JV as one alternative to fund any expansion. Any lead concentrate produced from an expansion in the project scope will be sold to Glencore under an off-take agreement based on industry benchmark terms.

**Managing Director Scott Lowe said:**

*“We are very pleased that Glencore has agreed to invest in Blackthorn Resources and become its largest shareholder, in addition to being its JV partner in the Perkoa Zinc Project. This transaction further strengthens the very positive relationship between the two companies, and provides Blackthorn Resources with additional funds to progress asset and business development opportunities to underpin further growth in shareholder value.*

*Glencore’s strategic investment in Blackthorn Resources is a major milestone in the evolution of the Company and stands as testament to the quality of our assets and the manner in which the Company is managed.*

*We welcome Glencore onto the Board of the Company and look forward to keeping the market informed of progress regarding the studies being undertaken of potential value enhancing changes to the scope of the Perkoa Zinc Project.”*

**Should you require further information please contact:**

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