



16 April 2014

BLACKTHORN RESOURCES REACHES A NON-BINDING CONDITIONAL AGREEMENT WITH GLENCORE XSTRATA TO SELL ITS STAKE IN PERKOA JOINT VENTURE

Key Points

- **Blackthorn Resources has entered into an agreement with Glencore Xstrata to sell its remaining 27.3% share of the Perkoa Project in Burkina Faso.**
- **The agreement also includes the sale of Blackthorn Resources' exploration licences in Burkina Faso.**
- **Blackthorn Resources will receive up to US\$12M cash as consideration for the sale; US\$10M for Perkoa and up to US\$2M for the exploration tenements.**
- **Blackthorn Resources will not be required to contribute its US\$9M share of the US\$30M working capital requirement for Perkoa announced in August 2013.**
- **The Company believes the settlement represents fair value for its equity in the Perkoa JV.**
- **Blackthorn Resources is now in a position to focus on the development of its core asset, the Kitumba Copper Project in Zambia.**

Blackthorn Resources Limited (ASX: BTR) is pleased to announce that it has reached a non-binding conditional agreement with Glencore Xstrata to sell its equity interest in the Perkoa JV and related assets, in Burkina Faso.

This includes the Company's interests in the Northern Tenement exploration licences, consisting of the Poa, Guido, Seboun and Sepaogo licences adjacent to the Perkoa Project.

Blackthorn Resources will receive a cash payment of up to US\$12 million as consideration for the sale, consisting of US\$10 million for its equity interest in the Perkoa Project and up to US\$2 million for exploration expenditure incurred by Blackthorn Resources.



In addition, Blackthorn Resources will not be required to contribute its share of the US\$30 million working capital funding requirement for the Perkoa Project (announced, 5 August 2013). The Company will also be released from all claims and contingent liabilities in relation to the Perkoa Project, including its contingent liability under the Working Capital Facility Agreement.

The Company believes that the terms of the settlement agreed with Glencore Xstrata represents fair value for its equity in the Perkoa JV. Blackthorn Resources will now focus on the development of its core asset, the Kitumba Copper Project, in Zambia.

The agreement in principle with Glencore Xstrata follows Blackthorn Resources' recently completed due diligence review of the Perkoa business plan, and included consideration of the impact of project debt plus appropriate consideration of potential zinc pricing trends over the remaining mine life.

The parties will now work to structure the proposed transaction and seek to agree definitive agreements to achieve the final and binding settlement. As required under the ASX Listing Rules, Blackthorn Resources will seek shareholder approval for this transaction and will convene an extraordinary general meeting as soon as possible following execution of the definitive agreements. Other conditions include Glencore Xstrata being satisfied as to the good standing of, and the government of Burkina Faso approving the transfer of, the Northern Tenement exploration licences.

Chief Executive Officer, Mark Mitchell said:

"We are very pleased with the settlement agreed with our partners Glencore Xstrata for the Perkoa Project, and while we are disappointed to end our association with the project, this settlement provides significant capital for Blackthorn Resources to move forward with, and will allow all parties to focus on the future.

Our immediate focus remains on progressing the development of the Kitumba Copper Project in Zambia, which will continue with the benefit of the additional funds provided by the Perkoa settlement. Also, beyond Kitumba, we now have the means to consider new opportunities."

Should you require further information please contact:

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Ends