

27 April 2010

## MUMBWA JV PROJECT – PROGRESS REPORT

### KEY POINTS:

- **Blackthorn Resources and BHP Billiton have mutually agreed on the Scope of Work for the Concept Study phase of the program, which will be managed and fully funded by BHP Billiton.**
- **Preparation for the Phase 4 drilling campaign has been finalised and planning for mobilisation of equipment and field teams is underway.**
- **Boart Longyear has been engaged as drilling contractor and is preparing to mobilise 2 drilling rigs to the Mumbwa site camp. Drilling is due to start in early May 2010.**
- **The Phase 4 drilling program is now planning to drill 12 targets for a total of approximately 9,000 meters.**
- **First planned holes will be drilled near the site of hole ZMMUM-008 which intersected encouraging IOCG alteration and minerals assemblages in the previous phase of drilling.**
- **Induced Polarisation (IP) geophysical survey will be completed over selected targets at Mushingashi and Mutoya anomalies. Interpretation of IP results will be used to assist in locating optimal drill sites.**
- **BHP Billiton has completed site improvement work including the upgrading of accommodation camp and on-site facilities. There are approximately 35 personnel on site, with additional work force due to arrive over the coming weeks.**

Blackthorn Resources Limited (ASX: BTR) (“the Company” or “Blackthorn Resources”) is pleased to provide the following Progress Report for the Mumbwa Joint Venture (JV) Project in Zambia (see Figure 1). The JV is planning to further drill test large-scale magnetic and radiometric anomalies at Mushingashi and Mutoya, and complete a Concept Study to evaluate the exploration and development potential of the Mumbwa JV Project for an Iron Oxide Copper-Gold (IOCG) style of deposit.

The JV partner has completed preparation for the next Phase 4 drilling campaign which includes on-site improvement work to camp and clinic, selection of drilling contractor and laboratory, purchase of additional field vehicles and improvements to water supply for drilling purposes. Equipment and field teams are preparing to commence mobilisation in the coming weeks, and includes the mobilisation of the first of two drilling rigs.

A review of the Phase 4 drilling program has increased the number of drill targets which is now planning to drill 12 holes for approximately 9,000m utilising a combination of Reverse Circulation (RC) and Diamond-core (DDH) drilling methods.

Ongoing filed work including geophysical surveys may increase the number of planned targets for drill testing which will be assessed as the program progresses.

### **Concept Study**

Blackthorn Resources and BHP Billiton have mutually agreed on the Scope of Work for the Concept Study. The Concept Study is aiming to complete an initial investigation over the entire Mumbwa JV Project to determine if a potential value creating opportunity exists that can be developed as an economically viable mining operation.

BHP Billiton will fully fund this phase of exploration drilling as well as managing all aspects for the Project including the completion of the Concept Study. It is planned to conduct periodic reviews of the Concept Study milestones and obtain a peer review of the Concept Study outcomes.

### **Site Improvement Work**

Since late 2009, JV partner BHP Billiton has implemented a range of on-site safety and operational improvements to the accommodation camp and other site facilities. These improvements have been completed or are nearing completion and final sign off.

All outstanding work will be finalised prior to arrival of the drilling teams.

### **Selected Drilling Contractor**

BHP Billiton has selected Boart Longyear Drilling as the preferred contractor to conduct drilling for the Phase 4 exploration and Concept Study. Boart Longyear was selected as a reputable and experienced drilling company, that has an established presence in Zambia with offices and workshops located in Ndola.

It is planned to utilise 2 drilling rigs for the 9,000m drilling campaign with the first drilling rig expected to begin mobilisation by the end of April 2010 and commence drilling in early May 2010. The second drilling rig is expected about 2 weeks after the arrival of the first rig.

### **Phase 4 Drilling Program**

The Phase 4 program plans to drill 12 targets for approximately 9,000m using RC and DDH drilling methods. Initially holes will be drilled using RC methods to a nominal drilled depth of 250m, and completed to a final drilled depth of approximately 800m using DDH methods. It is planned to incline all drillholes to approximately 60 degrees.

It is scheduled to commence drilling on the Mushingashi and Mutoya anomalies where the Phase 3B program was suspended in late 2009. The first sites for drilling are located close to the boundary between the Mushingashi and Mutoya anomalies, where the previous drill hole ZMMUM-008 had intersected favourable IOCG style alteration and mineral assemblages that suggest the core of an IOCG system could be located nearby.

Figure 2 illustrates the proposed drill pattern of holes for the program commencing at Mutoya and South Mushingashi anomalies.

### **Induced Polarisation**

An IP geophysical survey is planned over selected parts of the Mushingashi and Mutoya anomalies in order to assist in defining the optimal sites for drilling.

While it was planned to start the IP survey prior to drilling, this survey has been re-scheduled following the recent annual wet season, and is now scheduled to start in June 2010. However, a reconnaissance survey of the area will be conducted to determine if this survey can commence earlier.

Upon review and interpretation of the IP survey results, it is expected that some additional targets may be generated which will be drill tested as part of this campaign.



Managing Director Scott Lowe said:

*“The Mumbwa JV Project remains a primary asset for Blackthorn Resources and the Company has been eagerly anticipating this phase of exploration and the evaluation for potential development.*

*The Company is looking forward to receiving results to increase our understanding of the scale and scope of the Project. The next few months will be a very exciting time for the Company and its shareholders”.*

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

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PRESS RELEASE

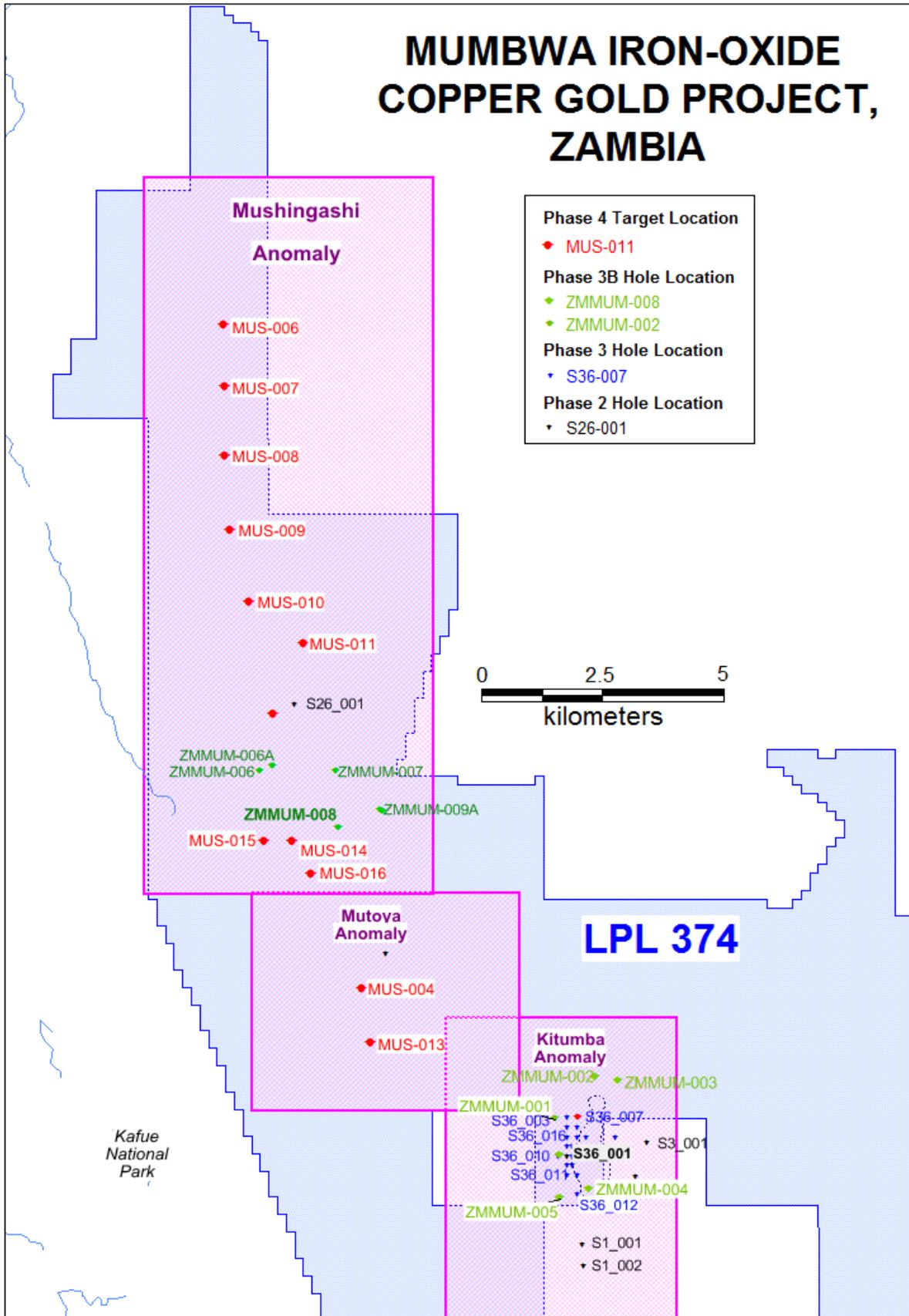


**FIGURE 1** – Location plan for the Mumbwa IOCG Project in Zambia. Joint venture partners Blackthorn Resources (60%):BHP Billiton (40%).



# MUMBWA IRON-OXIDE COPPER GOLD PROJECT, ZAMBIA

PRESS RELEASE



**FIGURE 2** – Phase 4 Drill Hole Location Plan over the Mushingashi and Mutoya anomalies, which cover approximately 25km strike length.

Ends