

Regulatory Story

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Thor Mining PLC - THR QUARTERLY REPORT JULY TO SEPTEMBER 2016
Released 07:00 27-Oct-2016

RNS Number : 5698N
Thor Mining PLC
27 October 2016

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QUARTERLY REPORT JULY TO SEPTEMBER 2016

The Directors of Thor Mining PLC ("Thor Mining", "Thor" or the "Company") (AIM, ASX: THR) the Australian tungsten and gold explorer and developer, today announces the quarterly report for the period ended 30 September 2016. It has also been released today with the Australian Securities Exchange (ASX) as required by the listing rules of ASX.

Highlights

Outlook for December Quarter 2016

TUNGSTEN & MOLYBDENUM

Molyhil NT

- Shallow drilling adjacent to Molyhil points to potential additional tungsten deposits.
- Follow up drilling in 2017
- Continuing discussions to secure project finance
- Ongoing discussions for balance of concentrate production off-take.

Pilot Mountain, Nevada USA

- Permitting approval for drill program at Garnet prospect and the eastern extension of Desert Scheelite.
- Drilling scheduled for early 2017

New Projects

The Company has during much of 2016 conducted assessments of new project opportunities. The review process has identified several which have potential for near term development with attractive capital and operating cost structures, and these are being investigated and evaluated further.

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

"The identification of potential new sources of tungsten mineralisation close to Molyhil is an important step forward for this project. While there is much to do before any economic deposits can be confirmed, we are very pleased with this first step.

"The next phase of field activities for Thor is a drilling campaign at the Pilot Mountain tungsten project in Nevada USA, where we have received regulatory approval to drill test for an extension to previous high grade intercepts at the Desert Scheelite deposit, and also at the Garnet prospect which, if historical drilling results can be confirmed, should allow preparation of a resource estimate in due course.

"The company continues to evaluate a number of new project opportunities and we hope to provide a further update to market in this regard at the earliest opportunity."

TUNGSTEN PROJECTS

Tungsten and Molybdenum Price Trends

Seasonal factory shutdowns, in the northern hemisphere summer, have resulted in commodity prices losing part of their recent gains, as demand temporarily contracts. Industry commentators still predict strengthening prices, particularly for tungsten, in the medium term.

MOLYHIL TUNGSTEN PROJECT - NT (100% Thor)

In January 2015, Thor announced an updated feasibility study for its wholly-owned Molyhil tungsten project, with robust outcomes.

The project development cost for Molyhil is estimated at A\$64 million, or US\$48 million at current exchange rates. Of this, approximately US\$10 million is for equipment, for which equipment or leasing finance could be secured, thus reducing the project finance requirement to below US\$40 million.

Molyhil has a forecast 12 month construction schedule from development commencement to first production.

A full background on the project is available on the Thor Mining website.

During the quarter, a program of 65 short holes, up to 18m in depth, was drilled to sample bedrock beneath shallow alluvium in five target areas satellite to the Company's existing Molyhil tungsten deposit.

Prospective host rocks (skarn & calc-silicate, with proximal granite) are confirmed to exist under shallow alluvial cover in three prospects tested (Cattle Track, Gap Track, and Think Big).

Laboratory analyses of drill samples (announced 19th October 2016) show tungsten elevated at several times background levels in the vicinity of the Molyhil Pinnacle

(Cattle track) and along the southern margin of the Gap Track prospect. At Gap Track, where a broader spread of data points were collected, a trend of elevated tungsten is apparent which reflects the trend in elevated magnetic response. These are encouraging results albeit at subdued levels. Additionally elevated titanium assays were obtained from multiple samples recovered from the Think Big prospect.

A follow up drilling program is scheduled for 2017.

PILOT MOUNTAIN TUNGSTEN PROJECT - NEVADA USA (100% Thor)

Thor's Pilot Mountain Project, acquired in 2014, is located approximately 200 kilometres south of the city of Reno and 20 kilometres east of the town of Mina located on US Highway 95.

The Pilot Mountain Project is comprised of four tungsten deposits: Desert Scheelite, Gunmetal, Garnet and Good Hope. All are in close proximity (~three kilometres) of each other and have been subjected to small-scale mining activities at various times during the 20th century.

In December 2014, Thor outlined a proposed exploration development plan with the objective of upgrading the knowledge and status of the mineralisation of these deposits where historical drilling outlined potentially economic mineralisation.

A full background on the project is available on the Thor Mining website.

During the September quarter the Company secured the necessary permits to drill test both the Garnet prospect and the potential eastern extension of the Desert Scheelite deposit.

Other prospects, Gunmetal and Good Hope and some regional opportunities will be drill tested in subsequent programs.

The drill program is scheduled for January and February 2017.

Historical drilling on the Garnet prospect (75 holes during the 1970's) confirmed extensive mineralisation. However, while detailed records of the drill hole data have been assessed, the raw data are no longer available. It is expected that a limited number of drill holes will validate the historical information to allow a resource estimate to be produced, substantially enhancing the Pilot Mountain resource inventory.

The Thor Mining exploration target¹ (reported 1 December 2014) for the Garnet prospect is based upon historical drilling and described below.

Widely spaced drilling outlines several areas of apparently coherent, sub horizontal tungsten mineralisation skarn hosted at shallow depth within a sequence of marble and hornfels. The mineralisation is dissected by a rectilinear series of intersecting major subvertical faults with minor vertical displacements. The mineralised horizons total 12 metres in width and occur over a thickness of 30 to 40 metres which is near surface towards the east with the cover increasing up to 40 metres towards the west.

Definition of ore blocks requires significant infill drilling with short vertical holes. Once the historic indications are confirmed, estimation of resources, plus economic modelling can be undertaken.

Across the 700,000 square metre Garnet target area seven of the historic holes penetrate what is thought to be the full mineralised sequence comprising three mineralised horizons (the middle horizon is sometimes split to provide a fourth).

Using these seven holes an average total mineralised thickness of 12 metres at 0.3%WO₃ was derived.

The Garnet Exploration Target value was derived from the mineralised thickness, the target area, an estimated bulk density of 2.8 and a conservative factor of 0.1 to allow for the improbability of the whole of a target area being mineralised.

The exploration target¹ for Garnet is therefore 2 -3 Million tonnes @ 0.3 - 0.4% WO₃.

At the Desert Scheelite deposit, the most easterly hole into mineralisation (DSDD 15) (reported 10 June 2014) intersected exceptionally strong mineralisation with 13.9m averaging 0.89% WO₃, and 1.75% Cu at depth ~250m below plains level, indicating potential extension of the deposit beyond previously known limits and possibly a trend of increasing copper content.

¹ 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.

DUNDAS GOLD PROJECT - WA (60% THOR)

The Dundas gold project is located approximately 100 kilometres east-south-east of Norseman in Western Australia. The tenements are in close proximity to the sealed arterial Eyre Highway, providing all-weather access to the project area. Within the tenements, access is provided by bulldozed tracks. It is also approximately 250 kilometres south of the major regional mining centre of Kalgoorlie.

Targets for drilling at Dundas have been identified. However, prioritising expenditure on other projects has prevented progress on further exploration activities.

A full background on the project is available on the Thor Mining website.

CORPORATE AND FINANCE

During the quarter, a placement to raise UK£350,000 from sophisticated investors was announced and partially completed. The balance of the subscription was completed following approval at a general meeting of shareholders in London on 6 October 2016, with portion of the funds received after the end of the quarter. A Thor director participated in the placing, and A\$150,000 owed by the Company to certain Thor directors was converted to equity on the same terms and conditions as the placing.

During the quarter, Mr Gervaise Heddle and Mr Paul Johnson joined the board of Thor Mining, while Mr Trevor Ireland and Mr Mick Ashton both tendered their resignation.

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.

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