



25 November 2010

## **MANAGING DIRECTOR'S ADDRESS TO SHAREHOLDERS AT AGM**

Blackthorn Resources Limited (ASX: BTR) is pleased to provide the attached copy of the Managing Director's presentation to be made at the Company's Annual General Meeting to be held today.

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

**Scott Lowe**  
**Managing Director**  
**Ph: + 61 2 9357 9000**



# 2010 Annual General Meeting



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# Looking Forward 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 confidential 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.

# Company Overview



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## ...*unearthing value*

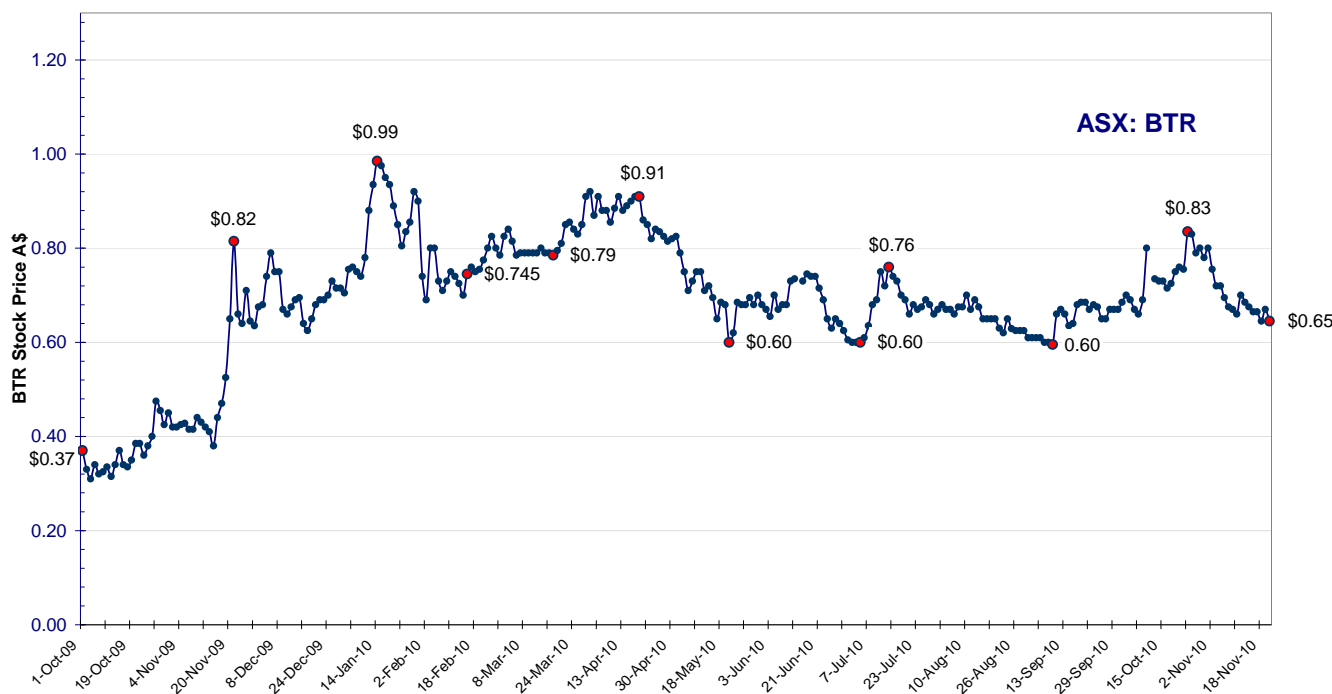
Focused on creating growth in shareholder value through successful acquisition and responsible development of mining and exploration assets.

**Issued Securities:** 106,885,300 ordinary shares  
**Market Capitalisation:** \$68M (@ \$0.645 on 22 November 2010)  
**Options:** 5,000,000 employee options  
**Cash:** \$9.5M @ 30 September 2010

Substantial Shareholders	%
North Sound	10.19
F Brewer	7.96
JP Morgan Chase & Co	7.05
S Jones	6.27

1 October 2009 to 22 November 2010

ASX Code **BTR**



### DIRECTORS:

**Bill Cash**  
*Chairman*

**Scott Lowe**  
*Managing Director*

**Nicki Bowman**  
*Non-executive Director*

**Louis Mnguni**  
*Non-executive Director*



# Creating Wealth by Unearthing Value



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## 1. DELIVERING ON ASSETS

- Advancing minerals projects
- From Exploration through to Production



## 2. SOUND FINANCIAL MANAGEMENT

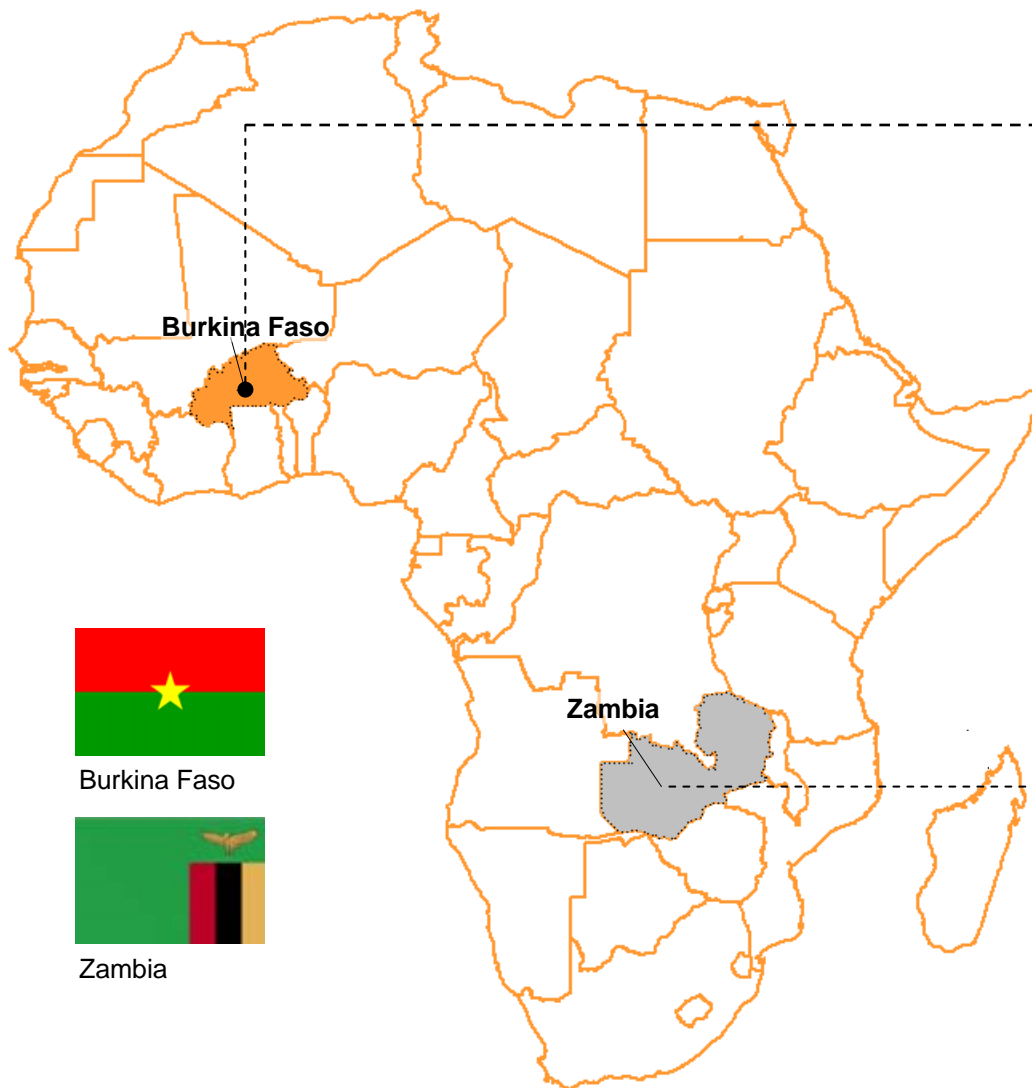
- Cost Control
- Capital Planning



## 3. SEEK NEW OPPORTUNITIES

- Existing commodities  
*Gold – Copper – Zinc*
- Existing and new countries  
*Safe – Secure – Stable*





## Burkina Faso



### Perkoa Zinc Project

- Zinc mine under construction
- Binding Agreement signed with Glencore for JV
- Shareholder approval for JV



### Gold/Base Metals Exploration

- 7 Tenements – 1,134 sq km
- 100% Blackthorn Resources

## Zambia



### Mumbwa JV Project

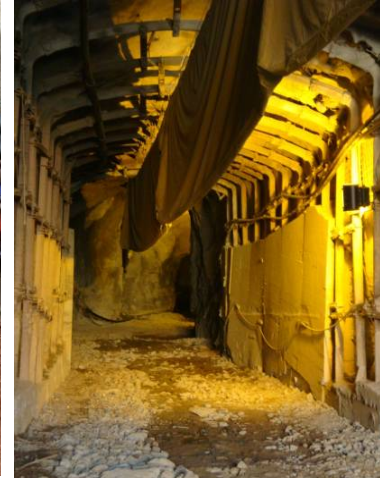
- Iron Oxide Copper-Gold Exploration
- Joint Venture with BHP Billiton



# Perkoa Zinc Project – Burkina Faso



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# Perkoa – Achievements 2010



- Reviewed Project economics
- Continued construction of mine site infrastructure including foundations for processing plant
- Maintenance of equipment and site facilities
- Secured JV partner

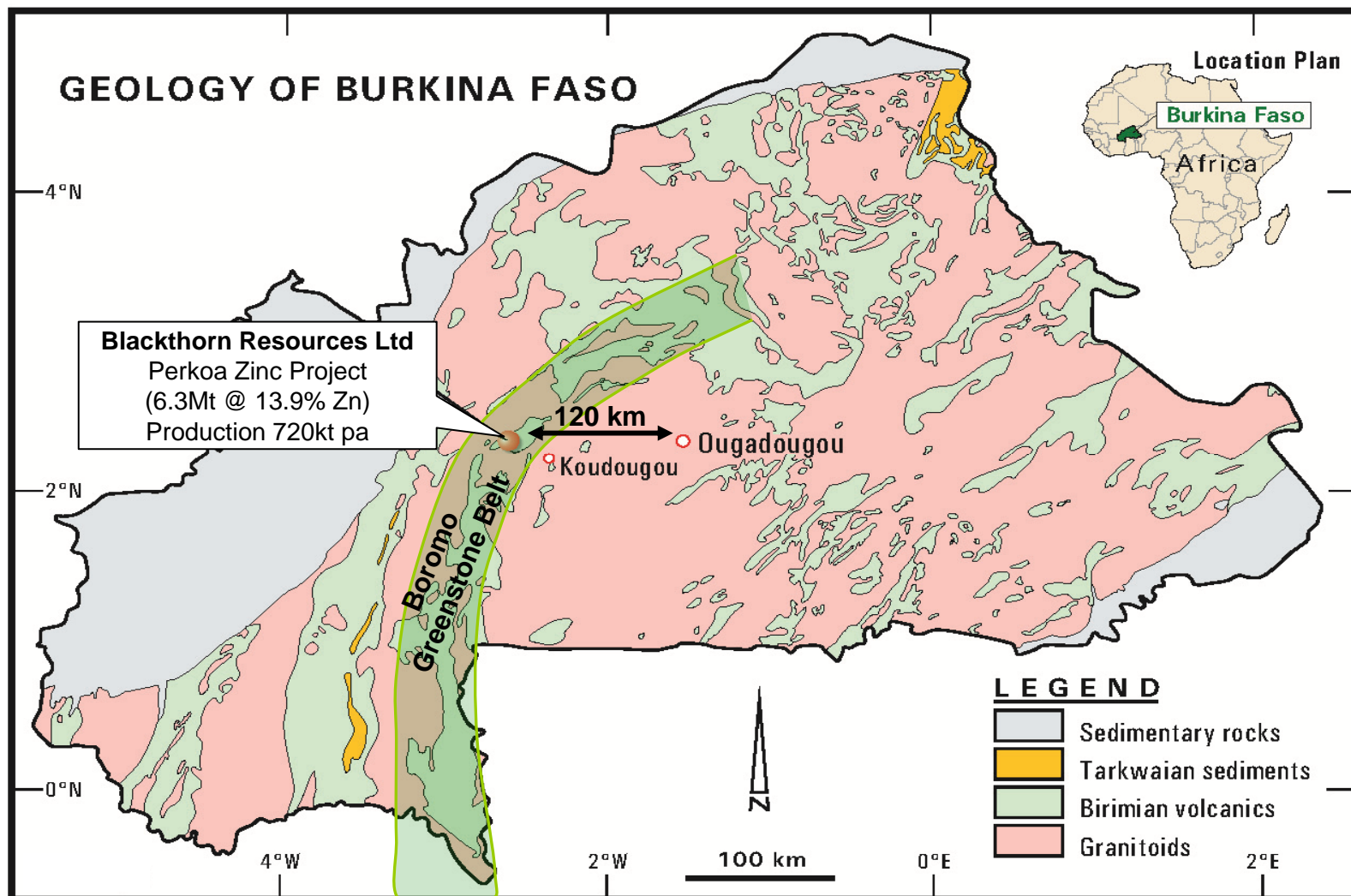




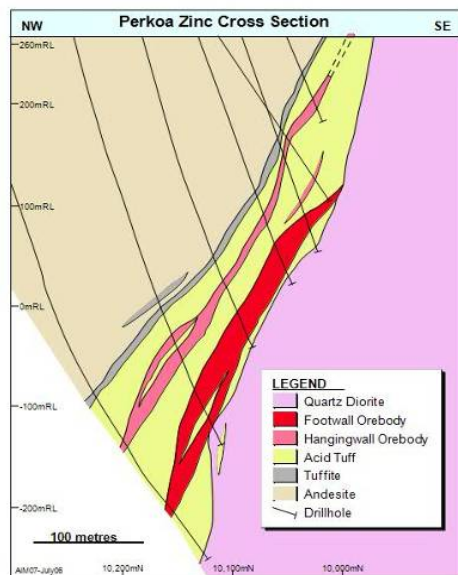
# Location and Regional Geology



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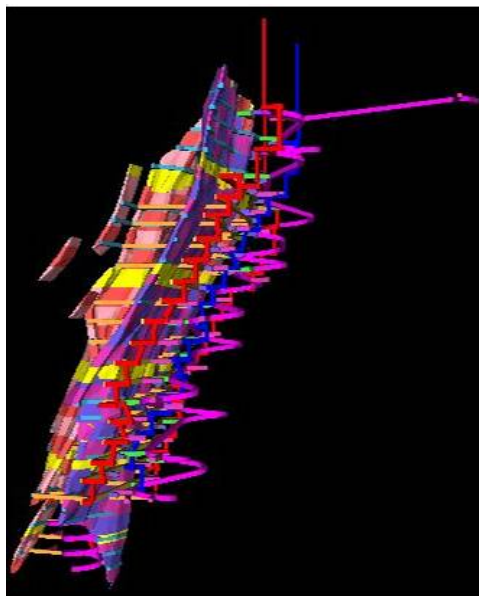


# Perkoa Zinc Project – Burkina Faso



## Key Mining Parameters

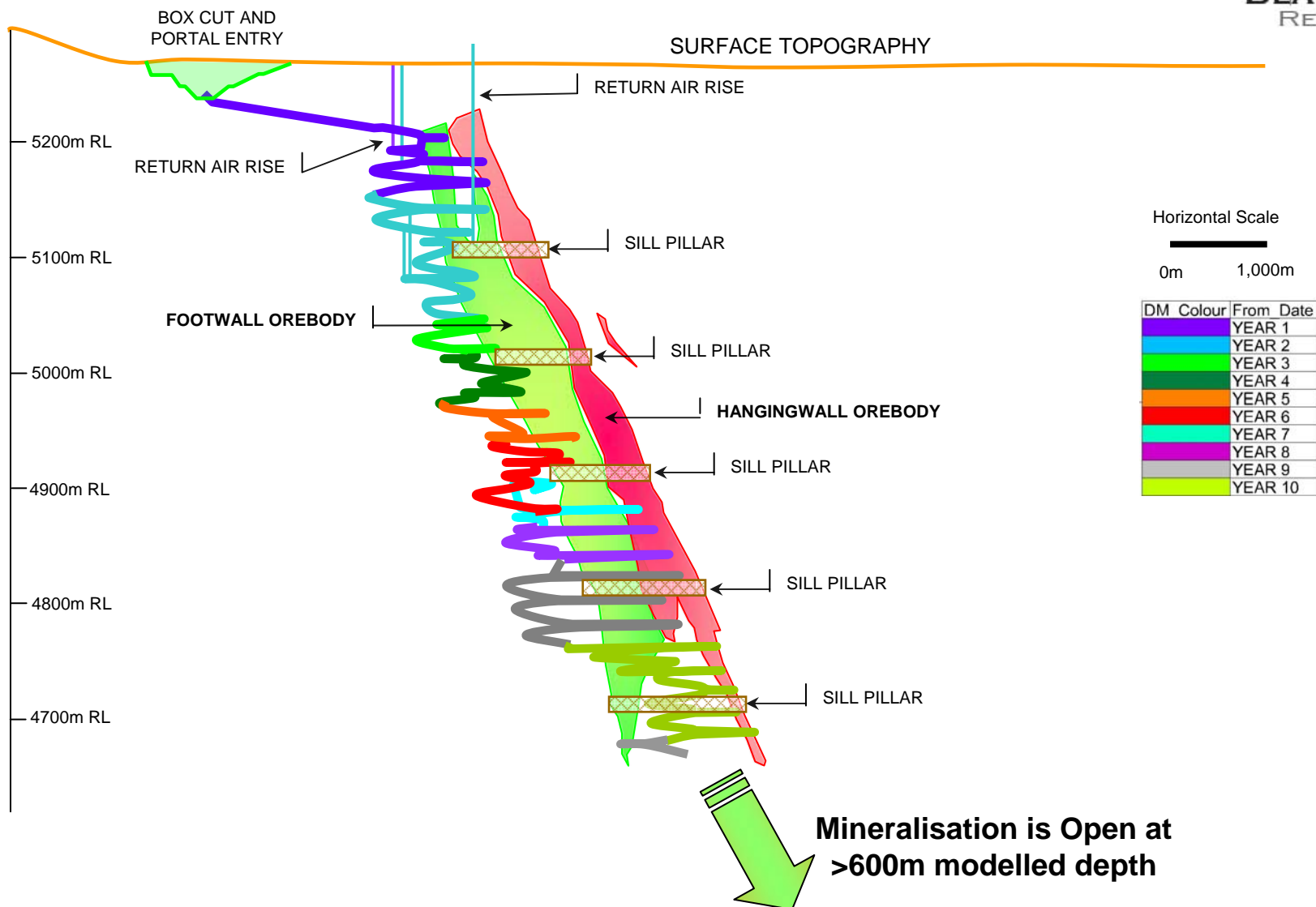
'Probable' Ore Reserve	=	6.3Mt Ore ROM
Average zinc grade	=	13.9% ROM
Production Rate	=	720kt pa ROM Ore
Life of Mine	=	9.5 years
Peak production	=	170kdmt pa
Concentrate grade	=	53% Zinc
Underground mining by Sub-level up-hole retreat method		



# Perkoa Zinc Project – Mine Schedule



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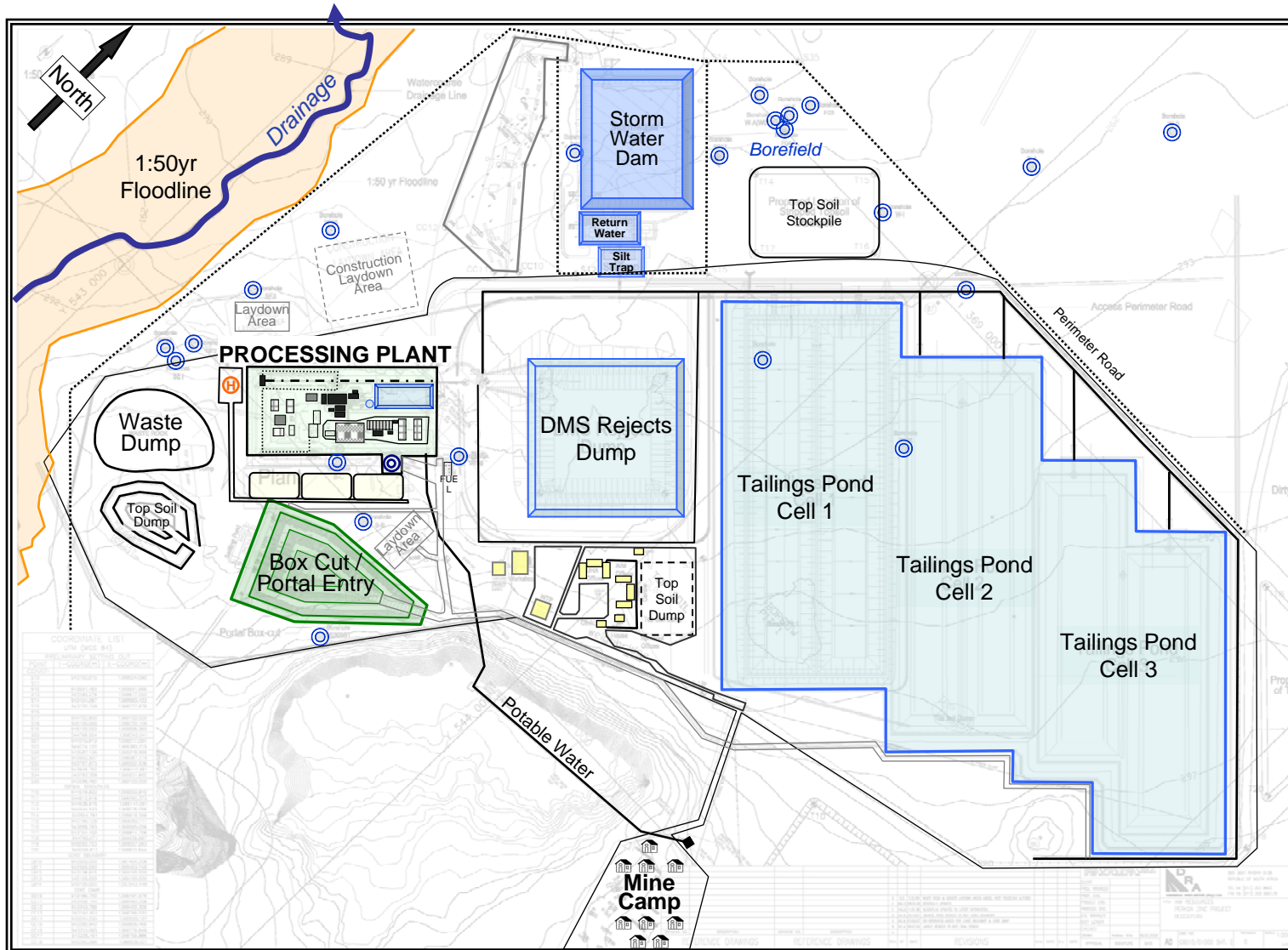




# Perkoa Mine Site Layout



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# Processing Flowchart



**Mine and truck ore**



**ROM Stockpile**



**Sizing screen**



**Crushers**



**Dense Media Separation**



**Ball Mill**



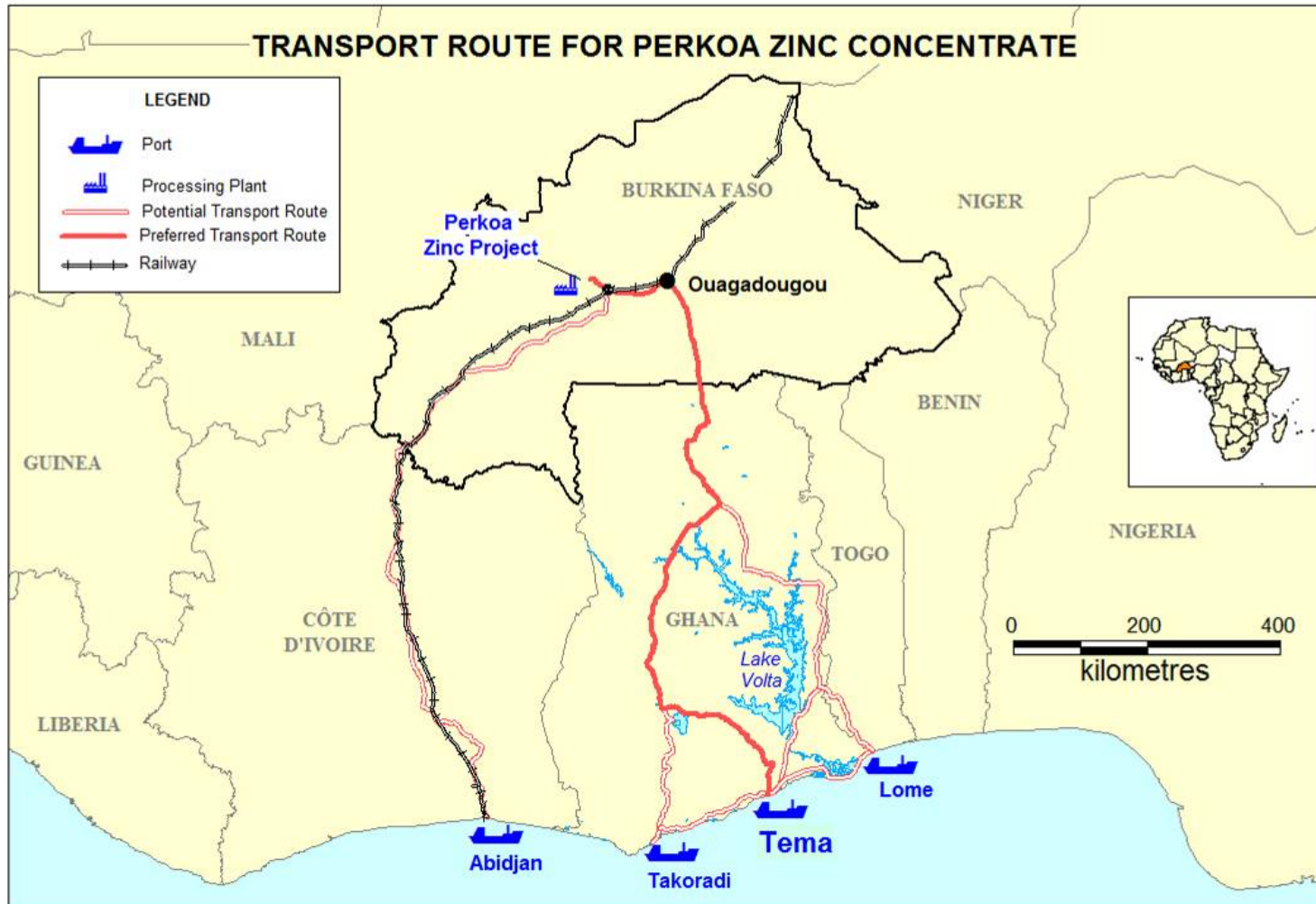
**Flotation**



**Thickeners**



**Zinc Concentrate**





- SRK Consulting Technical Report updated 2009
- Project Economics improved – reduced costs
- Financial Model updated
  - **C1 Cash costs ~ USD 1500 / payable metal tonne\***



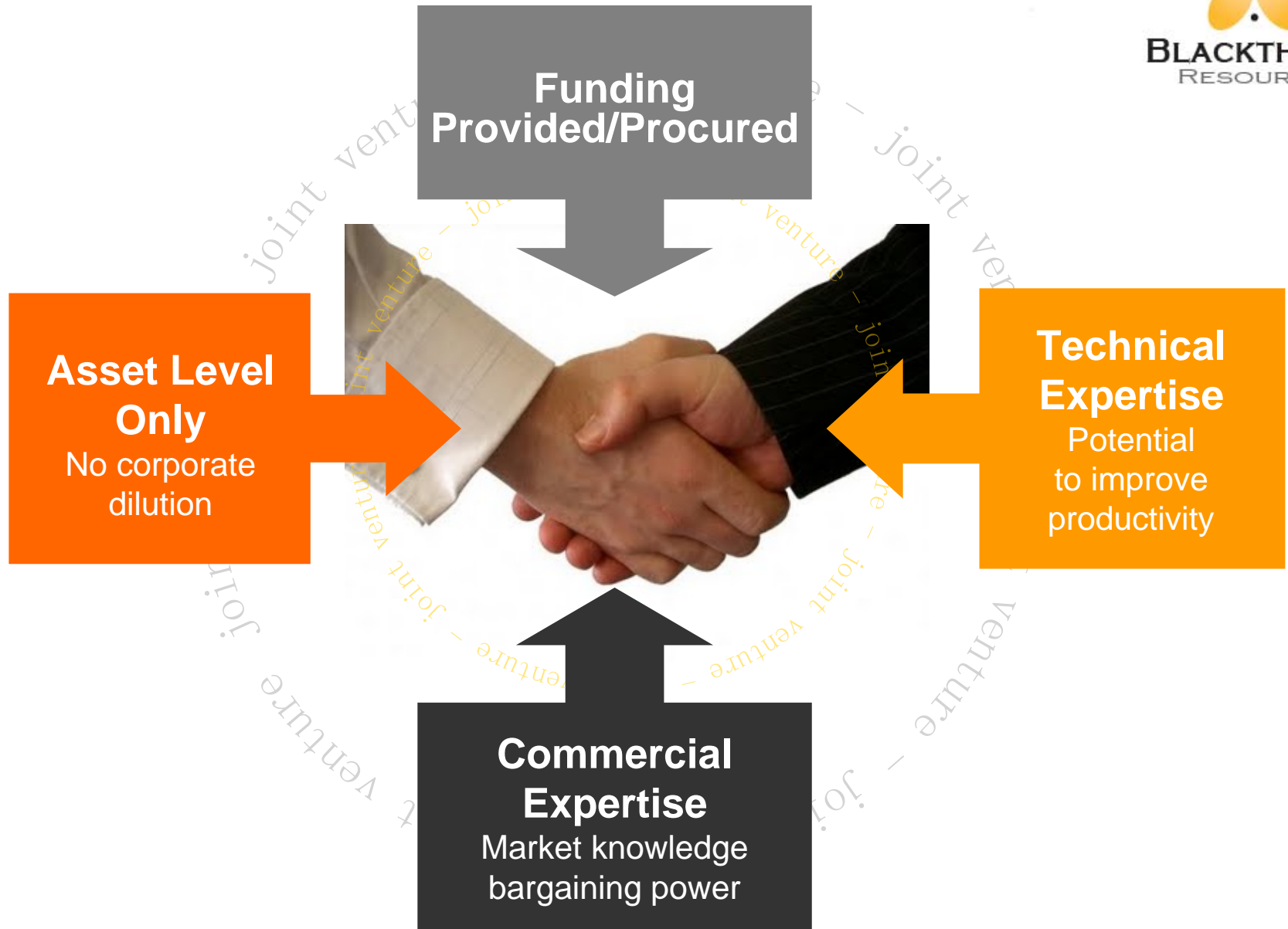
\* Economics audited by SRK (UK) Consulting Ltd - Includes all site Opex, Land Transport, Port Charges, Ocean Freight and USD 303 / dmt treatment charge.

# Perkoa – The Value Proposition



- ✓ **High ROM grade**
- ✓ **Construction well advanced**
- ✓ **Can be put into production quickly**
- ✓ **Geo-technically sound**
- ✓ **Safe and stable country**
  - ✓ Lower political risk than other African countries
  - ✓ Pro investment – emerging mining industry
- ✓ **Deposit open at depth – potential for increased mineral resources**

# Why a Joint Venture?





- Asset only transaction
  - Glencore will not receive shares in BTR
- Glencore funds USD 80M of construction
  - USD 50M direct project equity, USD 30M project finance
  - First USD 5M cash flow to Blackthorn Resources
  - Glencore loan repaid prior to dividends being declared
- Glencore will hold 50.1% of the Perkoa project



- Glencore will manage construction and mining operations
- Glencore will be a customer purchasing Zn concentrate

# Perkoa Zinc – Outlook 2011 and Beyond



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## Timeline to Production

- JV with Glencore completed
- Re-mobilise project team
- Recommence mining
- Process plant construction
- Target for production in 2012



# Zinc Price Forecasts – Analysts Views



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## ▪ UBS

USD 2579/t by 2011  
(UBS Investment Research, May 2010)

## ▪ Barclays

USD 3000/t by 2011  
(Metals Mining Monthly, February 2010)

## ▪ Credit Suisse

USD 3000/t by 2012  
(Credit Suisse Qtr Commodity Report, April 2010)



## ▪ CITI

USD 2000/t for 1-5 Year Outlook  
(Citi Commodity Price Forecast July 6, 2010)

## ▪ Brook Hunt

USD 2000/t by 2012  
(Brook Hunt – April 2010)

## ▪ Goldman Sachs

USD 2050/t by 2012  
(Goldman Sachs Report – 15 June 2010)



## ▪ Macquarie Research

“ ..... We expect prices to be weaker in 2H10 than in the year to date. **Looking further ahead we remain bullish** about the zinc market outlook, as strong demand stretches mine supply, leading a probable deficit that is likely to drive a rally in the price in 2011/12.....”

(Macquarie Research, 10th May 2010)

## Conclusion:

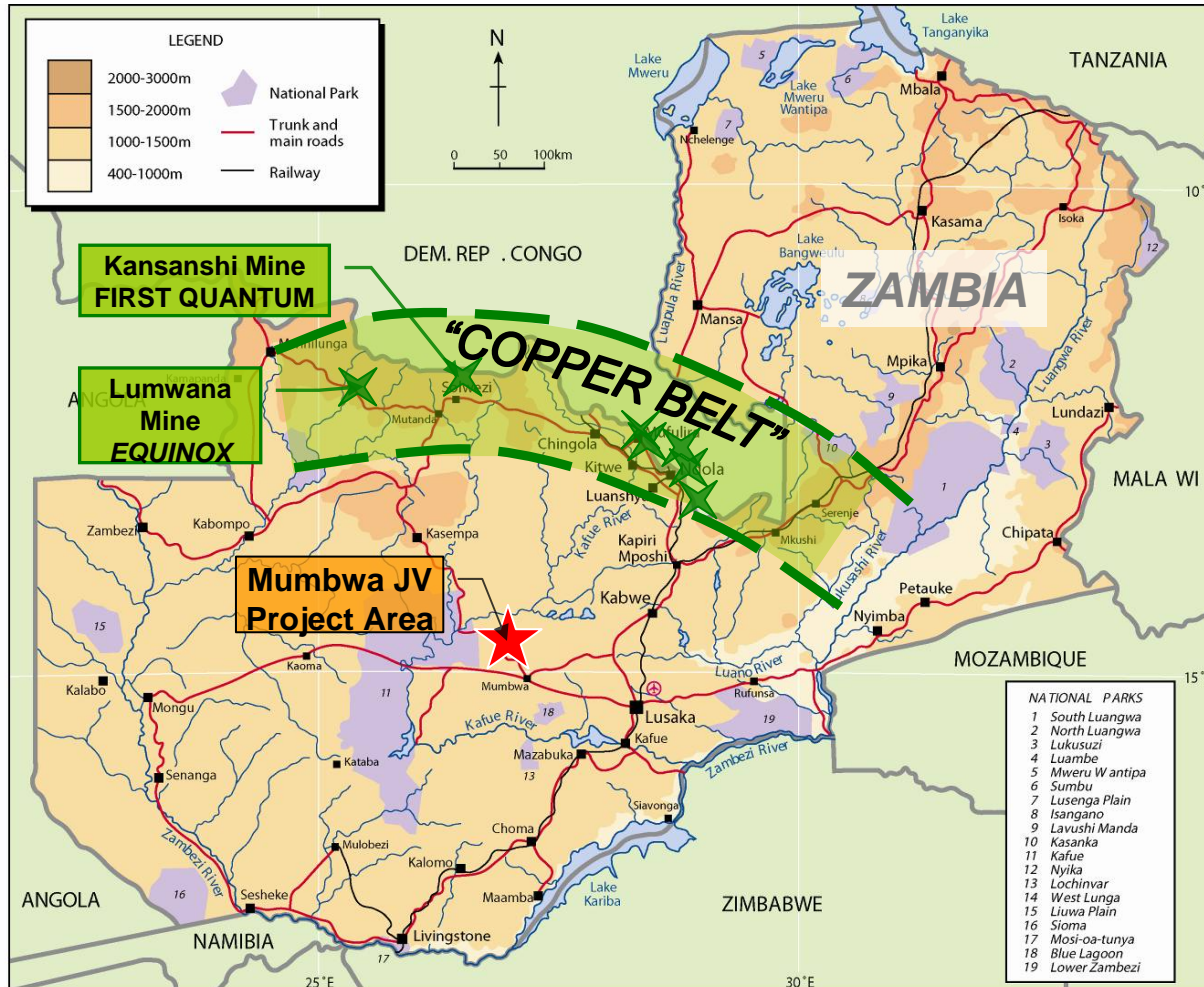
“Even the Bears are at USD 2000 from 2012 onwards”



# Mumbwa – Zambia Project Location Plan



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## Joint Venture Partners

Blackthorn Resources (60%)  
BHP Billiton (40%)

## Licence Renewal

Application granted in  
February 2010 for ~500 km<sup>2</sup>

## Operations

Phase 4 drilling program in  
progress being funded and  
managed by BHP Billiton

Boart Longyear selected  
as drilling contractor

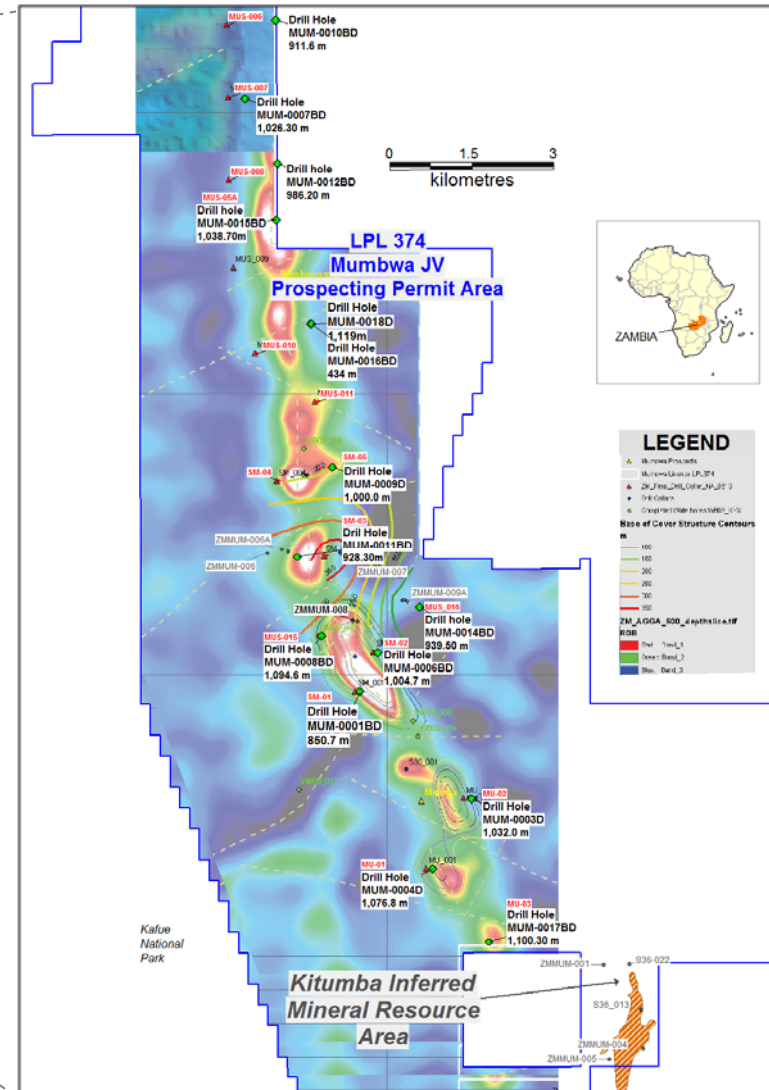
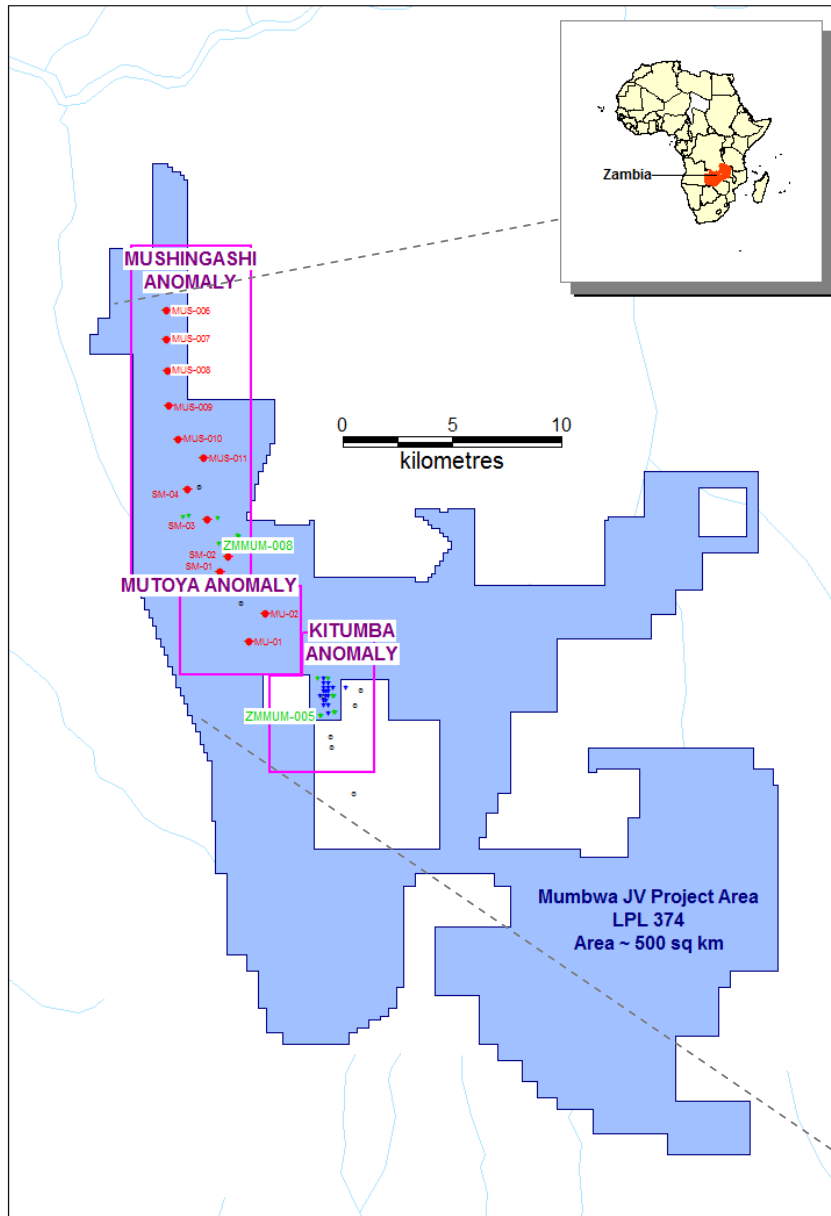
Phase 4 is drill testing  
15 targets for ~14,500 metres  
Further drilling at Kitumba being  
reviewed

Completed 15 holes  
for 14,108 metres

# Mumbwa IOCG Project – Phase 4 drilling



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- IOCG (Iron Oxide Copper Gold) exploration project
- JV with BHP Billiton - Blackthorn Resources 60%
- BHP Billiton fully funding and managing Phase 4
- Mineralisation style similar to Olympic Dam
- Geophysical anomaly extends over 25km in strike length
- Kitumba 'Inferred' Mineral Resource reported \*

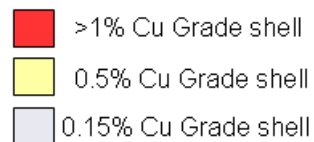
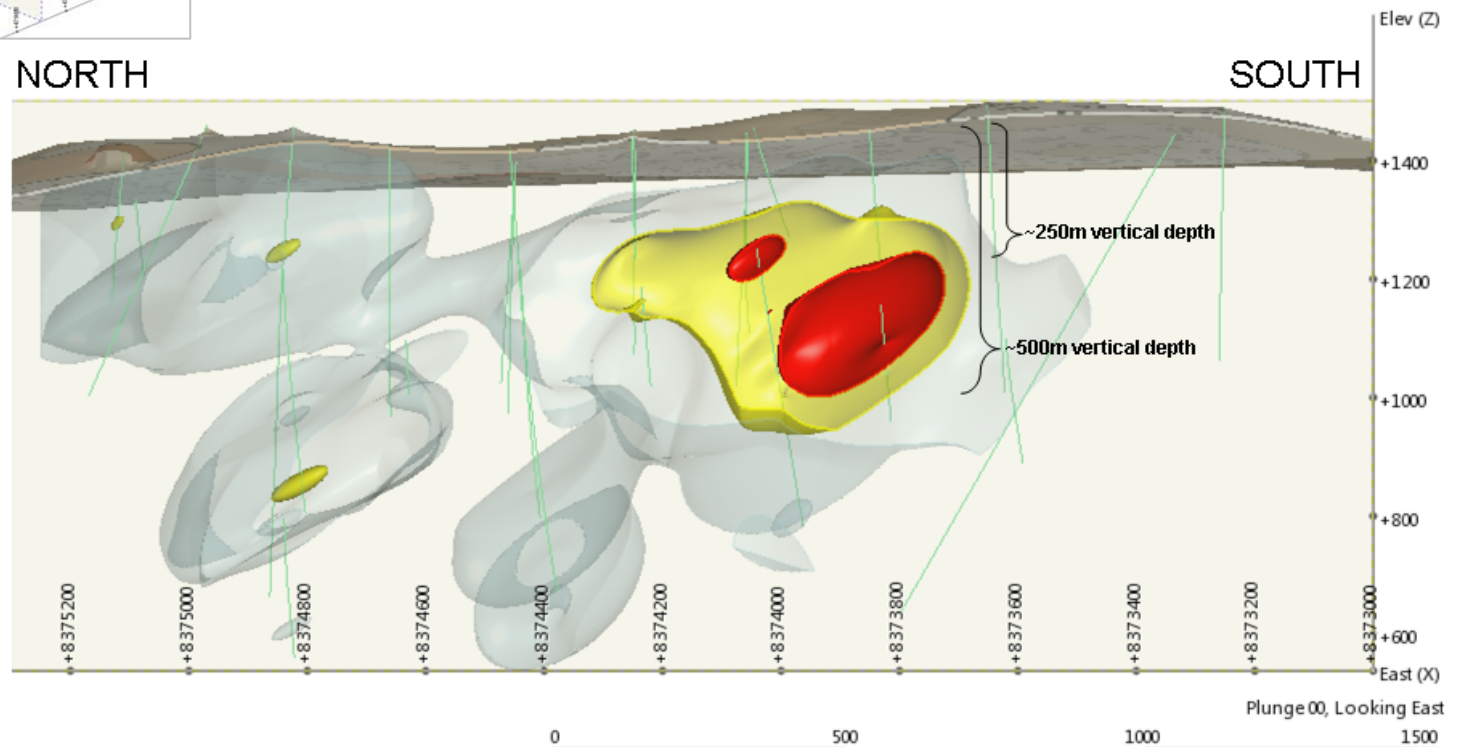
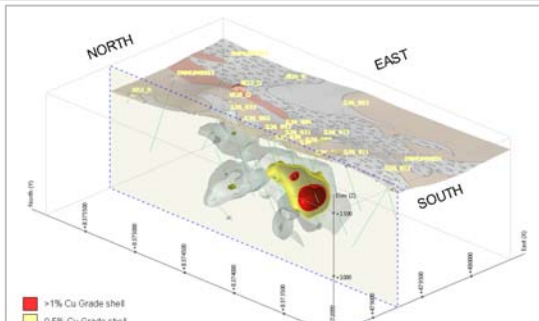
Copper cut-off (%)	Resource Tonnes (Mt)	Average Grade Cu (%)	Average Grade Au (g/t)	Average Grade Ag (g/t)	Average Grade U (ppm)
0.0	571	0.34	0.06	1.45	44
0.2	345	0.47	0.06	1.38	45
<b>0.5</b>	<b>87</b>	<b>0.94</b>	<b>0.05</b>	<b>1.27</b>	<b>37</b>
1.0	22	1.73	0.05	1.20	36

\* In accordance with the 2004 JORC Code

# Kitumba – Inferred Mineral Resource



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Facing East  
SECTION 479250mE



# Kitumba – Inferred Mineral Resource



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Rank	Deposit Name	Country	Resource Tonnes Mt A	Average Cu Grade % B	Average Au Grade g/t C	Contained Insitu Cu Tonnes Mt = A x B
1	Olympic Dam	Australia	3,810	1.00	0.50	38.100
2	La Candelaria	Chile	470	0.95	0.22	4.465
3	Sossego	Brazil	355	1.10	0.28	3.905
4	Mantoverde	Chile	630	0.53	0.11	3.339
5	Igarape Bahia	Brazil	219	1.40	0.86	3.066
6	Salobo	Brazil	256	0.90	0.48	2.304
7	Ernest Henry	Australia	166	1.10	0.54	1.826
8	Punta del Cobre	Chile	120	1.50	0.50	1.800
9	Mina Justa	Peru	209	0.86	-	1.797
10	<b>Kitumba 0.2% Cut off</b>	<b>Zambia</b>	<b>345</b>	<b>0.47</b>	<b>0.06</b>	<b>1.622</b>
11	Prominent Hill	Australia	119	1.30	0.50	1.543
12	Cerro Negro	Chile	249	0.40	0.15	0.996
13	Madhani- Khudhan	India	66	1.50	0.40	0.990
14	<b>Kitumba 0.5% Cut Off</b>	<b>Zambia</b>	<b>87</b>	<b>0.94</b>	<b>0.05</b>	<b>0.818</b>
15	Teresa de Colmo	Chile	70	0.80	-	0.560
16	Kollnari-Chandmani	India	40	1.35	0.20	0.540
17	Banwas	India	30	1.70	1.00	0.510
18	Sin Quyen	North Vietnam	53	0.91	0.44	0.480
19	Guelb Moghrein	Mauritania	24	1.88	1.41	0.446
20	Rauri Condestable	Peru	25	1.70	0.90	0.425
21	<b>Kitumba 1% Cut off</b>	<b>Zambia</b>	<b>22</b>	<b>1.73</b>	<b>0.05</b>	<b>0.382</b>
22	Osbourne	Australia	11	2.90	1.18	0.328
23	Mount Dore	Australia	26	1.10	-	0.286
24	Montecristo	Chile	15	1.60	0.60	0.240
25	Productora	Chile	13	1.35	0.10	0.181
26	Eloise	Australia	3	5.50	1.40	0.171
27	Starra	Australia	7	1.90	3.80	0.141
28	Cobrepampa	Peru	4	3.00	-	0.120
29	Mount Elliott	Australia	3	3.60	3.60	0.119
30	Kalkaroo	Australia	30	0.28	0.14	0.084
31	Tocopilla	Chile	2	3.10	-	0.074
32	Greenmount	Australia	4	1.50	0.78	0.054
33	Monterrosas	Peru	2	1.10	6.00	0.021
34	Monakoff	Australia	1	1.50	0.50	0.015
35	Eliana	Peru	1	2.70	0.90	0.014

30%

- Kitumba ranks within top 30% globally of IOCG deposits world wide by contained in situ copper

- Early stages of exploration with other anomalies to be explored

Data Source: USGS Report 2007-1155

- Upgrade of exploration camp to accommodate ~100 personnel
- Construction of new core shed, medical clinic, satellite communication and water storage facility
- Exploration License granted for further 2 years
- Commenced Phase 4 exploration program using 3 drilling rigs
- Completed 15 cored holes for ~14,100 metres
- Assay results received from 6 holes - remaining holes pending



# Mumbwa – Outlook 2011 and Beyond



- BHP Billiton fully funding Phase 4 Concept Study and additional drilling required to test Mushingashi and Mutoya Anomalies
- BHP Billiton retain “claw back” options to attain 80% JV interest
- To secure 60% and have right to advance and fully fund Phase 5, BHP Billiton is required to make ‘back-in’ payment of 150% Blackthorn Resources costs Phases 1 – 3
- Completion date for Phase 4 is 30 June 2011
- If BHP Billiton withdraw from JV after Phase 4, Blackthorn Resources will have 100%
- Results from Phase 4 drilling are being announced as received
- Future phases include Pre-Feasibility and Feasibility

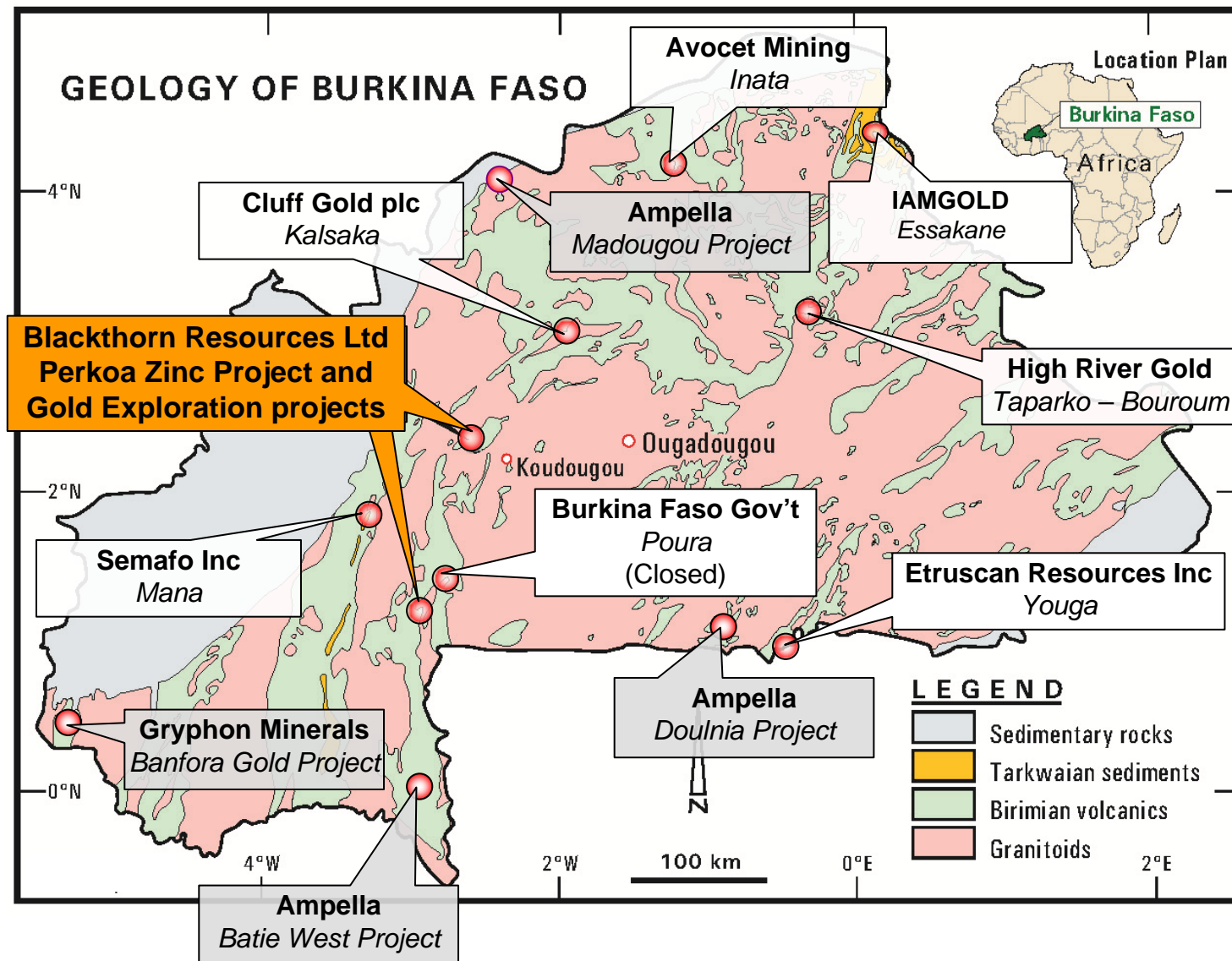




# Gold Industry in Burkina Faso



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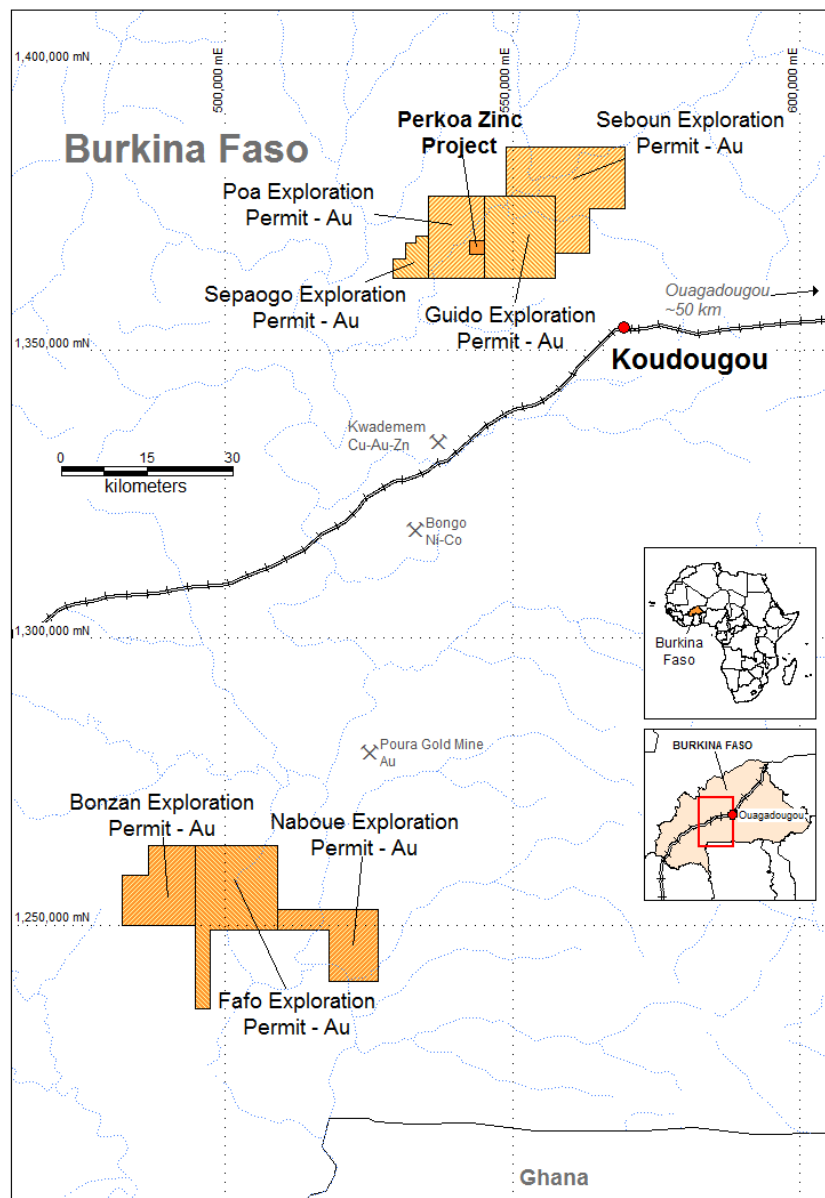




# Gold Exploration Burkina Faso



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## 4 Northern Tenements

Sepaogo	35.3 sq. km.
Poa	133 sq. km.
Guido	177 sq. km.
Seboun	250 sq. km.

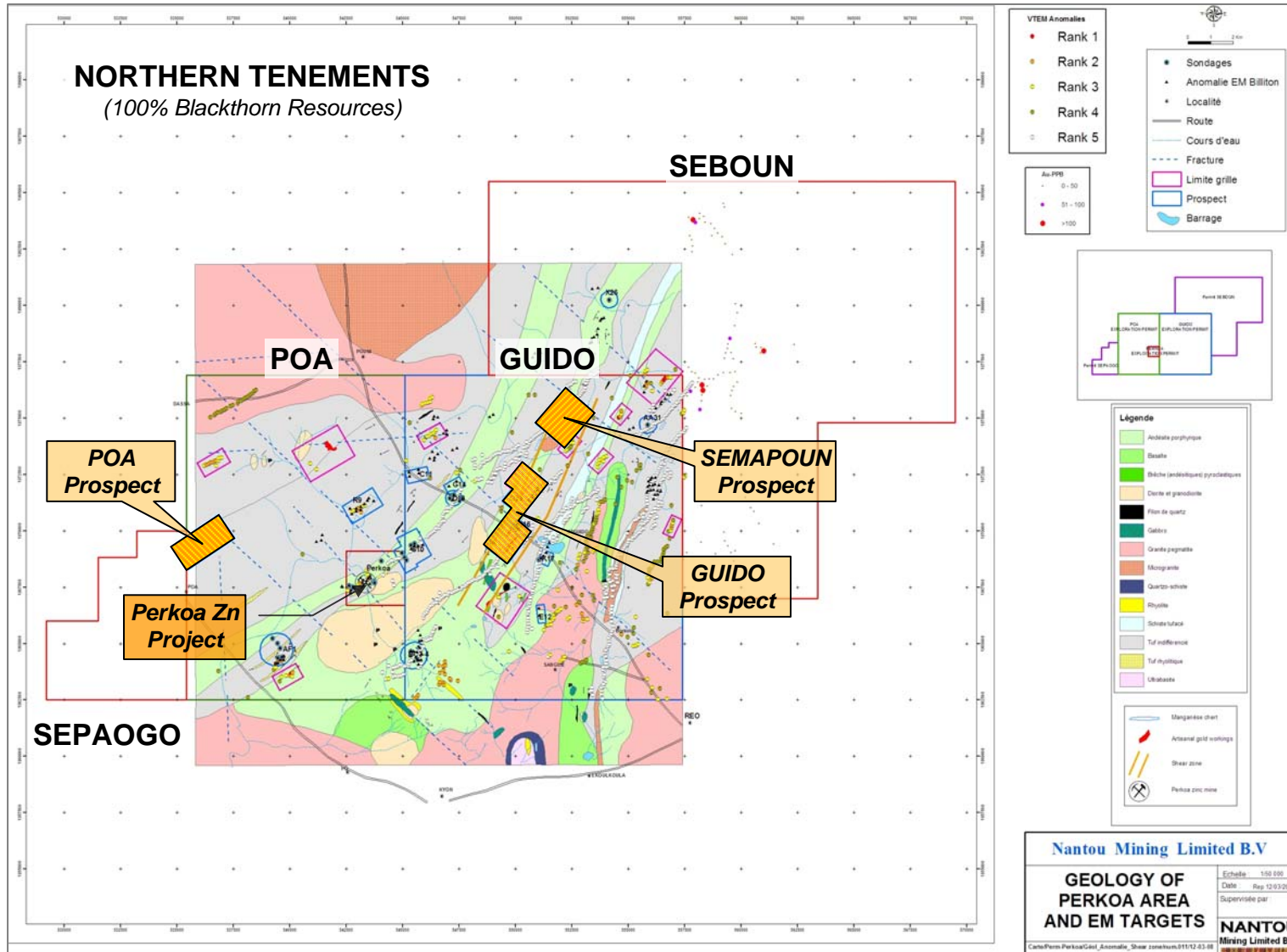
## 3 Southern Tenements

Bonzan	151 sq. km.
Fafo	247 sq. km.
Naboue	141 sq. km.
<b>Total</b>	<b>1,134.30 sq. km.</b>

# Northern Tenements – Target Prospects



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## Focus on northern tenements

- Mapping, Trenching, Geo-physics, Geo-chemistry
- RAB drilling completed - **340 holes for 5,727 metres**
- RC drilling completed - **24 holes for 2,682 metres**
- DDH drilling completed - **57 holes for 8,017 metres**
- All DDH assay results received and announced
- 44 DDH holes have reported grades above gold cut-off
- JORC code compliant mineral resource study completed



- Shear zone hosted gold in quartz vein style of mineralisation
- Multiple gold bearing vein system identified on GUIDO Prospect
- Regional structure trends for over 5km along strike
- GUIDO Prospect 'Inferred' Mineral Resource reported \*

Cut-off Grade (g/t Au)	Resource Tonnes (Mt)	Resource Grade (g/t Au)	Contained Gold Metal (ounces)
No cut-off	10.9	0.51	177,800
0.2	7.3	0.71	167,150
<b>0.4</b>	<b>4.1</b>	<b>1.06</b>	<b>139,000</b>
1.0	1.1	2.11	76,600

\* In accordance with the 2004 JORC Code

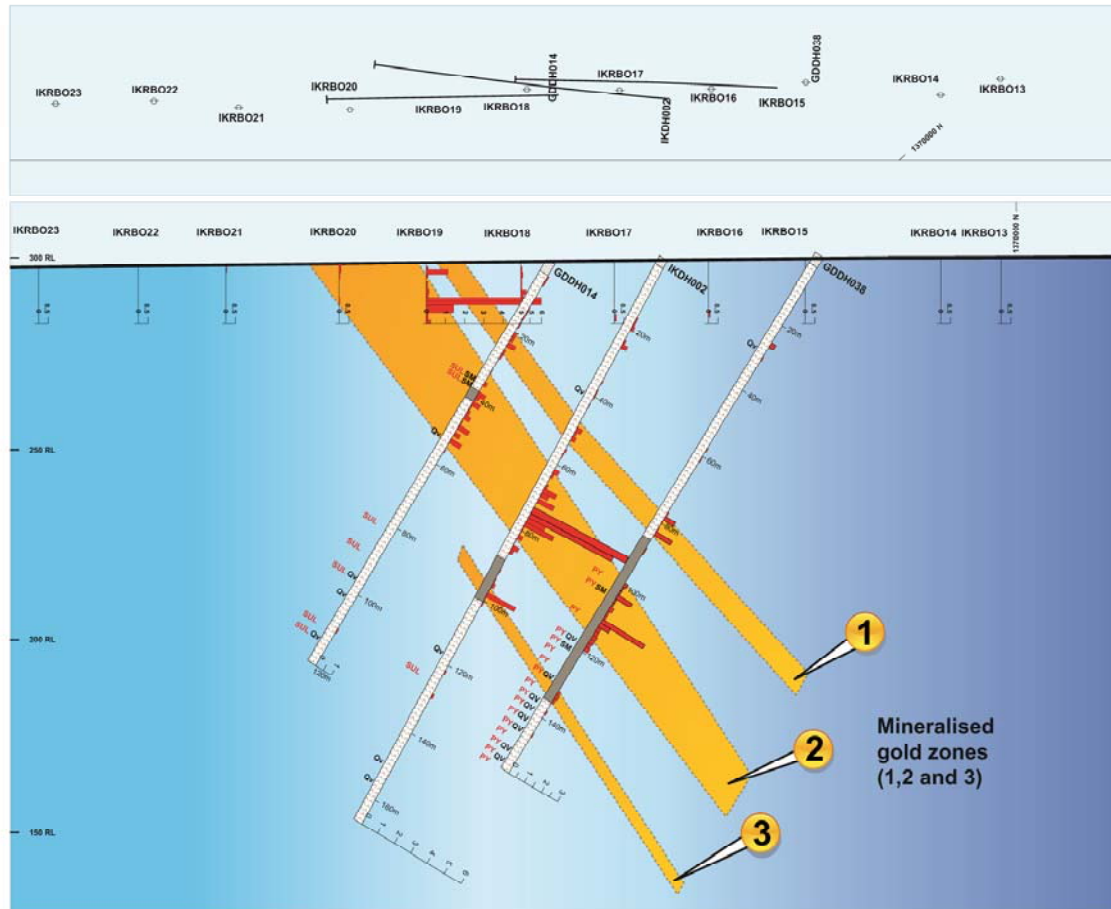


# GUIDO Inferred Mineral Resource

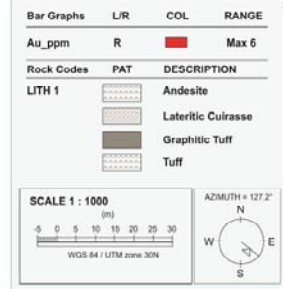


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## GUIDO PROSPECT



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# Gold Exploration – Outlook 2011 and Beyond



- Review exploration data following maiden mineral resource on GUIDO Prospect
- Consider additional drilling to upgrade mineral resource category, grade and tonnages
- Examine mineralised intervals and determine metallurgical characteristics of ore and potential metal recovery
- Continue to explore Northern and Southern tenements





# Gold Exploration





# Social and Community Work Continues



## Nantou Foundation

- Literacy Centre
- Health Clinic
- Maternity Ward
- Cultural and Recreational Facilities
- Water boreholes
- Road Improvements
- Cereal Bank
- Public Health Awareness Program



# Blackthorn Resources – The Investment Case



## FINANCIAL STABILITY

- Zero debt
- Healthy cash balance
- Unhedged

## QUALITY ASSETS

- Mumbwa BHP Billiton JV partnership
- Perkoa Zinc can be quickly put into production
- Perkoa - JV with Glencore completed
- Gold prospects in Burkina Faso

## GROWTH POTENTIAL

- Ability to invest in projects
- Active portfolio management

## GOOD MANAGEMENT

- Good corporate governance
- Focused asset strategy
- Positive shareholder relationships
- Structured risk management

## **Perkoa Zinc Project**

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr John Miles and Dr Mike Armitage, both of whom are Members of the Institute of Materials, Minerals and Mining, which is a 'Recognised Overseas Professional Organisation' ('ROPO').

Dr Armitage, who is also a fellow of the Geological Society of London, is the Chairman of SRK Consulting (UK) Ltd and has taken responsibility for the mineral resource aspects of SRK's work. Mr Miles is a Principal Associate of SRK Consulting (UK) and takes responsibility for the ore reserve and economic modelling aspects of SRK's work.

Mr Miles and Dr Armitage both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Miles and Dr Armitage consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears".

## **Burkina Faso Gold Project**

The information in this presentation that relates to Exploration Results at the Burkina Faso Gold Project is based on information that has been reviewed and approved for release by Mr Adama Barry, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Barry has 20 years experience in mineral exploration and is a full-time employee of Nantou Mining Limited BV, a subsidiary of Blackthorn Resources in Burkina Faso. Mr Barry has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Barry consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.



## **Burkina Faso Gold Project**

The information in this report which relates to Exploration Results from the Burkina Faso Gold Project in Burkina Faso has been reviewed and approved for release by Mr Michael J Robertson, MSc, Pr.Sci.Nat., MSAIMM who has 20 years experience in mineral exploration, and who is a full-time employee of the MSA Group, and has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Robertson has consented to inclusion of this information in the form and context in which it appears.

The information in this report which relates to Mineral Resources from the Burkina Faso Gold Project in Burkina Faso has been reviewed and approved for release by Mr Michael R Hall, MBA, MAusIMM, Pr. Sci. Nat. who has 29 years experience in mineral exploration and who is a consultant to the MSA Group and who has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Hall has consented to inclusion of this information in the form and context in which it appears.

## **Mumbwa IOCG Project**

The information in this presentation which relates to Exploration Results at the Mumbwa JV Project in Zambia has been reviewed and approved for release by Mr Michael J Robertson, MSc, Pr.Sci.Nat., MSAIMM who has 20 years experience in mineral exploration, and who is a full-time employee of the MSA Group, and has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the 2004 edition of the ‘Australasian Code for Reporting of Exploration Results’, Mineral Resources and Ore Reserves” and as a Qualified Person under the AIM Rules. Mr Robertson has consented to inclusion of this information in the form and context in which it appears.

The information in this report which relates to Mineral Resources at the Mumbwa JV Project in Zambia has been reviewed and approved for release by Mr Michael R Hall, MBA, MAusIMM, Pr. Sci. Nat. who has 29 years experience in mineral exploration and who is a consultant to the MSA Group and who has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Hall has consented to inclusion of this information in the form and context in which it appears.



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*....unearthing value*

[www.blackthornresources.com.au](http://www.blackthornresources.com.au)