

Regulatory Story

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Thor Mining PLC - THR QUARTERLY REPORT OCTOBER TO DECEMBER 2016
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THOR MINING PLC

QUARTERLY REPORT OCTOBER TO DECEMBER 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 31 December 2016. It has also been released today with the Australian Securities Exchange (ASX) as required by the listing rules of ASX.

Highlights

Outlook for March Quarter 2017

TUNGSTEN & MOLYBDENUM

Pilot Mountain, Nevada USA

- Permitting approval received for drill programs at Garnet prospect and the eastern extension of Desert Scheelite.

- RC drilling scheduled for early February 2017

Molyhil NT Australia

- Application made for an adjoining exploration tenement, following encouraging results from 2016 drilling.

- Upon tenement grant, re-process magnetic data from geophysical survey prior to establishing drill targets.

GOLD

Dundas WA Australia

- Detailed planning for drill program to test gold anomalies

- Drill program scheduled for June quarter

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

"The next few months should be very exciting for our investors as, in February, we commence with the Pilot Mountain drill program. This will be followed by the expected receipt of A\$1.5million completing the sale of the Spring Hill gold project, and later the scheduled drill program at the Dundas gold project."

"I look forward to keeping our investors up to date with progress on these projects, along with our assessment of potential new projects, and am hopeful that the regular news flow from these activities will deliver positive outcomes for the Company and our investors."

TUNGSTEN PROJECTS

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 www.thormining.com/projects.

During the December quarter the Company advanced the planning to drill test both the Garnet prospect and the potential eastern extension of the Desert Scheelite deposit.

The drill program is scheduled to commence in 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 target* (reported 1 December 2014) for the Garnet prospect is based upon historical drilling and described below.

The drill program to commence in February 2017 comprises, for the Desert Scheelite deposit, two reverse circulation (RC) drill holes, aimed at extending the 5.7% Cu equivalent intersection to the east (announced 19 January 2017) and also closer to the surface. This intersection assayed 17.5 metres @ 1.80% Copper (Cu) plus 2.2% Zinc (Zn) and 32 g/t Silver (Ag), along with 13.5metres of 0.89% tungsten trioxide (WO₃).

At Garnet six RC drill holes are scheduled, aimed to twin historical Union Carbide drill holes, which, if results match reported historical assays, may allow a resource estimate for portion of that deposit.

Table 1: Desert Scheelite Resource Summary 2014, (JORC 2012), announced 10 June 2014.

Desert Scheelite	Resource Tonnes	WO ₃		Ag		Cu	
		Grade %	Contained metal (t)	Grade g/t	Contained metal (t)	Grade %	Contained metal (t)
Indicated	6,090,000	0.31	18,900	24.2	150	0.16	10,000
Inferred	700,000	0.30	2,100	9.1	10	0.24	2,000
Total	6,790,000	0.31	21,000	22.8	160	0.17	12,000

Notes

- Thor Mining PLC holds 100% equity interest in this resource.
- Minor rounding errors may occur in compiled totals.

In addition to the Resource Estimate, Exploration Targets (summarised in Table 2) have been determined including 7.5 to 13.5 million tonnes based on extensive drilling undertaken by

Union Carbide Corporation in the 1970s. Even partial success in the conversion of these targets will add significantly to the project value.

Table 2: Summary of Pilot Mountain exploration targets

	Tonnage (Mt)	% WO ₃	Comment
Tier 1 Exploration Targets*	7.5 - 13.5	0.3 - 0.5	Based on historic drill intersections
Tier 2 Exploration Targets*	3.5 - 9.1	0.3 - 0.5	Based on favourable geology and proximity to known mineralisation.
Total Exploration Target*	11.0 - 23.0	0.3 - 0.5	Combined Tier 1 & 2

Tier 1 Exploration Targets* at Pilot Mountain are based on 1970s drilling undertaken by Union Carbide Corporation and total 7.5 to 13.5 Mt at 0.2 to 0.4% WO₃ (Table 2). The proposed drilling at Garnet will target conversion to resource of between 1.0 to 2.0Mt of the total Tier 1 Exploration Target.

**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.*

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 www.thormining.com/projects.

During the quarter, on the basis of highly encouraging 2016 results from the exploration drilling program to test for additional tungsten mineralisation satellite to the Company's existing Molyhil tungsten deposit in the Northern Territory, the Company applied for an additional Exploration Licence ("EL") area to secure prospective ground contiguous with the Gap Track prospect to the south of existing tenements.

If successfully granted, the new EL area will facilitate exploration access to a further 68 square kilometres of ground highly prospective for further Molyhil style skarn hosted tungsten deposits. Upon grant, first steps will comprise reprocessing the latest aero-magnetic data to prioritise targets for drill testing.

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.

A full background on the project is available on the Thor Mining website www.thormining.com/projects.

A significant calcrete gold geochemical anomaly identified from infill sampling over two areas, based on previous BHP calcrete data, has been permitted for drilling, and an Air Core drilling program is scheduled for the June quarter of 2017

CORPORATE AND FINANCE

The Company held its Annual General Meeting of shareholders in November 2016, with all resolutions passed without amendment.

Following authorisation by shareholders at that meeting, a share consolidation was effected on the basis of one share for every 25 shares on issue.

Subsequent to the end of the quarter, a placement to raise UK£262,500 from sophisticated investors was announced.

In February 2016, Thor announced the sale of its Spring Hill Gold project for A\$3.5million, of which A\$1.5m for the Company's residual 40% interest is due for settlement in February 2017, plus a royalty of:

- A\$6 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for up to A\$1,500 per ounce; and
- A\$14 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for amounts over A\$1,500 per ounce. Gold is currently trading for approximately A\$1,570/oz, and has remained above A\$1,500 per ounce for the last 12 months.

Enquiries:

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Updates on the Company's activities are regularly posted on Thor's website www.thormining.com, which includes a facility to register to receive these updates by email, and on the Company's twitter page @ThorMining.

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 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

THOR MINING PLC

ABN

Quarter ended ("current quarter")

121 117 673

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(195)	(398)
(b) development	-	-
(c) production	-	-
(d) staff costs	(2)	(12)
(e) administration and corporate costs	(247)	(488)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(444)	(898)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	7	7
2.3 Cash flows from loans to other entities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	3	3
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	440	610
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	-	30
3.6 Repayment of borrowings	(11)	(11)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	429	629
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	35	307
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(444)	(898)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	3	3
4.4 Net cash from / (used in) financing activities (item 3.10 above)	429	629
4.5 Effect of movement in exchange rates on cash held	-	(18)
4.6 Cash and cash equivalents at end of period	23	23
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000

5.1	Bank balances	23	35
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	23	35

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	23
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The CEO is paid \$6,000 per month in cash. The excess above this monthly amount is accumulated and paid by way of the issue of shares in lieu of salary, subject to shareholder approval at the AGM. One month's \$6,000 was paid in the quarter.

The remaining \$17,000 is Directors fees paid during the quarter. A total of \$10,000 per month is payable to three directors, for a total of \$30,000 for the quarter. \$13,000 remains outstanding at 31 December 2016.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)	122,400	122,400
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Directors, and former Directors, had advanced funds to the Company on an unsecured and interest free basis.

During the quarter ended 31 December 2016, \$70,000 was repaid by the Company through the issue of shares on 11 October 2016, and a further \$11,000 was repaid in cash (as reflected in the cash flows for the quarter).

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(205)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(10)
9.5	Administration and corporate costs	(245)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(460)

Sources of funding for the Company post 31 December 2016:

- a placement to raise £262,500 (approximately A\$434,000), before capital raising costs. Refer to ASX announcement dated 25 January 2017.
- Receipt of A\$51,633 in January 2017 for the Australian Research & Development Tax Incentive Refund.
- The final instalment of A\$1,500,000 relating to the sale of the Spring Hill project. This is due to be received by the Company on or before 28 February 2017.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

1.1 Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date:31 January 2017.

(Company secretary)

Print name: ..Ray Ridge.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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