

QUARTERLY REPORT JANUARY TO MARCH 2014

Highlights

Outlook for June Quarter 2014

TUNGSTEN & MOLYBDENUM

Molyhil NT.

- Ore sorting delivers up to 8% additional metal value, without additional operating cost.
- Cost reduction initiatives reduce 2012 DFS opex estimate by 13%.
- Metallurgical testwork to confirm ore sorting does not impact on recovery or concentrate quality.
- Molybdenum pricing improves by 30%.

- Finalise testwork on proposed variations to process flow sheet.
- Revise ore reserve & DFS to reflect cost reductions & ore sort upgrade.
- Continue off-take discussions for balance of concentrate production.
- Negotiations to secure project finance.

GOLD

Spring Hill NT

- Follow-up screen fire assays provide substantial increase to gold grades above 0.5ppm.
- Combined gravity and continuous vat leach test work returned gold recoveries of 98.3%.
- Exploration expenditure necessary to achieve equity increase to 80%, completed.

- Continued evaluation of potential for profitable production.

Dundas WA

- No work during the quarter.

- Aircore drilling program contingent upon available funds.



Figure 1: Thor Mining PLC Project Location Map

THOR MINING PLC

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MOLYHIL TUNGSTEN-MOLYBDENUM PROJECT - NT (100% THOR)

Ongoing Optimisation Studies

The 2012 Molyhil DFS highlighted that a 7% improvement in revenue factors (or the equivalent) was required to increase the Molyhil ore reserve by 50%, and thus extend the life of the proposed operation from four years to six years. Subsequently, Thor has sought to deliver that 7% improvement as a minimum.

Recent work shows up to an **8% improvement in metal value via ore sorting**, and also **cost savings of approximately A\$12 a tonne**, equivalent to a 13% opex reduction from the 2012 DFS estimate of A\$90/tonne.

Ore Sorting

Results include:

1. Upgrade of low grade ore - the 2012 ore reserve & mining plan included mining, but not processing, 370,000 tonnes of low grade ore over the initial four year mine life. This low grade ore averages 0.09% WO3 and 0.06% Mo, which if upgraded by ore sorting, would be included in future mine planning, thus **adding >8% in metal value** to the processing circuit. Additionally the rejection of waste material in the sorting process results in **no increase in total ore treated**.
2. Processing variations - the removal, by ore sorting, of some non-mineralised material has changed the make-up of the ore feed into the processing plant. Subsequent metallurgical testwork to demonstrate that a saleable concentrate will still be produced without materially impacting on recovery, is nearing completion.

Cost Reductions

1. Mining Costs - the 2012 DFS cost structure used contract mining costs at \$24/tonne, as part of an Ore Reserve Study. Subsequently, owner operated mining costs have been estimated at approximately \$20/tonne ore, indicating a saving of up to \$4/tonne.
2. Infrastructure costs - additionally by moving to purchase the camp and diesel power generation system, rather than leasing these facilities, the Company has eliminated a further \$7.26/tonne in leasing expenses.

A number of other cost reductions have also been identified which in total, show overall cost reductions in the order of \$12/tonne, a 13% reduction from the A\$90/tonne estimate in the 2012 DFS. Several of these initiatives also have capital cost implications; however other identified savings have largely offset these.

Metal Prices

The selling price in Europe of Tungsten APT now sits at US\$370/mtu, while the price of Molybdenum Roasted Concentrates has improved by approximately 30% over the quarter to US\$13.00/lb (Figure 2).

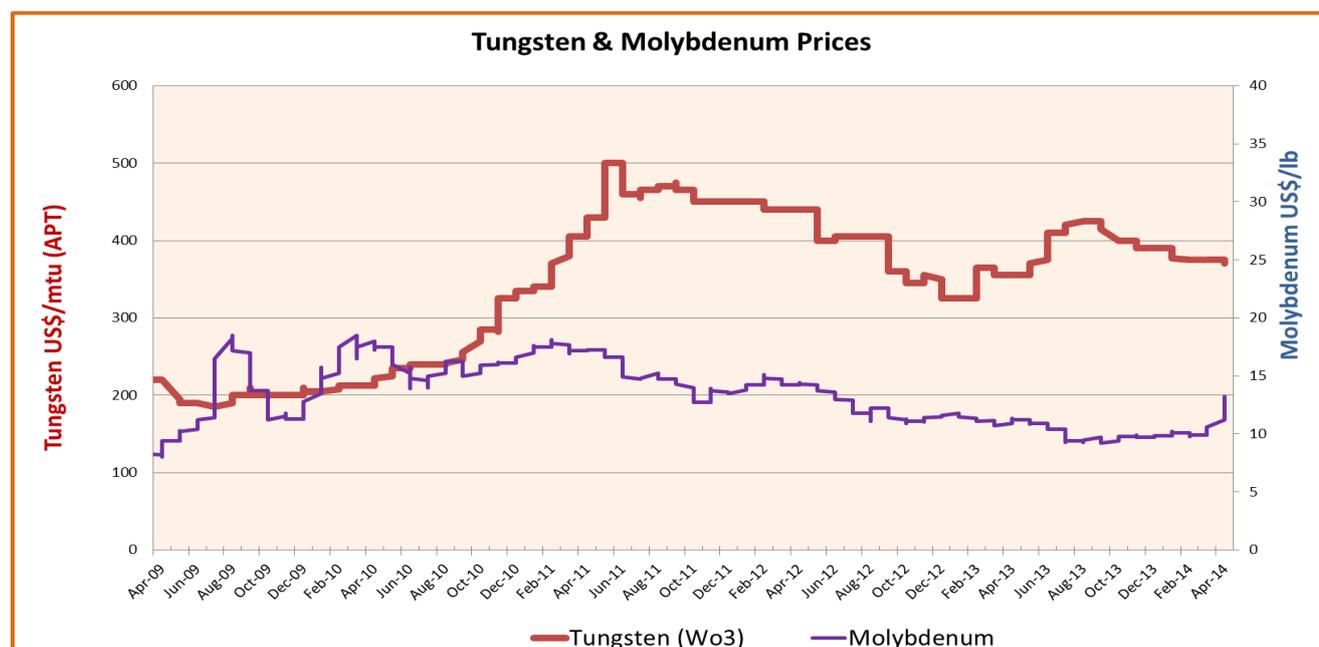


Figure 2: Tungsten & Molybdenum price movements (Metal Pages.com)

GOLD

SPRING HILL PROJECT - NT (THOR has earned the rights to 80% equity)

The screen fire assay program summarised below, has demonstrated the coarse nature of gold mineralisation at Spring Hill as well as the potential for a significant increase in resource grade, which is yet to be quantified.

Thor commissioned Nagrom Mineral Processors, an independent metallurgical testing laboratory, to assess potential gold recovery outcomes from gravity processing, followed by Continuous Vat Leaching (CVL) by RMDSTEM Limited. Two +200Kg composite samples were compiled from the recent drilling program to represent likely typical ore feed from the Hong Kong and combined Eastern lodes. Highlights of the test program results include;

- **98.3% gold recovery** from combined gravity and continuous vat leaching of Main zones ore; and
- 70.6% and 59.8% gravity recovery respectively for Hong Kong and Main zones.

Composite assays and process recovery independently support previously reported upgrades of fire assays to screen fire assay analysis.

This gravity and CVL test work demonstrates the potential to achieve high gold recoveries from the Spring Hill ore without the major capital and operating cost burden of a conventional CIL process plant.

Screen Fire Assay Program

A selection of 89 samples from the 2013 RC drill program was resubmitted for screen fire assay. The results confirmed that a significant amount of the gold mineralisation is coarse grained and thus is potentially amenable to gravity separation. Additionally, the screen fire assays returned predominantly higher gold grades than from the earlier conventional fire assay. The following table (Table 1) shows average upgrades for various grade ranges, as reported in January 2014, and indicates a substantial improvement in most ranges.

Table 1: Percentage upgrade of contained gold from screen fire assay of 2013 RC drilling program

From g/t	To g/t	No of Samples	Original Assay Average g/t	Screen Fire Assay Average g/t	Upgrade g/t	% Upgrade
	<0.5	2	0.39	0.33	-0.06	-15%
0.5	1.0	17	0.72	1.29	0.57	+79%
1.0	1.5	9	1.26	1.85	0.59	+47%
1.5	2.0	6	1.68	2.02	0.34	+20%
2.0	2.5	8	2.29	4.75	2.46	+107%
2.5	3.0	10	2.68	4.15	1.47	+55%
3.0	3.5	6	3.23	4.05	0.82	+25%
3.5	4.0	9	3.76	5.29	1.53	+41%
>4.0		21	16.54	17.91	1.37	+8%

Historical records show that less than 5% of samples, in the grade range from 0.5g/t and above from 23 kilometres of drilling in the early 1990's, were subject to follow-up screen fire assays. Information about any upgrade in values from this time is not, at this stage, available.

The implications on the overall resource at Spring Hill of a grade increase, from screen fire assaying, is being assessed by independent resource consultants. Further confirmatory testing may be undertaken. If the trends shown in Table 1 are supported, then a substantial upgrade in both the resource estimate, and the size and scope of future mining operations, may result.

Project Equity

During the quarter, Thor completed the expenditure requirement necessary to increase its equity in the Spring Hill gold project from 51% to 80%. Thor now has the right to complete the 80% acquisition at any time, subject to NT Government consent, through the issue to Western Desert Resources (WDR) of 10 million shares plus shares to the value of A\$500,000.

DUNDAS PROJECT - WA (60% THOR)

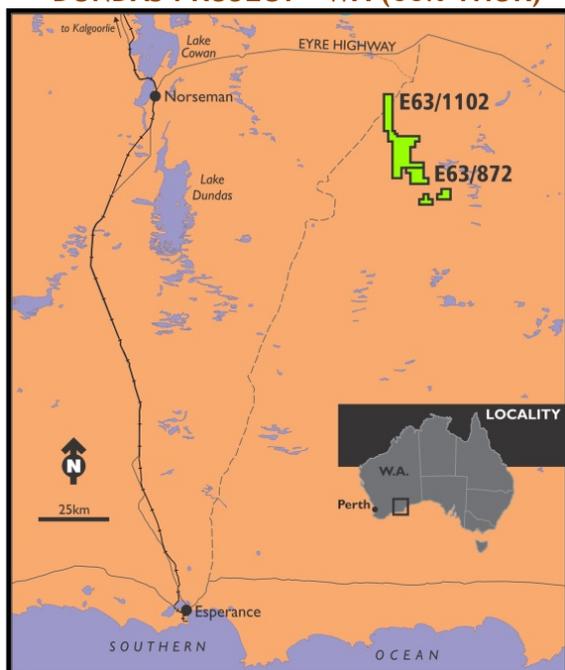


Figure 6: Dundas Project Location map

Prioritising expenditure on Spring Hill has prevented progress of planned exploration at Molyhil and Dundas. Exploration work on these continues to be conditional on the availability of working capital.

CORPORATE AND FINANCE

During the quarter, 194,000,000 new Ordinary Shares in total were issued to Lanstead Capital L.P. ("Lanstead"), a new institutional investor in the Company as the 1st tranche of a two tranche equity placing valued at £750,000. (Subsequent to the end of the quarter, the 2nd tranche was approved at a general meeting of shareholders.) In addition, the company has entered into Equity Swap Agreements with Lanstead which allow the Company to retain much of the economic interest in the 1st tranche of the Lanstead Subscription Shares (and subsequently the second tranche as well). The Equity Swap Agreements enable the Company to secure much of the potential upside arising from anticipated near term news flow. Full details are contained in the company's announcement of the 20th February 2014.

Commenting, Mr Mick Billing, Executive Chairman of Thor Mining, said:

"This has been a very productive period for Thor in what is still a difficult climate for small resource companies. The process improvements and cost reductions at Molyhil should make a substantial improvement to economic outcomes over the initial four year mine life and additionally extend the life of the project significantly, further adding to the returns. We look forward to the revised metallurgical results which will allow the Company to complete an upgrade to both the ore reserve, and, the 2012 Definitive Feasibility Study. At Spring Hill, achieving the 80% expenditure threshold along with results of screen fire assays and CVL testwork provide a launching pad for significant value adding from this project."

Yours faithfully,

THOR MINING PLC

Mick Billing
Executive Chairman

Competent Person's Report

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 2004 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.