

SPECULATIVE BUY

VALUATION: A\$1.12

20 January 2012

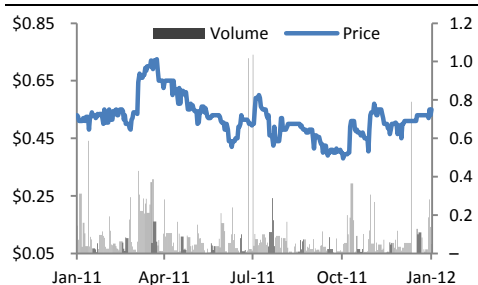
Company Data

ASX Code	BTR
Market Cap (fully diluted, A\$M)	70
Share Price (A\$)	0.55
Shares on Issue (m)	122.9
Options on Issue (m)	5.2
52 Week Hi Lo (A\$)	0.38-0.75
Cash at Bank (A\$M)	14.2
Net Debt	Nil

Valuation

	A\$m	A\$/share
Valuation at Forecast Zinc/FX		
Perkoa	59.5	0.48
Mumbwa	59.5	0.48
Cash	14.2	0.12
Debt	-	-
Exploration (nom)	5.0	0.04
Total Valuation	138.2	1.12
Share Prem / (Disc) to valuation		(50.9%)
Valuation at Spot Metal/FX		
Total	106.5	0.87
Share Prem / (Disc) to valuation		(36.8%)

Share Price Performance



Board

William Cash	Non-Exec Chairman
Scott Lowe	Managing Director
Nicole Bowman	Non-Executive Director
Michael Oppenheimer	Non-Executive Director
Peter Kalkandis	Non-Executive Director

Major Shareholders

Glencore	13.0%
North Sound	8.1%
JP Morgan Chase & Co	7.1%

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FURTHER HIGH GRADE COPPER DRILLING RESULTS AT MUMBWA SHOULD SEE POSITIVE RESOURCE UPGRADE IN 2Q 2012

EVENT: Further Copper Assay Results Received

- Assay results for a further 4 holes of the Phase 5 drilling program at Blackthorn's wholly owned Mumbwa project in Zambia have been received. Best results from hole 25 and 26 at the Kitumba mineralisation area include:
 - **222.3m @ 2.15% Cu from 310m (incl. 37m at 5.19% Cu) (Hole 25) and from Hole 26:**
 - 11.8m @ 0.29% Cu from 100.5m;
 - 31m @ 0.35% Cu from 138m;
 - 27m @ 0.45% Cu from 188m; and
 - 132m @ 0.55% Cu from 277m.
- Drilling results were also received for 2 scout holes at the Mutoya area located ~6km from Kitumba in an area previously untested by drilling. Drilling has intercepted mineralization at shallow depths including:
 - 39m @ 0.44% Cu from 59m;
 - 3m @ 0.36% Cu from 106m;
 - 38m @ 0.46% Cu from 114m; and
 - 4m @ 0.71% Cu from 214m.

KEY POINTS

- Blackthorn is currently targeting large IOCG style mineralisation at the Kitumba area. Three drill rigs are on site and the Phase 5 drilling program which started in August 2011 should be completed by March 2012.
- The latest copper results from Kitumba confirm encouraging results announced in late 2011. Hole 24 intercepted 272.6m @ 0.72% Cu from 142m and drilling from hole 23 announced in October intercepted 282.7m @ 1.05% Cu from 178m.
- The current in-fill drilling program was designed to test the continuity of the mineralization and improve confidence in the geological model. Blackthorn expects to upgrade the current JORC inferred resource of 87Mt @ 0.94% Cu in 2Q 2012.

SUMMARY OPINION

- Our previous valuation of the Mumbwa project in November 2011 was A\$59.5m or A\$0.48 per share based on applying an average EV/Resource tonne of copper of ASX listed copper and copper-gold comparables.
- We expect that the recent drilling results will eventually lead to a positive JORC resource upgrade at Mumbwa in 2Q 2012, which should see a re-rating of the share price.
- With production at its Perkoa JV with Glencore expected to be commissioned by mid-2012 and production ramping up in Q3 2012, Blackthorn will move from a junior explorer to a producer in the near term. Cash flow should help the Company to continue to fund further exploration and drilling at Mumbwa and its other early stage targets in Burkina Faso. We retain our SPECULATIVE BUY recommendation.

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