



**Half-yearly Report**

**For the six months ended  
31 December 2013**

## HIGHLIGHTS

- Letter of Intent secured from potential customer, Global Tungsten and Powders Corporation of USA to purchase 70% to 75% of tungsten concentrates from Molyhil. Discussions continue with other parties in respect of the balance of the concentrates.
- Completion of exploration expenditure to enable the acquisition of an additional 29% of the Spring Hill gold project, representing the final stage in the acquisition of an 80% equity holding in the project from Western Desert Resources Limited (WDR).
- Screen fire assays and subsequent metallurgical testwork upgrades gold assays at Spring Hill, and demonstrates low cost high gold recovery.

## REVIEW OF OPERATIONS

The Company has continued to make progress on its key Molyhil and Spring Hill projects with a Letter of Intent for an off-take agreement for the Molyhil Tungsten project and very good exploration results at Spring Hill. The Company has been able to attract additional funds to progress these projects and the Directors were pleased to recently announce further funding after the period end. The net result of operations for the half-year was a loss of £380,000 (2012: £744,000).

### Molyhil Tungsten/Molybdenum project

The selling price in Europe of Tungsten APT, at 11 March 2014, sits at US\$370/mtu, while the price of Molybdenum Roasted Concentrates is US\$9.80/lb.

#### Project Development

Discussions with potential customers for project concentrates resulted in Thor securing a Letter of Intent from US based Global Tungsten & Powders Corporation, to purchase 70% to 75% of Molyhil tungsten concentrate production. This will be at pricing benchmarked against Metal Bulletin (LMB) APT European free-market price, and continues to be subject to due diligence and sourcing project finance. Securing this finance continues to be a priority for the Directors as does negotiations with other parties in respect of sales for the balance of the concentrate.

#### Ongoing Optimisation Studies

The Company has determined that achieving operating cost reductions holds the potential to improve substantially the economic returns particularly by converting more of the resource estimate into the ore reserve and mining plan. Cost savings in the order of 15% compared to those published in the 2012 Definitive Feasibility Study (DFS) have been identified to date, with more under evaluation.

Following the identification of the potential to pre-concentrate ore via ore sorting, a regime of metallurgical testwork commenced to confirm that the pre-concentrated ore makeup does not present issues for the metallurgical process, along with work to reduce levels of some deleterious elements in the concentrate more cost effectively. This work is nearing completion.

## Gold Exploration projects

### Spring Hill - Northern Territory

#### Project Exploration

A Reverse Circulation (RC) drilling program comprising 2,171 metres from 25 holes was completed during the period. The program which targeted near surface mineralisation most likely to enhance the initial mining inventory was completed in November. A complete table of significant intercepts was reported in October 2013 and December 2013.

The program proved very successful with several holes intersecting mineralisation outside of the existing resource.

A selection of samples from the 2013 RC drill program was resubmitted for screen fire assay, and 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 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%

All original fire assays greater than 2.0g/t au, and approximately one third of those between 0.5g/t and 2.0 g/t, were submitted for subsequent screen fire assay testing.

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 limited.

Subsequent metallurgical testwork demonstrated very high levels of simple low cost gravity gold recovery, followed by column leaching, gave an overall gold recovery of greater than 98%. Additionally, this testwork reinforced the screen fire assay upgrades reported above with upgrades of 69% from the largest Hong Kong zone, and an average upgrade of 57% from the other zones.

#### Project Development

In April 2013, Thor signed a non-binding Memorandum of Understanding (MOU) in respect of toll treatment of ore from Spring Hill with Crocodile Gold Australian Operations Pty Ltd, a subsidiary of Toronto-listed Crocodile Gold Corporation (TSX: CRK). Thor also announced that, following positive results of a study to extract over 40,000 ounces of gold from near surface oxide ore, regulatory approvals for mine development would be sought. An assessment of any upgrade possible following the 2013 drilling program and subsequent screen fire assay results has not yet been conducted.

#### Project Equity

Subsequent to the end of the period the Company confirmed it had completed the exploration and evaluation expenditure necessary to enable the acquisition of an additional 29% of the Spring Hill gold project in Australia's Northern Territory.

This will represent the final stage in the acquisition of an 80% equity holding in Spring Hill, from Western Desert Resources Limited (WDR).

#### Dundas - Western Australia

Prioritising expenditure on other projects has delayed progress of planned exploration at Dundas. Exploration work on this project continues to be conditional upon the availability of working capital.


## Finance

During the period, the Company raised £906,000 before costs following the issue of 294 million shares in the United Kingdom at an average price of 0.237 pence, and 65 million shares in Australia at an average price of 0.58 cents (0.34 pence).

On 21 February 2014, the Company announced that it had entered into a subscription agreement whereby an international investor, Lanstead Capital L.P., has agreed to provide £750,000 of equity capital receivable over a 20 month period commencing in February 2014.

## Comprehensive Income

The comprehensive income statement records a comprehensive loss of £1,494,000 (2012: £926,000) after taking into account unfavourable unrealised exchange differences of £1,114,000 (2012: £182,000).



**Mick Billing**  
Executive Chairman  
11 March, 2014

## Competent Persons statements

*The information in this report that relates to exploration results is based on information compiled by Richard Bradey, 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.*

**Condensed Consolidated Statement of Comprehensive Income**

For the 6 months ended 31 December  
2013

	Note	£'000 6 months ended 31 December 2013 Unaudited	£'000 6 months ended 31 December 2012 Unaudited	£'000 Year Ended 30 June 2013 Audited
Administrative expenses		(62)	(79)	(131)
Corporate expenses		(321)	(380)	(686)
Share based payment expense		-	(32)	(48)
Gain on disposal of assets		-	-	12
Wrie off/Impairment of exploration assets		-	(259)	(278)
<b>Operating Loss</b>		<b>(383)</b>	<b>(750)</b>	<b>(1,131)</b>
Interest received		3	6	7
<b>Loss before Taxation</b>		<b>(380)</b>	<b>(744)</b>	<b>(1,124)</b>
Taxation		-	-	-
<b>Loss for the period</b>		<b>(380)</b>	<b>(744)</b>	<b>(1,124)</b>
<b>Other comprehensive income:</b>				
Exchange differences on translating foreign operations		(1,114)	(182)	(776)
Other comprehensive income for the period, net of income tax		(1,114)	(182)	(776)
Total comprehensive income for the period		(1,494)	(926)	(1,900)
Basic loss per share	2	(0.03)p	(0.09)p	(0.13)p

**Condensed Consolidated Balance Sheet**

At 31 December 2013

		Note		
		£'000	£'000	£'000
		31	31	30
		December	December	June
		2013	2012	2013
		Unaudited	Unaudited	Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets - deferred exploration costs	3	9,903	10,804	10,557
Deposits to support performance bonds		49	74	55
Plant and equipment		46	82	66
<b>Total non-current assets</b>		<u>9,998</u>	<u>10,960</u>	<u>10,678</u>
<b>Current assets</b>				
Cash and cash equivalents		198	60	188
Trade receivables and other assets		5	-	17
Prepayments		14	11	-
<b>Total current assets</b>		<u>217</u>	<u>71</u>	<u>205</u>
<b>Total assets</b>		<u>10,215</u>	<u>11,031</u>	<u>10,883</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		(207)	(241)	(183)
Provisions		(18)	(18)	(15)
Interest bearing liabilities		-	(1)	-
<b>Total current liabilities</b>		<u>(225)</u>	<u>(260)</u>	<u>(198)</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities		(543)	-	(607)
<b>Total non-current liabilities</b>		<u>(543)</u>	<u>-</u>	<u>(607)</u>
<b>Total liabilities</b>		<u>(768)</u>	<u>(260)</u>	<u>(805)</u>
<b>Net assets</b>		<u>9,447</u>	<u>10,771</u>	<u>10,078</u>
<b>Equity</b>				
Issued share capital	4	2,984	2,710	2,948
Share premium	4	13,347	12,492	12,520
Foreign exchange reserve		1,961	3,670	3,075
Merger reserve		405	405	405
Option revaluation reserve		64	164	180
Retained losses		(9,314)	(8,670)	(9,050)
<b>Total equity</b>		<u>9,447</u>	<u>10,771</u>	<u>10,078</u>

**Condensed Consolidated Statement of Change in Equity**

For the 6 months ended 31 December 2013

	Issued share capital £'000	Share premium £'000	Retained earnings £'000	Foreign Currency Translation Reserve £'000	Merger Reserve £'000	Share Based Payment Reserve £'000	Total £'000
<b>Balance at 1 July 2012</b>	<b>2,284</b>	<b>11,718</b>	<b>(7,926)</b>	<b>3,851</b>	<b>405</b>	<b>132</b>	<b>10,464</b>
Loss for the period	-	-	(744)	-	-	-	(744)
Foreign currency translation reserve	-	-	-	(182)	-	-	(182)
Total comprehensive loss for the period	-	-	(744)	(182)	-	-	(926)
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	426	845	-	-	-	-	1,271
Cost of shares issued	-	(70)	-	-	-	-	(70)
Share options issued	-	-	-	-	-	32	32
<b>At 31 December 2012</b>	<b>2,710</b>	<b>12,493</b>	<b>(8,670)</b>	<b>3,670</b>	<b>405</b>	<b>164</b>	<b>10,771</b>
<b>At 1 July 2012</b>	<b>2,284</b>	<b>11,718</b>	<b>(7,926)</b>	<b>3,851</b>	<b>405</b>	<b>132</b>	<b>10,464</b>
Loss for the period	-	-	(1,124)	-	-	-	(1,124)
Foreign currency translation reserve	-	-	-	(776)	-	-	(776)
Total comprehensive loss for the period	-	-	(1,124)	(776)	-	-	(1,900)
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	664	953	-	-	-	-	1,617
Cost of shares issued	-	(151)	-	-	-	-	(151)
Share options issued	-	-	-	-	-	48	48
<b>At 30 June 2013</b>	<b>2,948</b>	<b>12,520</b>	<b>(9,050)</b>	<b>3,075</b>	<b>405</b>	<b>180</b>	<b>10,078</b>
<b>Balance at 1 July 2013</b>	<b>2,948</b>	<b>12,520</b>	<b>(9,050)</b>	<b>3,075</b>	<b>405</b>	<b>180</b>	<b>10,078</b>
Loss for the period	-	-	(380)	-	-	-	(380)
Foreign currency translation reserve	-	-	-	(1,114)	-	-	(1,114)
Total comprehensive loss for the period	-	-	(380)	(1,114)	-	-	(1,494)
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	36	870	-	-	-	-	906
Cost of shares issued	-	(43)	-	-	-	-	(43)
Share options lapsed	-	-	116	-	-	(116)	0
<b>At 31 December 2013</b>	<b>2,984</b>	<b>13,347</b>	<b>(9,314)</b>	<b>1,961</b>	<b>405</b>	<b>64</b>	<b>9,447</b>

**Condensed Consolidated Cash Flow Statement**  
For the 6 months ended 31 December 2013

	£'000	£'000	£'000
	<b>6 months ended 31 December 2013</b>	<b>6 months ended 31 December 2012</b>	<b>Year Ended 30 June 2013</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Cash flows from operating activities</b>			
Operating Loss	(383)	(750)	(1,131)
Decrease/(increase) in trade and other receivables	0	16	(10)
Increase/(decrease) in trade and other payables	(81)	53	54
Increase/(decrease) in provisions	5	6	3
Depreciation	13	14	27
Exploration expenditure written off	0	259	278
Revaluation foreign currency loans	0		(53)
Share based payment expense	0	32	48
Profit on sale of fixed assets			(12)
<b>Net cash outflow from operating activities</b>	<b>(446)</b>	<b>(370)</b>	<b>(796)</b>
<b>Cash flows from investing activities</b>			
Interest received	3	6	7
Expenditure on performance bonds	-	-	20
Proceed from sale of fixed assets	2		12
Purchase of property, plant and equipment	0	(16)	(38)
Payments for exploration expenditure	(392)	(1,283)	(1,564)
<b>Net cash outflow from investing activities</b>	<b>(387)</b>	<b>(1,293)</b>	<b>(1,563)</b>
<b>Cash flows from financing activities</b>			
Borrowings			660
Repayment of borrowings	0	(4)	(5)
Net issue of ordinary share capital	863	1,201	1,376
<b>Net cash inflow from financing activities</b>	<b>863</b>	<b>1,197</b>	<b>2,031</b>
<b>Net decrease in cash and cash equivalents</b>	<b>30</b>	<b>(466)</b>	<b>(328)</b>
Cash and cash equivalents at beginning of period	188	526	526
Exchange rate adjustments on opening cash balances	(20)	-	(10)
<b>Cash and cash equivalents at end of period</b>	<b>198</b>	<b>60</b>	<b>188</b>



**Notes to the Half-yearly Report**

For the 6 months ending 31 December 2013

**1. PRINCIPAL ACCOUNTING POLICIES**

**(a) Presentation of Half-yearly results**

The half-yearly results have not been audited, but were the subject of an independent review carried out by the Company's auditors, Chapman Davis LLP. Their review confirmed that the figures were prepared using applicable accounting policies and practices consistent with those adopted in the 2013 annual report and to be adopted in the 2014 annual report. The financial information contained in this half-yearly report does not constitute statutory accounts as defined by Section 435 of the Companies Act 2006.

The half-yearly report has been prepared under the historical cost convention.

The Directors acknowledge their responsibility for the half-yearly report and confirm that, to the best of their knowledge, the interim consolidated financial statements for the six months ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards, including IAS 34 "Interim Financial Statements", and complies with the listing requirements for companies trading securities on the AIM market. This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2013.

The Directors are of the opinion that on-going evaluations of the Company's interests indicate that preparation of the accounts on a going concern basis is appropriate.

**(b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Thor Mining PLC and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

**2. LOSS PER SHARE**

No diluted loss per share is presented as the effect of exercise of outstanding options is to decrease the loss per share.

	£'000	£'000	£'000
	6 months ended 31 December 2013	6 months ended 31 December 2012	Year Ended 30 June 2013
	Unaudited	Unaudited	Audited
Loss for the period	(380)	(744)	(1,124)
Weighted average number of Ordinary shares in issue	1,170,765,880	840,153,012	886,267,738
Loss per share – basic	(0.03)p	(0.09)p	(0.13)p

**Notes to the Half-yearly Report**

For the 6 months ending 31 December 2013

**3. DEFERRED EXPLORATION COSTS**

	£'000	£'000	£'000
	<b>31</b>	31	<b>30 June</b>
	<b>December</b>	December	<b>2013</b>
	<b>2013</b>	2012	
<b>Cost</b>	<b>Unaudited</b>	Unaudited	<b>Audited</b>
At commencement	10,557	11,925	10,035
Exchange loss	(1,118)	(181)	(688)
Additions	464	1,180	1,488
Write off exploration tenements	-	-	(278)
At period end	<u>9,903</u>	<u>12,924</u>	<u>10,557</u>
<b>Impairment</b>			
At commencement	-	1,890	1,890
Exchange loss	-	(29)	
Impairment for period	-	259	
Write off exploration tenements	-	-	(1,890)
At period end	<u>-</u>	<u>2,120</u>	<u>-</u>
<b>Net book value at period end</b>	<u>9,903</u>	<u>10,804</u>	<u>10,557</u>

Having reviewed the deferred exploration and evaluation expenditure at 31 December 2013, the directors are satisfied that no provision for impairment is required.

**Notes to the Half-yearly Report**

For the 6 months ending 31 December 2013

**4. SHARE CAPITAL**

	Number 31 December 2013	Number 31 December 2012	Number 30 June 2013
	Unaudited	Unaudited	Audited
<b>Shares</b>			
<b>Ordinary Shares of 0.3 pence</b>			
At commencement <sup>1</sup>	982,814,766	761,483,067	761,483,067
Less: Reclassified to:			
Ordinary Shares of 0.01pence, and	982,814,766		
Deferred Shares of 0.29 pence	982,814,766		
<b>Deferred Shares of 0.29 pence, as reclassified</b>	982,814,766		
Movements	-		
At period end	982,814,766		
<b>Ordinary Shares of 0.01 pence, as reclassified</b>	982,814,766		
Shares issued for exploration tenements <sup>2</sup>	-	-	21,666,667
Shares issued for cash <sup>3</sup>	333,788,887	141,942,856	198,991,332
Exercise of warrants	57,806	-	-
Shares issued in lieu of expenses <sup>4</sup>	25,000,000	-	673,700
At period end	1,341,661,459	903,425,923	982,814,766
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Nominal plus Premium</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>30 June 2013</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<sup>(1)</sup> At commencement	15,468	14,002	14,002
<sup>(2)</sup> Shares issued for exploration tenements	-	-	86
<sup>(3)</sup> Shares issued for cash (net of costs)	766	1,201	1,376
Exercise of warrants	-	-	-
<sup>(4)</sup> Shares issued in lieu of expenses	97	-	4
At period end	16,331	15,203	15,468

### **Change in Nominal Value of Shares**

In August 2013, the company raised £697,250 (before costs) through separate issues of 148,888,887 shares at 0.225 pence per share and 144,900,000 shares at 0.250 pence per share.

In conjunction with that process, and recognising that prior to that date, the nominal value of shares in the company was 0.3 pence, the company's shareholders approved, on 3 September 2013, a re-organisation of the company's shares which resulted in the creation of two classes of shares, being:

- Ordinary shares with a nominal value of .01 pence, which will continue as the company's listed securities.
- Deferred shares with a value of 0.29 pence which, subject to the provisions of the Companies Act 2006, may be cancelled by the company, or bought back for £1 and then cancelled. These deferred shares will not be quoted and are effectively worthless.

## **5. POST BALANCE SHEET EVENTS**

On 21 February 2014, the Company announced that it had entered into an agreement whereby an international investor, Lanstead Capital L.P., has agreed to provide £750,000 of equity capital receivable over a 20 month period commencing in February 2014.

The agreement provides that the company will issue a total of 336,898,396 ordinary shares of 0.01p each on the following basis:

- On 21 February 2014:
  - Issue 178,957,219 ordinary shares of 0.01p each at a price of 0.23375p per share.
  - Issue 15,042,781 ordinary shares of 0.01p each at a price of 0.23375p in payment of an initial transaction fee under the terms of the placement.
- Subject to shareholder approval to be sought at a General Meeting to be convened:
  - Issue a further 141,898,396 ordinary shares of 0.01p each at a price of 0.23375p per share.
  - Issue a further 1,000,000 ordinary shares of 0.01p each at a price of 0.23375p in payment of an initial transaction fee under the terms of the placement.

## **6. TURNOVER AND SEGMENTAL ANALYSIS - GROUP**

The Group has not commenced production and therefore recorded no revenue.

The Group has a number of exploration licenses in Australia which are managed on a portfolio basis. The decision to allocate resources to individual projects in the portfolio is predominantly based on available cash reserves, technical data and the expectations of future metal prices. Accordingly, the Group effectively operates as one segment, being exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group

## DIRECTORS, SECRETARY AND ADVISERS

### Directors

Michael Robert Billing (Executive Chairman)  
Michael Kevin Ashton (Non-executive Director)  
Gregory Michael Durack (Non-executive Director)  
Trevor John Ireland (Non-executive Director)  
David Edward Thomas (Non-executive Director)

	In UK	In Australia
<b>Registered Office and Directors' business address</b>	Third Floor 55 Gower Street London WC1E 6HQ	Level 1, 32 Richmond Road Keswick, South Australia Australia 5035
<b>Company Secretaries</b>	Stephen Frank Ronaldson	Allan Charles Burchard
<b>Website</b>	<a href="http://www.thormining.com">www.thormining.com</a>	<a href="http://www.thormining.com">www.thormining.com</a>
<b>Nominated Adviser to the Company</b>	Grant Thornton Corporate Finance 30 Finsbury Square London EC2P2YU	
<b>UK Broker to the Company</b>	S I Capital 1 High Street Godalming Surrey GU7 1AZ	
<b>Auditors to the Company</b>	Chapman Davis LLP 2 Chapel Court London SE1 1HH	
<b>Solicitors to the Company</b>	Ronaldsons LLP 55 Gower Street London WC1E 6HQ	Watson Lawyers Ground Floor, 60 Hindmarsh Square Adelaide SA 5000
<b>Registrars</b>	Computershare Investor Services Plc The Pavilions Bridgewater Road Bristol BS99 6ZY	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth Western Australia 6000