

# THOR MINING PLC

## QUARTERLY ACTIVITIES REPORT PERIOD ENDING JUNE 2014

**Dated:** 31 July 2014

The Directors of Thor Mining PLC ("Thor" or the "Company") (AIM, ASX: THR) the Australian tungsten and gold explorer and developer, today lodge the following June 2014 quarterly report. It has also been released today with the Australian Securities Exchange (ASX) as required by the listing rules of ASX.

### Highlights

### Outlook for September Quarter 2014

#### TUNGSTEN & MOLYBDENUM

##### Molyhil NT.

- Revised ore reserve extends mine life to 6 years
- Metallurgical testwork confirm ore sorting benefits without impact on recovery or concentrate quality.
- Finalise testwork on proposed variations to process flow sheet.
- Revise Definitive Feasibility Study (DFS) to reflect upgraded ore reserve, cost reductions & ore sort upgrade.
- Continue off-take discussions for balance of concentrate production.
- Negotiations to secure project finance.

##### Pilot Mountain, Nevada USA.

- Agreement signed to acquire US project with tungsten resources
- Finalise project acquisition

#### GOLD

##### Spring Hill NT

- No work during the quarter
- Continued evaluation of potential for profitable production.

##### Dundas WA

- No work during the quarter.
- Sale of base metal rights with gold rights retained.
- Aircore drilling program contingent upon available funds.

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

*"Thor's tungsten business made significant steps forward during the June quarter. The upgraded Open Pit Ore Reserve statement for Molyhil potentially sets up the project for a much improved financial outcome in an upgraded DFS due shortly, and is the last significant step before securing project finance. The announced acquisition of the Pilot Mountain project in the USA (subject to necessary approvals and completion) adds significantly to the Thor portfolio. The combined resource inventory, following this acquisition, of >30,000 tonnes tungsten, plus significant upside via drilling known nearby tungsten deposits, would potentially position Thor towards the top end of non-Chinese tungsten miners."*

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

### Upgraded Ore Reserve

Subsequent to the end of the quarter, on 29 July 2014, Thor announced an updated Ore Reserve Statement based upon the Resources Estimate reported to the ASX and AIM on 30 January 2014, and following a re-estimate of costs and metallurgical recovery factors.

Mining consultancy, AVCS Pty Ltd, has issued a statement of Open Cut Ore Reserve for the Molyhil deposit of 3.0 million tonnes averaging 0.31% WO<sub>3</sub> & 0.12% Mo, classified as Probable.

Table 1: Molyhil Open Cut Ore Reserve Statement

Classification	Reserve		WO <sub>3</sub>		Mo	
	'000 Tonnes	Grade %	Tonnes	Grade %	Tonnes	Grade %
Probable	3,000	0.31	9,200	0.12	3,600	0.12
Total	3,000	0.31	9,200	0.12	3,600	0.12

Notes:

- Thor Mining PLC holds 100% equity interest in this reserve.
- Estimates have been rounded to reflect accuracy.
- All estimates are on a dry tonne basis.
- The reserve estimate extends to a maximum depth below surface of 150 metres.

The statement is derived from the Indicated portion of the resource estimate only, and the Inferred portion is excluded from the calculations. The long-term prices used were US\$408/mtu for WO<sub>3</sub> concentrate and US\$12.76/lb for Mo concentrate at an exchange rate of US\$0.83 to A\$1.00. The WO<sub>3</sub> and Mo Processing Recovery post ore sorting used was 85% and 77.8% respectively.

### 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. This upgraded ore reserve statement has delivered that result. Additional work continues on testing flotation recovery of the scheelite mineral, as a more simple processing alternative to the gravity process. Results to date confirm that adoption of ore sorting does not adversely impact on recovery and concentrate quality. This work is well advanced and expected to be complete in time for completion of the upgraded DFS in the September quarter.

### 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 past 6 months to US\$13.00/lb.

## PILOT MOUNTAIN PROJECT - NEVADA USA (AGREEMENT TO ACQUIRE 100%)

On 10 June 2014 Thor announced that subject to due diligence and necessary shareholder and regulatory approvals, an agreement to acquire the Pilot Mountain tungsten project in the United States from Black Fire Minerals Limited<sup>1</sup> ("Black Fire")(ASX: "BFE"). Consideration for the acquisition has been agreed between the parties at 418,750,000 ordinary shares in Thor, and which will be subject to a 12 month escrow period.

<sup>1</sup>Thor Chairman, Mick Billing is also non-executive chairman of Black Fire Minerals Limited.

As part of the acquisition, Thor will also acquire a debt of A\$625,000, partially secured against the project, payable by 30 September 2015. The debt was incurred by Black Fire to meet the final payment for the project in March 2014.

### Highlights

- Acquisition valued at A\$1.675million.
- Desert Scheelite JORC Resource of 6.8million tonnes @ 0.31% WO<sub>3</sub>.
- Garnet Exploration Target<sup>2</sup> of 1.5 to 2.0 million tonnes @ 0.35 - 0.4% WO<sub>3</sub>.

- Gunmetal Exploration Target<sup>2</sup> of 1.5 to 2.0 million tonnes @ 0.37 - 0.42% WO<sub>3</sub>.
- Substantial exploration upside with high grade tungsten & copper intercepts to follow up.

<sup>2</sup>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

The Pilot Mountain project is situated in south-western Nevada approximately 200kms south of Reno. It comprises deposits; Desert Scheelite, Gunmetal and Garnet, plus Good Hope. All are in close proximity (~3 kilometres), and have been subjected to low scale mining activities at various times during the 20<sup>th</sup> century. At Desert Scheelite, a 2012 JORC-compliant Indicated & Inferred resources have been estimated & reported. At Garnet and Gunmetal mineralisation of similar grade and character has been outlined by drilling to 'Exploration Target' level of estimation. Good Hope comprises some minor historic workings and one drill hole amongst several, which intersected 43m @ 0.41% WO<sub>3</sub>, from surface.

The Desert Scheelite Indicated + Inferred Resource comprises 6.8 million tonnes @ 0.31% WO<sub>3</sub>, 0.17% Copper, and 22.8g/t (grams/tonne) Silver, announced on 10 June 2014.

**Table 2: Desert Scheelite Resource Estimate**

Desert Scheelite	Resource Tonnes	WO <sub>3</sub>		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
<b>Total</b>	<b>6,790,000</b>	<b>0.31</b>	<b>21,000</b>	<b>22.8</b>	<b>160</b>	<b>0.17</b>	<b>12,000</b>

Note: Resource 100% owned by Black Fire Minerals Limited group

The due diligence process on the Pilot Mountain project is proceeding and Thor Mining shareholders will be asked to approve the issue of the consideration securities to Black Fire Minerals at a General Meeting of shareholders on 31<sup>st</sup> July 2014. The acquisition is also subject to various Black Fire Minerals Limited shareholder approval processes including an independent experts report on the project, which has been commissioned by Black Fire.

Exploration and evaluation activities at Pilot Mountain are not scheduled until after the acquisition is finalised.

## GOLD

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

The Spring Hill gold project is located on pastoral leasehold land approximately 150 km south east of Darwin in Australia's Northern Territory. The location is served by all-weather access and is in close proximity to the sealed arterial Stuart Highway, north-south rail, gas pipeline and trunk powerlines.

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

Directors continue to evaluate all opportunities for this project. However prioritising expenditure on other projects has prevented progress of exploration activities at Spring Hill.

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.

### Project Equity

Thor holds a 51% equity interest in the Spring Hill Gold project and has the right to complete the 80% acquisition at any time, subject to NT Government consent, through the issue to Western Desert Resources Limited (WDR) of 5 million shares plus shares to the value of A\$500,000.

## DUNDAS 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.

During the quarter, Thor sold its interest in base metals at Dundas, retaining its 60% interest in gold and precious metals.

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

## CORPORATE AND FINANCE

Subsequent to the end of the quarter Thor announced a share placement to raise, in aggregate, UK£600,000 (approximately A\$1.1million) before expenses from investors introduced by Thor's UK broker VSA Capital.

The placement is in two tranches. The initial tranche, pursuant to the Company existing authorities, by way of a placement of 245,800,472 new ordinary shares of 0.01p each in the capital of the Company at a price of 0.1p (AUD0.181cents) per share was completed on 8<sup>th</sup> July 2014, with the second tranche, subject to shareholder approval, of 354,199,528 new Ordinary Shares, on the same terms and conditions as the first tranche, scheduled for completion following the General Meeting of shareholders on 31 July 2014.

### *Competent Persons 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.*

### 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/ David Hignell/Jamie Barklem	+44 (0) 207 383 5100	Grant Thornton UK LLP	Nominated Adviser
Andrew Monk/ Bhavesh Patel	+44 (0)20 3005 5000	VSA Capital Limited	Broker
Alex Walters	+44 (0) 7771 713608 +44 (0) 207 839 9260	Cadogan PR	Financial PR