

Tungsten Development Australia & USA

Mick Billing
Executive Chairman
August 2014

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The information in this report that relates to exploration results is based on information compiled by Richard Bradey, who holds a BSc in applied geology and an MSc in natural resource management and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Bradey is an employee of Thor Mining PLC. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Richard Bradey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Molyhli Mineral Resource is based on information compiled by Mr Trevor Stevenson. Mr Stevenson is a Fellow of the Australasian Institute of Mining and Metallurgy, a member of MICA and a CP, and a full time employee of RPM. Mr Stevenson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stevenson is not aware of any new information or data that materially affects the information included in the RUL 2012 report on which this current report is based. Mr Stevenson has no economic, financial or pecuniary interest in Thor Mining PLC and there is no issue that could be perceived as a conflict of interest.

The information in this report that relates to Molyhli Ore Reserves is prepared by Andrew Vidale who is a Member of The Australasian Institute of Mining and Metallurgy. Andrew Vidale is a full time employee of AVCS and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("The JORC Code 2012 Edition"). Andrew Vidale consents to the inclusion of material within this report by Thor.

The information in this report that relates to the Desert Scheelite JORC Resource Estimate is based on information compiled by Golder Associates under the supervision of Mr. Stephen Godfrey, who is a Member of the Australian Institute of Geoscientists and Australasian Institute of Mining & Metallurgy and who has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Godfrey is an employee of Resource Evaluation Services and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Overview

Building a tungsten group

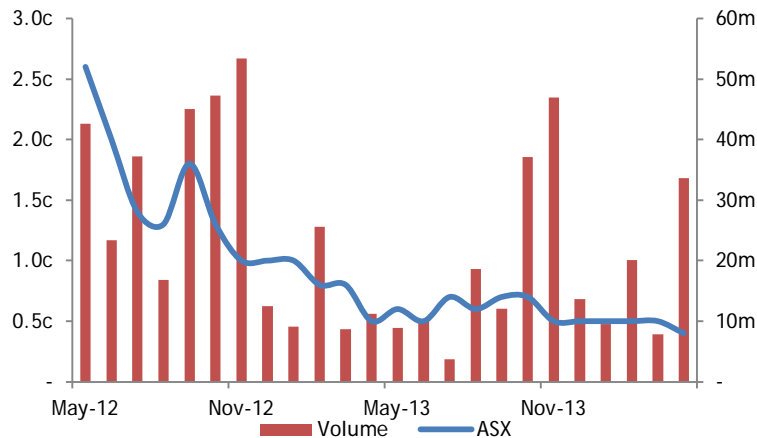
- AIM|ASX (THR) listed mining group focussed on tungsten
- Building a portfolio of tungsten projects with geographic diversity at different stages of development
- Tungsten is a vital mineral with multiple applications
 - Strategic commodity in China & EU
- Thor owns (or is acquiring) two projects at different stages in developed & established jurisdictions:
 - **Molyhil, NT** - near term production, 2012 DFS currently being upgraded following a significant upgrade in Open Cut Ore Reserve
 - **Pilot Mountain, Nevada USA** - currently being acquired at an advanced stage of exploration with significant upside - potential to be moderately sized resource at above average grade
 - Potential to become a 20+ year supplier
- Thor also owns two gold projects:
 - **Spring Hill** - potential profitable production or transaction
 - **Dundas** - drilling program is contingent upon available funds

Corporate Snapshot

Market overview

Summary		
	ASX:THR	AIM:THR
Share Price	0.3c	0.12p
12 Month Range	0.3 - 0.9c	0.185 - 0.445p
Current Shares Outstanding	2,350m	
Pilot Mountain Acquisition	418.75m	
Outstanding Options	181.1m	
Market Capitalisation (Post acquisition)	A\$8.5m	£3.8m

Board & Senior Management	
Mick Billing	Executive Chairman
Mick Ashton	Non Exec. Director
Greg Durack	Non Exec. Director
Trevor Ireland	Non Exec. Director
David Thomas	Non Exec. Director
Ray Ridge	CFO
Richard Bradey	Exploration Mgr



Tungsten

Critical metal

- Tungsten (chemical symbol W) is used in manufacture of hard metals, steels, alloys and mill products
- Outstanding & unique physical properties (melting point/hardness/tensile strength) and lack of substitutes makes tungsten critical in industrial, oil & gas, mining and agricultural applications
- Classified as a strategic metal in US, EU and China
- Tungsten concentrate (WO_3) is produced by miners and refined to ammonium-paratungstate (APT)
- Product price is quoted in metric tonne units (mtu) of WO_3 (which is 10kg of product)
- APT is most traded product - current price is US\$375/mtu, with long term prices of US\$480/mtu*



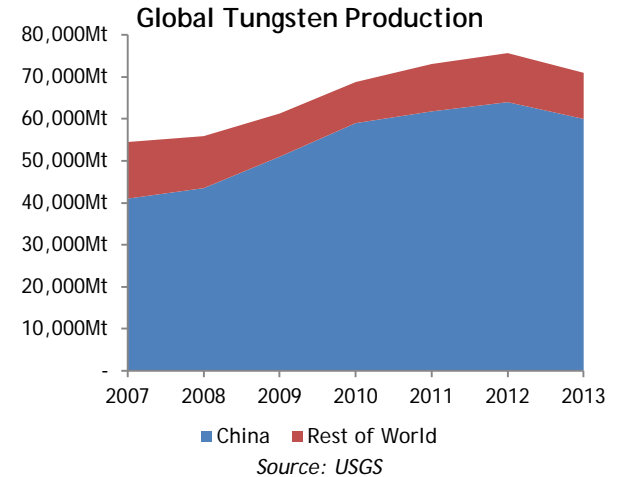
*Source: Tungsten Market Research Ltd (Jan 2014)

Tungsten Market

Demand outstrips supply

Supply

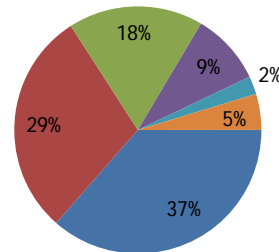
- Tungsten production is dominated by China (80%+ of global production)
 - Chinese restrictions on production and export of concentrates
 - Declining grades from existing Chinese producers
 - China is a net importer of concentrates ~54% of known tungsten reserves, ~60% of demand and ~80% of supply
- Significant Western mine forecast reductions and other producers have no capacity to upgrade production
- Most significant tungsten projects are 18 to 24 months away from commercial production



Demand

- Forecast growth of between 3% & 6% pa to 2019
- Forecast demand is expected to be greater than supply, with new capacity required to meet excess demand

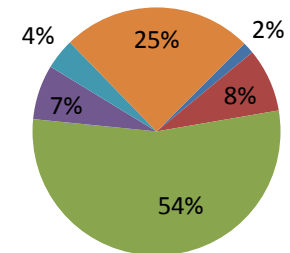
2012 Global Tungsten (WO₃) Consumption



■ China
■ North America
■ Russia
■ Europe
■ Japan
■ Rest of World

Source: ITIA

2014 Global Tungsten Reserves



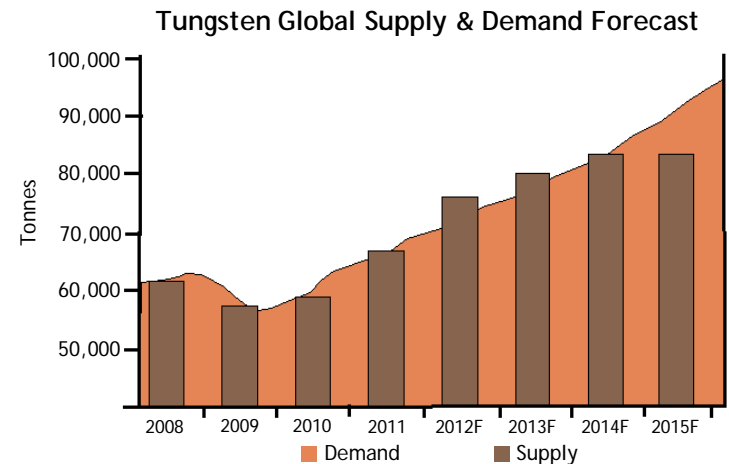
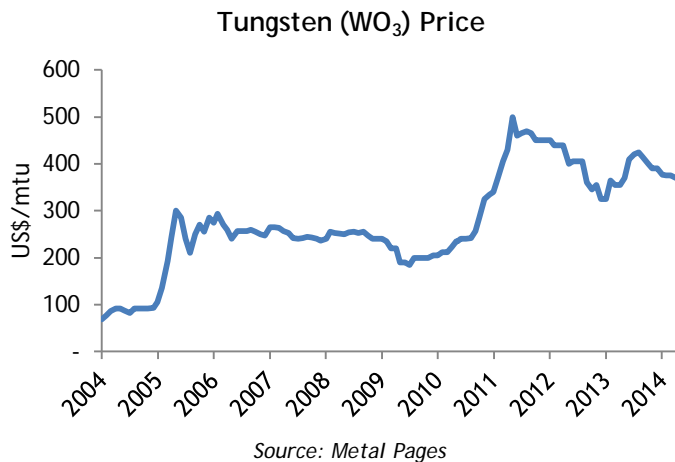
■ Bolivia
■ Russia
■ Canada
■ United States
■ Rest of World
■ China

Source: USGS

Tungsten Price

Favourable market dynamics

- Consensus for the short to medium term is that the price will move up to US\$480*/mtu by 2016
 - Supported by Chinese introduction of revenue protection measures
 - Limited or forbidden foreign investment
 - Establishing quotas of production and exports
 - Imposing export tariffs on tungsten materials
 - Projected reduction in US stockpile sell-down
 - Significant forecast reduction in existing Western mine production
 - Uncertainty surrounding timing of new non-Chinese supply



*Source: Tungsten Market Research Ltd (Jan 2014)

The Projects

High grade, near term projects in stable & experienced jurisdictions

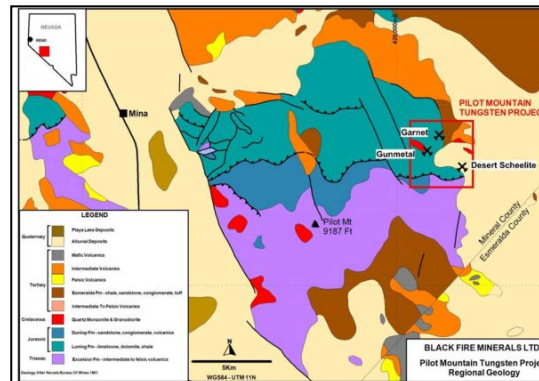
The Molyhil Project Northern Territory, Australia

- Tungsten & Molybdenum Project, 100% owned by Thor
- Substantially permitted
- Inferred & Indicated Resource of 4.71Mt @ 0.28% WO₃ for 13.2Kt
- Initial DFS completed, upgrade currently being completed
- First production in early 2016



The Pilot Mountain Project Nevada, USA

- Tungsten & Copper Project
- Thor will acquire 100% for A\$1.65m in scrip
- JORC Resource of 6.79Mt @ 0.31% WO₃
- Exploration target of 10.8 - 12.5Mt @ 0.32 - 0.35% WO₃



The Spring Hill Project Northern Territory, Australia

- Gold project, 80% owned by Thor
- Located 150km South of Darwin
- Indicated Resource of 450,000oz of Au with 10.0Mt @ 1.4g/t
- Significant value potential via development or divestment



Molyhil Project

High grade project with near term cash flow potential

Location

- Northern Territory, Australia - 320km east of Alice Springs

Geology

- Occurs in two adjacent magnetite skarn bodies which contain enriched mineralisation of scheelite and molybdenite

History

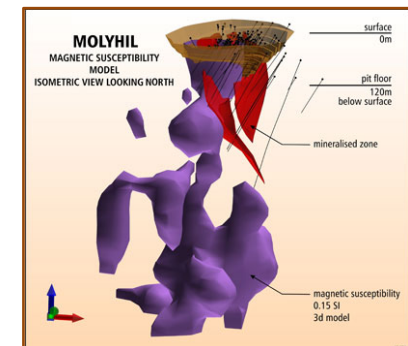
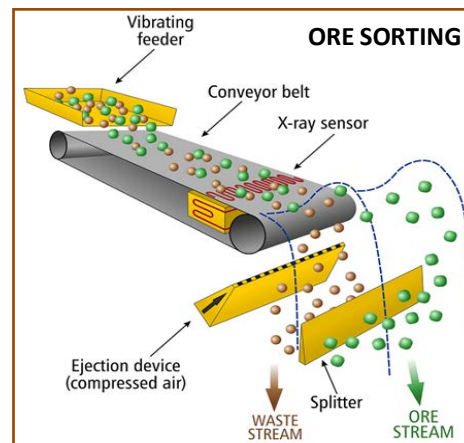
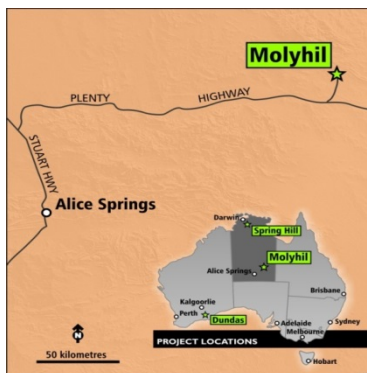
- Southern ore body mined briefly during the late 1970s & early 1980s
- Since 2004, Thor has conducted substantial resource extension drilling, metallurgical test work, technical, environmental & social studies, secured environmental approvals, & agreements with traditional owners

DFS

- 2012 DFS study showed profitable production - upgrade expected in 2014 Q3
- 50% increase in mine production from 2012 DFS

Mine Life

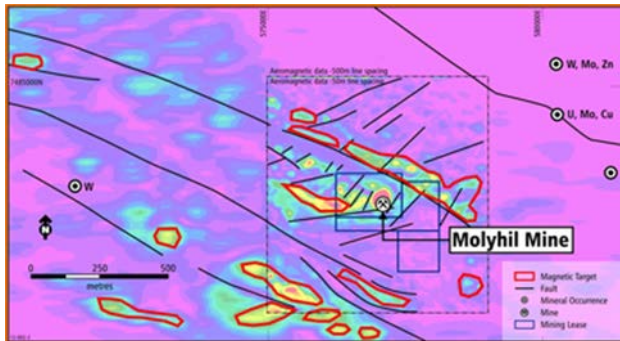
- New ore reserve provides for 6 years
- Substantial resource at depth below reserve + exploration upside



Molyhil Reserve & Resources

An expanded reserve with improving economics

- High grade resource - Molyhil is one of the higher grade projects in the Western World
- Upgraded Reserve delivers longer mine life and significantly improves overall economics for the project
- Significant molybdenum credits
 - improves WO_3 equivalent resource grade to 0.4%
 - improves WO_3 equivalent resource grade to 0.39%
- Substantial resource at depth below reserve
- Nearby exploration upside



Summary of Molyhil Mineral Resource Estimate

RESOURCE	Mt	WO_3		Mo		Fe
		Grade %	Mt	Grade %	Mt	Grade %
Indicated	3.82	0.29	10.9	0.12	8.2	18.8
Inferred	0.89	0.25	2.2	0.13	2.2	15.2
Total	4.71	0.28	13.1	0.13	10.4	18.1

- *Molyhil Resource Estimate compliant with JORC 2012*
- *Thor Mining PLC holds 100% equity in this resource*

Molyhil Open Cut Ore Reserve Statement

Classification	Reserve '000 Tonnes	WO_3		Mo	
		Grade %	Tonnes	Grade %	Tonnes
Probable	3,000	0.31	9,200	0.12	3,600
Total	3,000	0.31	9,200	0.12	3,600

- *Molyhil Ore Reserve compliant with JORC 2012*
- *Thor Mining PLC holds 100% equity in this resource*

Product Marketing

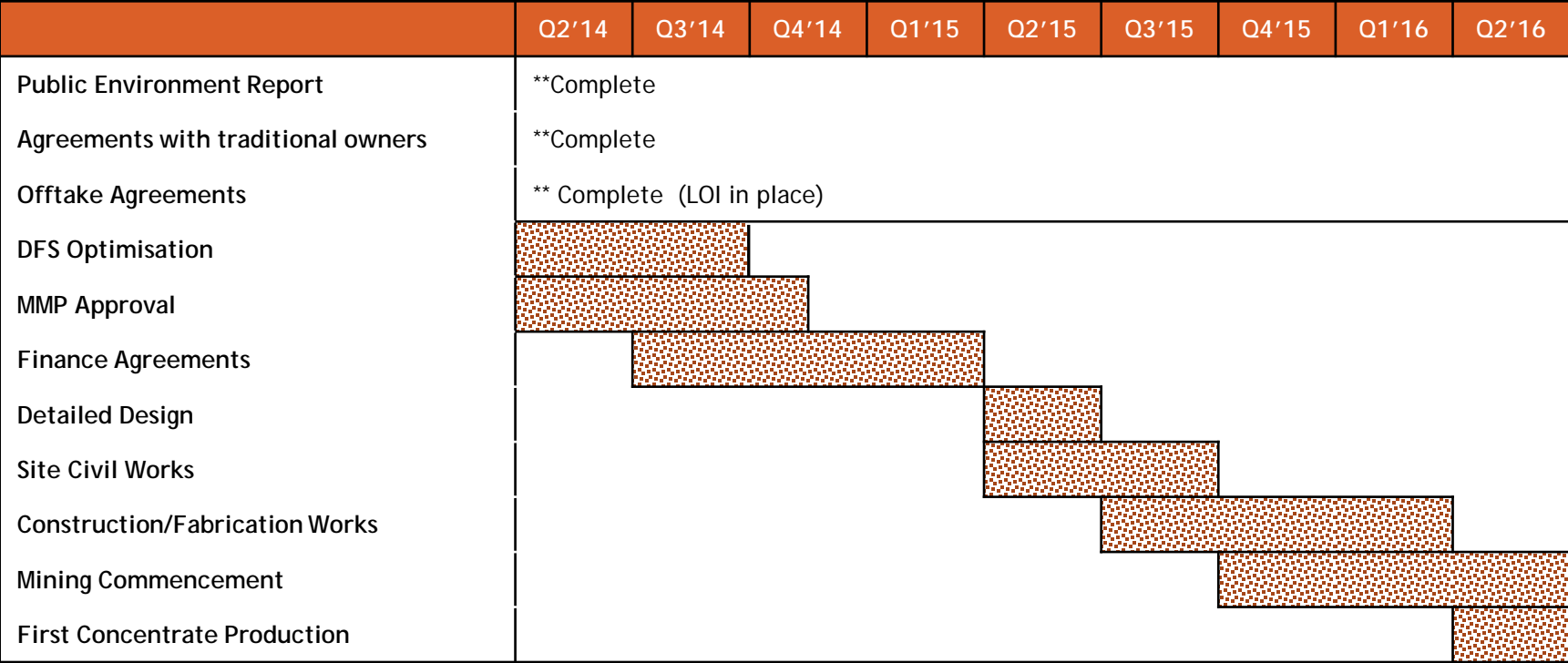
First class partner

- Letter of Intent from US Global Tungsten & Powders (GTP)
for 70 - 75% of tungsten concentrate production
 - Pricing benchmarked against London Metal Bulletin European spot price
 - GTP is one of the top 3 non-Chinese tungsten processors
 - Ideal leverage for Pilot Mountain off-take
- Important vote of confidence in project that will assist in underwriting financing requirements
- Expected production of ~1,350t pa, which represents ~1.35% of global production
- Discussions in progress over balance of concentrates, to be completed in conjunction with project financing



Molyhil Timeline

Near term production



Pilot Mountain Overview

Advanced exploration, significant upside

Geology

- Tungsten - copper - silver skarn style mineralisation at three primary locations including: Desert Scheelite, Garnet and Gunmetal desposits

Terms of acquisition

- To be acquired from Blackfire Minerals for A\$1.675m funded by issue of 418.75m THR scrip
- Completion anticipated around July 2014

History

- Originally exploration undertaken by Union Carbide Corp. in late 1970s and early 1980s
- Not exploited due to collapse of tungsten price in mid 1980s

Location

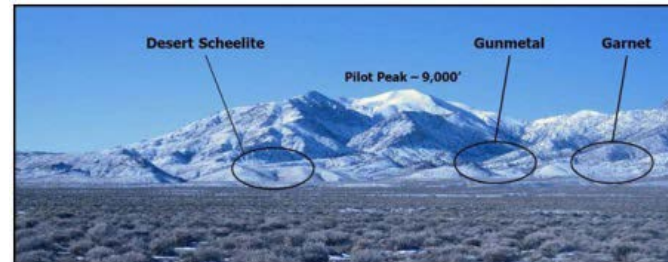
- Located in Nevada, USA
- 250km south-east of city of Reno

Infrastructure

- Located within close proximity to mains electricity & sealed highways. Ample nearby ground water. Nearby towns should provide workforce on daily commute basis

Resource

- Inferred & Indicated Resource of 6.79Mt @ 0.31% WO₃, 22.8glt Ag and 0.17% Cu
- Additional Exploration Target of 3 - 4Mt @ 0.36 - 0.44% WO₃



Quoted Exploration Targets () are conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Pilot Mountain Projects

High grade project, potential to be moderately sized resource

Desert Scheelite deposit

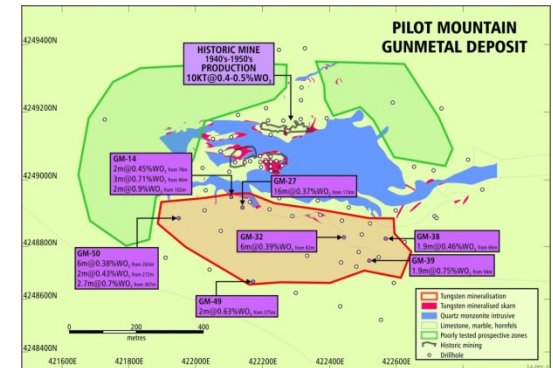
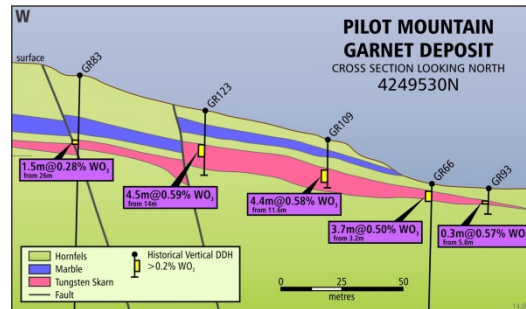
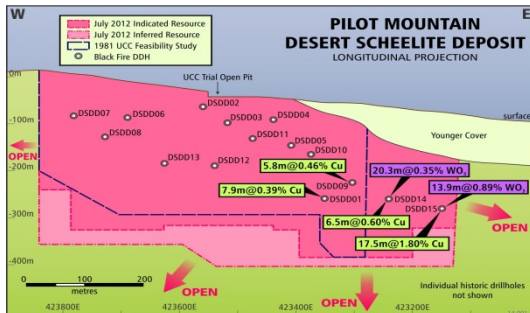
- 6.8MT Resource @ 0.31% WO₃
- Increasing grade of both tungsten and copper to the east under cover
- Geophysical (IP, gravity) and diamond drill programs scheduled to test eastern extension
- Silver & copper credits

Garnet deposit

- Exploration Target* of 1.5 - 2.0Mt @ 0.35 - 0.40% WO₃
- Flat lying mineralisation from surface
- RC drill program scheduled to test and validate

Gunmetal deposit

- Exploration Target* of 1.5 - 2.0Mt @ 0.37 - 0.42% WO₃
- Flat lying
- Substantial areas of poorly tested zones



Quoted Exploration Targets (*) are conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Investment Case

A compelling portfolio of tungsten assets

- Focus on a strategic and supply constrained commodity - Tungsten
- Portfolio of attractive assets in developed and established mining jurisdictions
- Near term production and cash flow through Molyhil Project, which represents compelling value and will be further enhanced with addition to the reserve and mine life
- Potential moderately sized resource in Pilot Mountain, providing significant exploration upside
- Active acquisition strategy - evaluate additional opportunities and assets in the tungsten space
- Highly experienced board and management team to drive expansion of Group - leveraging strong contacts and current position in resource cycle to identify attractive opportunities
- Opportunity to invest at an attractive valuation before significant value uplift events

Appendix - Comparable Projects

High grade resource at Molyhil to drive low operating costs

Thor Mining Molyhil	Ormonde Mining Barruecopardo	Vital Metals Watershed	Hazelwood Resources Big Hill	King Island Scheelite Dolphin
<ul style="list-style-type: none"> • 4.7 Mt @ 0.28% for 13.1Kt • Significant Mo bi-product credits • 0.4 Mtpa planned processing capacity • 1,350 tpa production target • DFS upgrade in progress • 6 year mine life targeted 	<ul style="list-style-type: none"> • 27.4 Mt @ 0.26% for 71.2Kt • No bi-product credits • 1.1 Mtpa planned processing capacity • 2,270 tpa production target • DFS complete • 9 year mine life 	<ul style="list-style-type: none"> • 49.3Mt @ 0.14% for 70.4Kt • No bi-product credits • 3.0 Mtpa planned processing capacity • 4,000 tpa production target • DFS incomplete • 10 year mine life 	<ul style="list-style-type: none"> • 47.4Mt @ 0.1% for 47.4Kt • No bi-product credits • 2.3 Mtpa planned processing capacity • 1,500 tpa production target • DFS incomplete • 12 year mine life 	<ul style="list-style-type: none"> • 9.1 Mt @ 0.9% for 81.7Kt • No bi-product credits • 0.3 Mtpa planned processing capacity • 3,500 tpa production target • DFS complete • 12 year mine life

Source: Company filings, Bloomberg

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