



Thor Mining PLC - THR QUARTERLY REPORT OCTOBER TO DECEMBER 2017
Released 07:00 01-Feb-2018

RNS Number : 5342D
Thor Mining PLC
01 February 2018

1 February 2018

THOR MINING PLC
("THOR" OR THE "COMPANY")
QUARTERLY REPORT OCTOBER TO DECEMBER 2017

Highlights

**Outlook for
March Quarter
2018**

TUNGSTEN & MULTI COMMODITIES

Molyhil, NT Australia

- Continued strength in tungsten and molybdenum pricing price fuels potential development interest.
- Positive results from sorting low grade ore resulted in a review of the ore reserve.
- Upgraded Open Cut Ore Reserve adds to mine life and identifies subsequent underground mining potential.

Review of parameters for capital and operating expenses to prepare an upgraded Definitive Feasibility Study (DFS).

Pilot Mountain, Nevada USA

- Initiation of internal scoping study to determine high level operating parameters.

- Evaluation of scoping study outcomes.
- Stage 2 of metallurgical testwork.

COPPER

Kapunda, SA Australia

- Technical studies required for preparation of mineral resource estimate on portion of

- Completion & publication of mineral resource estimate for the portion of mineralisation

mineralisation amenable to insitu recovery techniques.

considered amenable to insitu recovery techniques.

- Leach testing on historical core samples.

OTHER OPPORTUNITIES

- Due diligence under way in respect of Lithium & Gold opportunities in the Pilbara region (WA)
- Continue due diligence & assessment of low cost exposure to Australian Lithium/Gold opportunities in the Pilbara.

CORPORATE & FINANCE

- During the quarter Gervaise Heddle, non-executive director, resigned from the Company and Richard Bradey, previously exploration manager was appointed as executive director.
- The Company completed a share placement to sophisticated investors raising £565,000 before expenses.
- Warrant and option holders exercised portion of outstanding warrants during the quarter, further improving the cash position of the Company by just over £1.3 million (approximately A\$2.3 million).
- The Company advised investors during the quarter that the improved cash position exceeded forecast expenditure during 2018.
- Subsequent to the end of the quarter, the Company announced a strategic placing of £0.3 million at 3.0 pence to Metal Tiger PLC, with Metal Tiger securing, for a 90 day period, first right of refusal to participate in any new joint venture, acquisition, or similar transaction undertaken by Thor.

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

A very exciting period for the Company with substantial progress on core projects, and very solid support from shareholders in the form of placing funds and options and warrants exercised."

"We thank shareholders for their support which has positioned the Company in its strongest position, financially, for quite some time, complementing our portfolio of advanced high quality projects."

"We are continuing an aggressive approach with each of our core projects and we look forward to keeping investors informed of progress".

MOLYHIL TUNGSTEN PROJECT - NT (100% Thor)

In January 2015, Thor announced an updated feasibility study for its wholly-owned Molyhil tungsten project, demonstrating a project NPV of A\$67million (approximately £39million).

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

www.thormining.com/projects.

During the quarter (on 30 October 2017) Thor announced substantially improved results from ore sorting compared with prior testwork with an upgrade via rejection of approximately 41% of sample mass.

Results from this work, along with upgraded operating cost estimates, were incorporated into a re-evaluation of the ore reserve parameters. This culminated into an upgraded statement of Open Pit Ore Reserve announced on 8th January 2018.

The upgraded ore reserve increases the open pit mine life by 1 year to 7 years, with increases in metal content of 10% for tungsten and 19% for molybdenum.

In an unexpected development, the study also identified portions of the Indicated and Inferred resource estimate, remaining outside the revised pit shell, which appear economic for mechanised underground mining techniques.

Table 1:

Molyhil Open Cut Ore Reserve Statement (announced 8 January 2018)

Classification	Reserve		WO ₃		Mo	
	'000 Tonnes	Grade %	Tonnes	Grade %	Tonnes	
Probable	3,500	0.29	10,200	0.12	4,300	
Total	3,500	0.29	10,200	0.12	4,300	

- Thor Mining PLC holds 100% equity interest in this reserve.
- The Company is not aware of any changes which could affect this reserve statement.

Immediate activities going forward will be focussed on a review of operating and capital cost estimates to definitive feasibility (DFS) standard with the objective of preparation of an upgraded DFS for the benefit of prospective partners and project financiers.

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 of these deposits are in close proximity (~three kilometres) to 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 and 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.

Following successful drill programs in 2017, and a substantial increase in the resource estimate, the Pilot Mountain project is transitioning away from exploration to increase the resource base and towards assessment for project development. While the directors believe that substantial resource upside still exists, we also believe that the project resource inventory is more than sufficient to warrant development studies.

An internal scoping study has been commissioned which is expected to provide a high level economic assessment, along with initial parameters associated with project site layout options for environmental and other permitting.

Additionally, while previous metallurgical testwork has demonstrated the production of saleable concentrates, further testwork is required to advance this to feasibility study standard, and this next stage of metallurgical testwork has recently been initiated.

KAPUNDA COPPER PROJECT - SA (Thor earning 45%)

On 1st August 2017 Thor announced an investment in a newly incorporated private Australian company, Environmental Copper Recovery SA Pty Ltd. ("ECR"), initially via convertible loan notes of up to A\$1.8 million, which will be used to fund field test work and feasibility activities at Kapunda over the next 3 years. In turn ECR has entered into an agreement to earn, in two stages, up to 75% of the rights over metals which may be recovered via in-situ recovery ("ISR") contained in the Kapunda deposit from Australian listed company, Terramin Australia Limited ("Terramin" ASX: "TZN").

ECR have advised a staged approach in the evaluation, assessment, and permitting of Kapunda, with an initial milestone being a mineral resource estimate on that portion of the deposit amenable to ISR techniques. This resource estimate is now expected imminently.

Other near-term activities at Kapunda include continued community liaison in respect of project activities, testwork on historical drill core to determine the optimum leaching agent (lixiviant) most suited to the Kapunda deposit and establishing appropriate parameters for future field trials.

SPRING HILL GOLD PROJECT - NT (ROYALTY ENTITLEMENT)

In February 2017 Thor completed the A\$3.5 million sale of its Spring Hill Gold project¹.

The sale transaction carries an ongoing residual 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\$1,660/oz, and has remained above A\$1,500 per ounce since completion of the project sale.

¹Refer ASX and AIM announcement of 29 February 2016

OTHER OPPORTUNITIES

Western Shaw

On 7th December 2017, the Company announced it had entered in to an option agreement to acquire a licence, in application, in the Pilbara region of Western Australia, considered prospective for lithium and conglomerate hosted gold deposits.

An initial site visit was conducted during January, and samples collected, which have been despatched for laboratory analysis.

US Lithium

On 14th June 2017, the Company announced the acquisition of a 25% interest in US Lithium Pty Ltd ("USL"), along with an option to acquire the remaining 75% of USL, subject to satisfactory completion of project due diligence.

Subsequently, on 16th January 2018, the Company advised that USL had issued additional capital to new investors, and that it had commenced first steps towards listing on ASX later in 2018.

CORPORATE & FINANCE

During the quarter Gervaise Heddle, non-executive director, resigned from the Company and Richard Bradey, previously Exploration Manager was appointed as executive director. We welcome Richard to the board and thanks Gervaise for his valuable contribution.

The Company completed a share placement to sophisticated investors raising £565,000 before expenses. Subsequently warrant and option holders exercised portion of outstanding warrants during the quarter, further improving the cash position of the Company by just over £1.3 million (approximately A\$2.3 million).

Subsequent to the end of the quarter, the Company announced a strategic placing of £0.3 million at 3.0pence to Metal Tiger PLC, with Metal Tiger securing, for a 90 day period, first right of refusal to participate in any new joint venture, acquisition, or similar transaction undertaken by Thor. We look forward to working with Metal Tiger and reviewing our projects with them.

Competent Person's Report

The information in this report that relates to exploration results, and exploration targets, 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.

+Rule 5.5

Enquiries:

Mick Billing	+61 (8) 7324 1935	Thor Mining PLC	Executive Chairman
Ray Ridge	+61 (8) 7324 1935	Thor Mining PLC	CFO/Company Secretary
Colin Aaronson/ Richard Tonthat	+44 (0) 207 383 5100	Grant Thornton UK LLP	Nominated Adviser
Nick Emerson	+44 (0) 1483 413 500	SI Capital Ltd	Broker
Tim Blythe/ Camilla Horsfall	+44 (0) 207 138 3222	Blytheweigh	Financial PR

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.

This information is provided by RNS
The company news service from the London Stock Exchange

END

UPDBLGDBIDXBGIB

CLOSE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. **Terms and conditions**, including restrictions on use and distribution apply.

TRERLY REPORT OCTOBER TO DECEMBER 2017 - RNS