

BLACKTHORN RESOURCES LIMITED



BLACKTHORN
RESOURCES
DISCOVER | DEVELOP | DELIVER

CEO PRESENTATION EXTRAORDINARY GENERAL MEETING

14 AUGUST 2014



FORWARD LOOKING STATEMENT

This presentation may include certain “forward-looking statements”. All statements other than statements of historical fact, included herein, including, without limitation, statements regarding future plans and objectives of the company, are forward-looking statements that involve various risks, assumptions, estimates and uncertainties. These statements reflect the current internal projections, expectations or beliefs of the company and are based on information currently available to the company. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All of the forward looking statements contained in this presentation are qualified by these cautionary statements and the risk factors described above. Furthermore, all such statements are made of the date this presentation is given and the company assumes no obligation to update or revise these statements.

An investment in the company is speculative due to the nature of the company's business. The ability of the company to carry out its growth initiatives as described in this PowerPoint presentation is dependant on the company obtaining additional capital. There is no assurance that the company will be able to successfully raise the capital required or to complete each of the growth initiatives described. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the company.

CONTENTS

- PERKOA
- KITUMBA AND MUMBWA
- CORPORATE PRIORITIES

PERKOA

Our stated objectives at the 2013 AGM were:

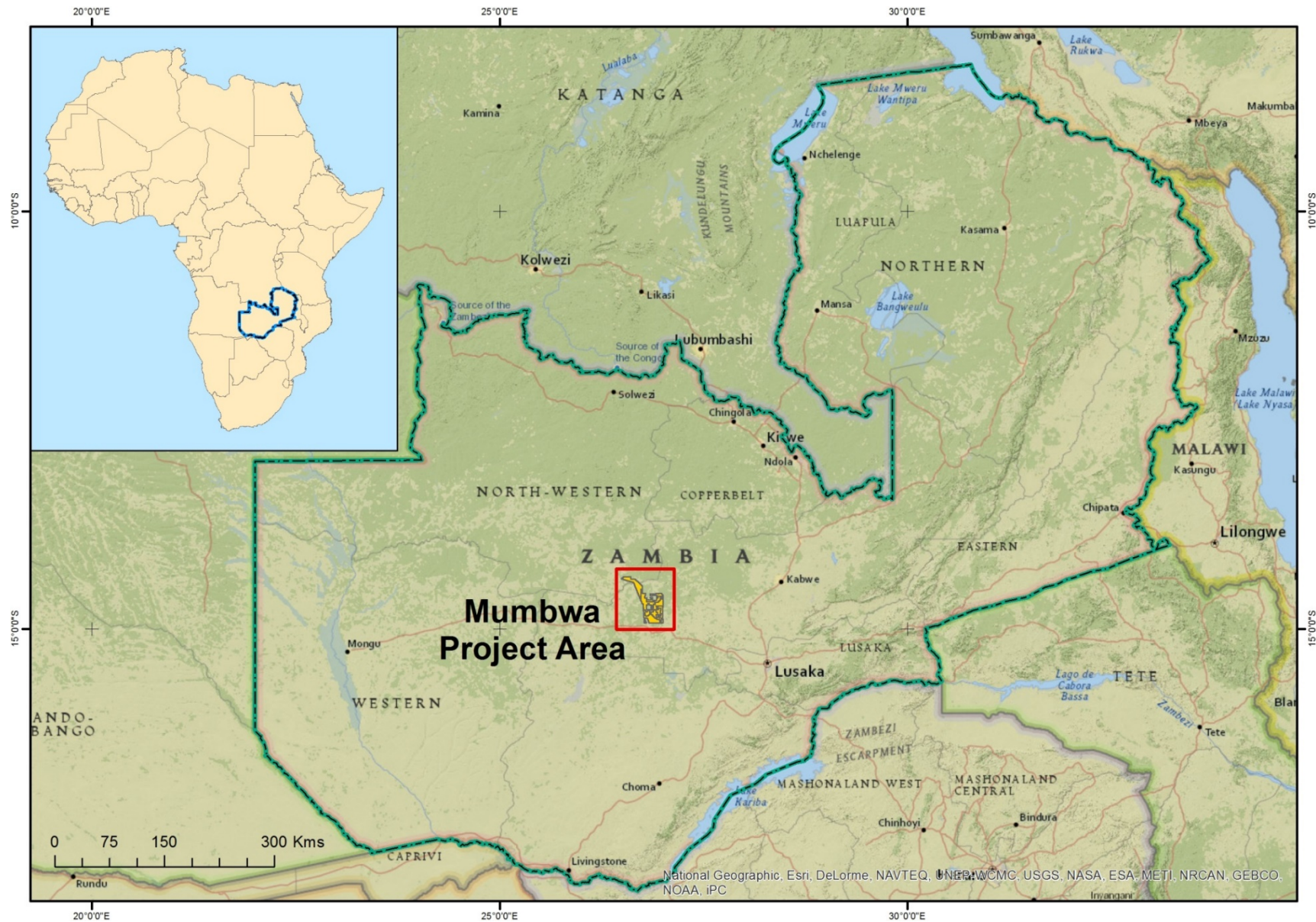
- Achieve Business Case operational performance
 - Secure robust cash flows; minimise call on BTR cash
 - Maintain BTR equity at prudent level
 - Continue enhancement in JV relationship
-
- BTR had every intention of continuing to participate in the project if possible.

PERKOA

Why did we decide to exit?

- Revised business plan received in February 2014 identified significant issues
- BTR needed to contribute US\$9M for Aug- Dec 2013 “cash call” and likely significantly more in CY2014 to maintain existing level of ownership
 - To get this capital back would require a substantially higher zinc price over the LOM, well above the prevailing zinc pricing at the time
 - Raising any new capital required to fund our continued participation in the project would be prohibitively dilutive to BTR shareholders
 - Continued participation in Perkoa could compromise our ability to progress the development of our Zambian assets
- The decision was very clear. Take a reasonable cash payment now and focus on taking the company forward on the back of our Zambian copper opportunities.

KITUMBA



KITUMBA MINERAL RESOURCE & RESERVE

DECEMBER 2013 MEASURED AND INDICATED MINERAL RESOURCE

COPPER CUT-OFF (%)	RESOURCE TONNES (MT)	AVERAGE GRADE CU (%)
0.20	178.2	0.79
0.35	113.7	1.10
0.50	81.6	1.37
1.00	34.7	2.29

APRIL 2014 ORE RESERVE

Item	Tonnes (Mt)	Grade (% Cu)	Metal Kt Cu
Proven	11.9	2.44	291
Probable	19.6	1.79	350
Total	31.5	2.04	641

Note the PFS production target and forecast financial information derived from the production target extracted from the report entitled 'Kitumba Optimised PFS Provides Positive Project Re-rating' released to ASX on 29 April 2014, includes 139kt of inferred mineral resources that is not included in the Ore Reserve estimate (less than 0.5% of the production target forecast). There is a low level of geological confidence associated with this inferred mineral resource and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target relating to the inferred mineral resource itself will be realised.

KITUMBA PROJECT – OPFS RESULTS

KEY ELEMENT	BASE CASE – Cu PRICE US\$3.50/lb
Production rate (ROM)	3 million tonnes at 2.03% Cu
Overall Cu Recovery	Approx. 92%
Average Cu Production	58,000 tpa
Mine Life	11 years
Real post-tax IRR	21% (100% equity basis)
Post-tax NPV ₈	US\$461 million
Initial Capital Expenditure	US\$680 million
Additional LOM Capital	US\$116 million
LOM Cash Cost (C1)	US\$1.57/lb
All-in Cash Cost	US\$1.89/lb

KITUMBA – WORLD CLASS PROJECT

- Head Grade >2% Cu
- Capital intensity US\$11,700 per annual tonne of Cu
- Operating life for the Kitumba reserve of 11 years
- Capital payback after 3.5yrs
- Standard technology
- The site is readily accessible
- The site will have access to grid power
- Zambia provides a supportive government environment
- Impact on surrounding communities will be minimal

KITUMBA PROJECT – NEXT STEPS

MOVING INTO DFS

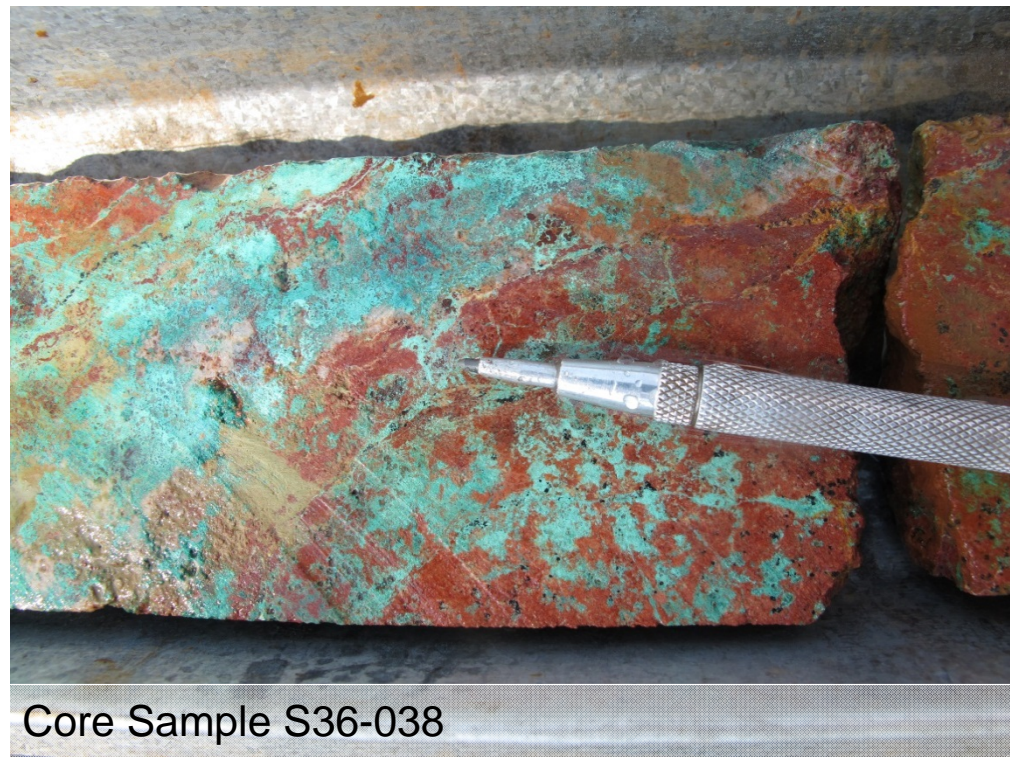
- The cash from Perkoa allows us to commit to the DFS programme
- Value adding work (drilling, geotechnical and water studies underway)

MINING LICENCE APPLICATION SUBMITTED

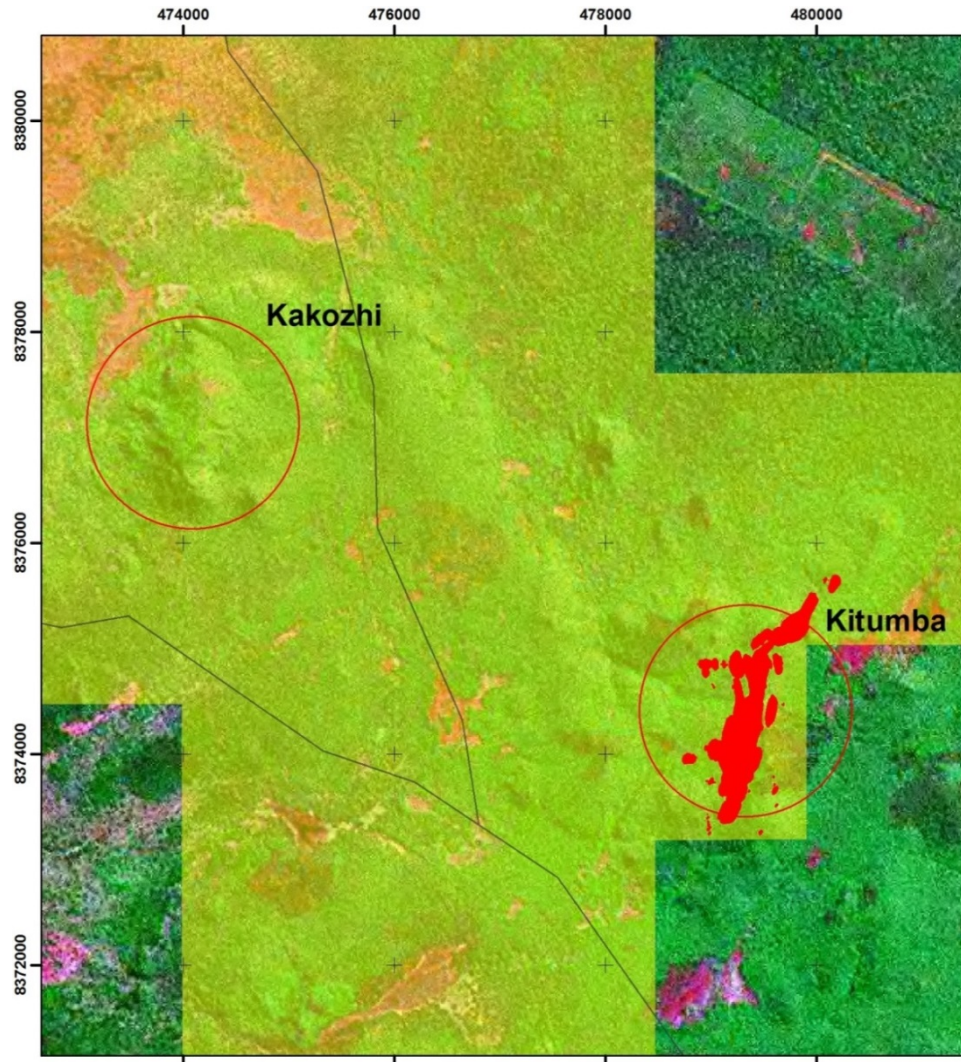
PROJECT DEVELOPMENT PARTNER

- Secure a funding solution to efficiently progress the Kitumba project

MUMBWA PROJECT – ZAMBIA

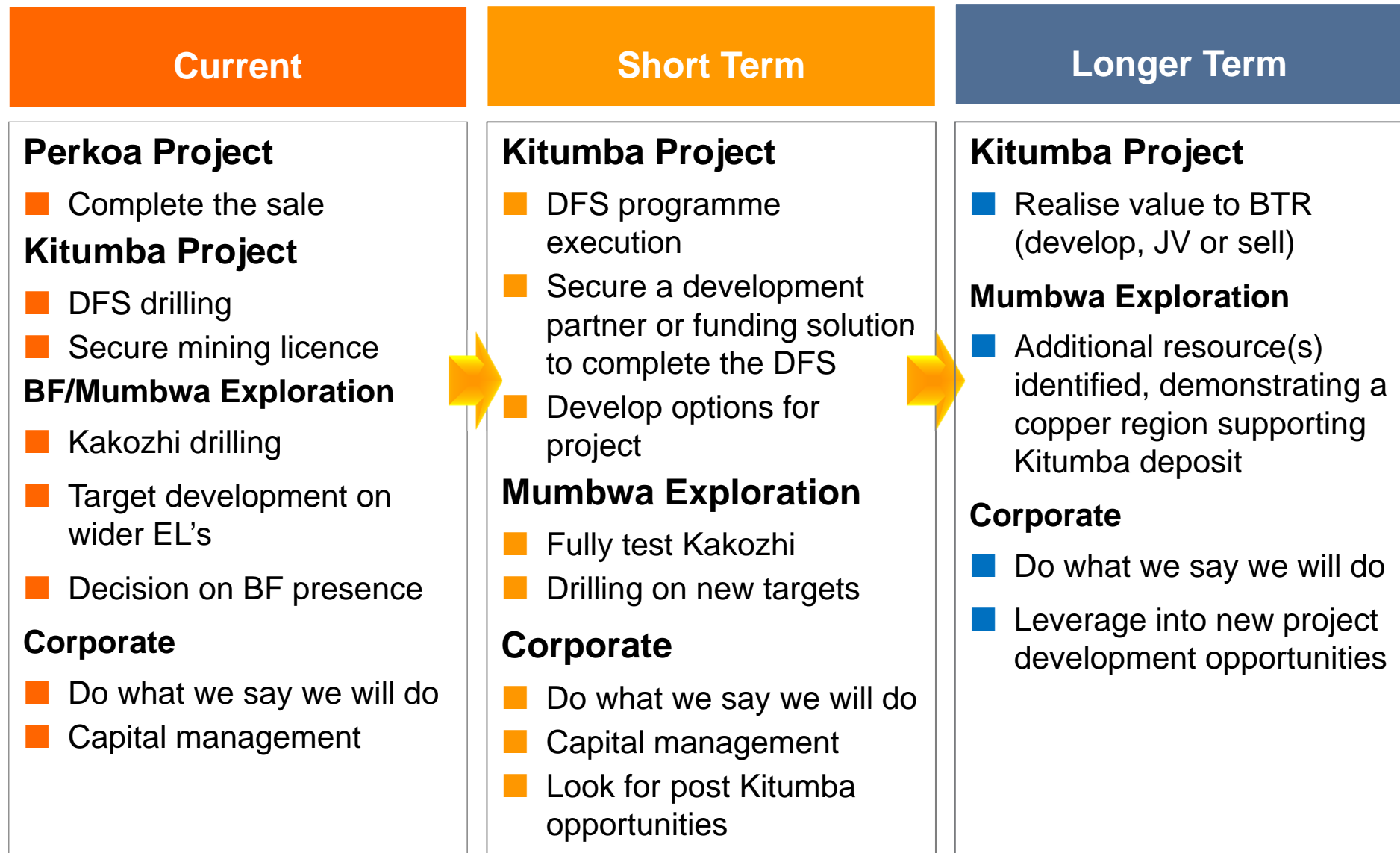


KITUMBA AND KAKOZHI



- Kakozhi prospect is 6 km north-west of Kitumba, potentially additive to the project
- Soil sampling, geophysics and initial drilling encouraging.
- New IP data gathering has identified targets
- Drilling about to commence

BTR VALUE DRIVERS



ATTRIBUTIONS

KITUMBA PROJECT

The information in this presentation which relates to Mineral Resources for the Kitumba Project in Zambia is extracted from the report entitled 'Kitumba Mineral Resource Update' released to ASX on 16 December 2013 which is available on the ASX website at www.asx.com.au or the BTR website at www.blackthornresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this presentation which relates to Ore Reserves for the Kitumba Project in Zambia is extracted from the report entitled 'Kitumba Optimised PFS Provides Positive Project Re-rating' released to ASX on 29 April 2014 which is available on the ASX website at www.asx.com.au or the BTR website at www.blackthornresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



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