



23 November 2010

## **BLACKTHORN RESOURCES AND GLENCORE INTERNATIONAL COMPLETE JOINT VENTURE AGREEMENT FOR THE PERKOA ZINC PROJECT**

### **KEY POINTS:**

- **Joint Venture (JV) for the Perkoa Zinc Project in Burkina Faso, West Africa between Blackthorn Resources and Glencore International AG has been completed.**
- **Under the JV agreement Glencore will fund USD 80M for Project construction, comprising USD 50M in direct project equity and USD 30M in project finance to the JV.**
- **Re-commencement of construction and mine development at the Perkoa Zinc Project can now commence, and will be managed by Glencore.**
- **Some site activities have already commenced and a project team has been mobilised. Construction activities will progressively increase over the remainder of 2010.**
- **Process plant construction will continue throughout 2011, with commissioning expected in late Q2 2012.**
- **Glencore will continue to focus on driving operational efficiencies across the joint venture.**
- **An on-site ceremony was recently held to celebrate the re-start of construction and mining, and to hand over a housing project to the community. The event was attended by the Minister of Mines, state politicians, local community leaders and representatives from Glencore and Blackthorn Resources.**

Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) is pleased to announce that the joint venture (“JV”) agreement for the Perkoa Zinc Project in Burkina Faso was completed and became effective on 22<sup>nd</sup> November 2010.

The Project partners Glencore International AG (“Glencore”) and Blackthorn Resources have signed the JV agreements that will see Glencore fund USD 80M to complete project construction, comprising USD 50M in direct project equity and USD 30M in project finance to be provided to the JV. With its project equity Glencore will obtain an effective 50.1% share in the Perkoa Zinc Project, with Blackthorn Resources retaining a 39.9% interest and the Burkina Faso Government retaining its 10% free carried interest. Under the terms of the JV, Glencore will also manage and operate the Perkoa Zinc Project by completing construction and progressing mine operations over the projected 9.5 year mine life.

The amount of construction work completed to date on the Project has reduced the time required to commence production. Some work has already commenced on site and the Project Management Team has been mobilised. Construction activity will progressively increase in late 2010 and underground mining is expected to commence during H1 2011. Process plant construction will continue throughout 2011 with commissioning expected late Q2 2012 (see Figure 1 below).

As manager of the Project, Glencore is examining ways of minimizing operating costs, with the aim of achieving the lowest possible C1 cash cost of production.

In late October 2010 there was an official ceremony held at the Perkoa Zinc Project to celebrate the re-start of construction and mining and to hand over a housing project to the community. The ceremony was attended by the Minister of Mines, state politicians, local community leaders and representatives from Glencore and Blackthorn Resources.



**FIGURE 1** – Projected time line for construction and development of the Perkoa Zinc Project in Burkina Faso



## ABOUT THE PERKOA ZINC PROJECT

The Perkoa Zinc Project is situated in the Sanguie Province in Burkina Faso, West Africa and located approximately 120 km west from the capital Ouagadougou. The Project is sited 35km by road from the country's 2nd largest town Koudougou, which is linked by road and rail to ports in the neighbouring countries of Cote d'Ivoire, Ghana and Benin. Stevedoring ports are operating in each of these countries and have loading facilities for the transport of the zinc concentrates. Blackthorn Resources acquired the Perkoa Zinc Project in late 2004 and completed a Bankable Feasibility Study by December 2005. Throughout 2006 and 2007 the technical aspects of the Project were examined and construction at the mine site commenced. By early 2008, construction activities were advancing with completion of the mine accommodation camp, box cut and underground access portal completed.

The Project was put onto a "care and maintenance" program in July 2008 as a result of the global economic crisis and to enable Blackthorn Resources to find a suitable partner to assist it complete the development of the mine.

Managing Director Scott Lowe said

*"We are thrilled that this JV is now complete and Glencore will now recommence construction and development work. This marks a major turning point for the Company and the commencement of production in 2012 will help us to transform from junior explorer to a profitable mining company. Glencore has not only the financial capacity, but also the technical and commercial expertise to make this project a success and we look forward to sharing the benefits with our JV partner".*

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

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**FIGURE 2 –** Minister for Mines, Hon. Cisse Abdoulaye during interview with local media,



**FIGURE 3 –** Blackthorn Resources' Managing Director, Scott Lowe during interview with local media.





**FIGURE 4 –** Official ceremony with the Minister of Mines and representatives of Blackthorn Resources to celebrate the JV and the hand over of a housing project to the community.



**FIGURE 5 –** Underground access portal at the Perkoa Zinc Mine.  
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