

# THOR MINING PLC

## QUARTERLY ACTIVITIES REPORT PERIOD ENDING SEPTEMBER 2014

**Dated:** 31 October 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 September 2014 quarterly report. It has also been released today with the Australian Securities Exchange (ASX) as required by the listing rules of ASX.

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### Highlights

### Outlook for December Quarter 2014

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#### TUNGSTEN & MOLYBDENUM

##### Molyhil NT.

- Revised ore reserve extends mine life to 6 years.
- Project Capital & Operating cost estimates near completion.
- Process flow sheet variation testwork.
- 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.

- Project acquisition finalised.
- Develop plans for initial exploration phase.

#### GOLD

##### Spring Hill NT

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

##### Dundas WA

- No work during the quarter.
- Aircore drilling program contingent upon available funds.

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

*“Progress on the Molyhil DFS was steady during the quarter, and while we have not yet finalised the DFS, it is due shortly. The upgraded Molyhil Open Pit Ore Reserve statement should contribute significantly to the project bottom line. The acquisition, now completed, of the Pilot Mountain project in the USA adds significant tungsten resources to the Thor portfolio. Thor Directors and management are becoming increasingly excited about the potential to add to the resource estimate at Pilot Mountain, where we have a number of “walk up” drill targets.”*

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

### Upgraded Ore Reserve

During the quarter, 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, issued a JORC compliant 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, which was reported on 29 July 2014.

Table 1: Molyhil Open Cut Ore Reserve Statement - Compliant with JORC 2012

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

#### 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.

### Definitive Feasibility Study (DFS)

Testwork on flotation recovery of the scheelite mineral, as a more-simple processing alternative to the gravity process continues. Results to date are positive, however the work is not yet at a stage suitable for DFS sign-off. Other aspects of the feasibility study, capital and operating cost estimates other than for the scheelite flotation stage are well advanced and expected to be completed shortly.

### Metal Prices

The selling price in Europe of Tungsten APT now sits at US\$350/mtu, while the price of Molybdenum Roasted Concentrates has declined, returning to levels seen earlier in the year of around US\$10.00/lb.

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

Subsequent to the end of the quarter Thor completed the acquisition of the Pilot Mountain tungsten project in the United States from Black Fire Minerals Limited<sup>1</sup> ("Black Fire")(ASX: "BFE") for consideration of 418,750,000 ordinary shares in Thor. These shares are 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 acquired 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. Following the completion of the acquisition, the amount of this loan owed to Thor directors was converted to fully paid shares, following which the balance of the loan has reduced to A\$450,000.

Following the acquisition, Thor holds 100% equity interest in:

1. An Indicated and Inferred Resource of 6.8 million tonnes @ 0.31% WO<sub>3</sub>, plus attractive copper and silver credits.
2. Exploration targets<sup>2</sup> of 1.5 to 2.0 million tonnes @ 0.35 - 0.4% WO<sub>3</sub> at Garnet and 1.5 to 2.0 million tonnes @ 0.37 - 0.42% WO<sub>3</sub> at the Gunmetal deposit
3. Tier 1 exploration prospects potentially linking Garnet & Gunmetal which, if drilling confirms continuous mineralisation, may substantially increase the resource inventory.
4. Tier 1 prospect east of Desert Scheelite where previous drilling intersected 19 metres @ 1.7% copper, also containing 13 metres @ 0.89% WO<sub>3</sub>.
5. Tier 1 prospect adjacent Good Hope, the site of historical underground high grade mining.
6. A number of Tier 2 prospects all within close proximity

<sup>2</sup> Exploration Targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the 2012 JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource

The Desert Scheelite Indicated + Inferred Resource comprises a JORC Compliant 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

A range of prospects for drill testing are being developed, and regulatory approval submissions will be submitted as required. It is expected that the first drilling program will be early in 2015, subject to securing necessary finance for the program.

### **SPRING HILL GOLD 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.

#### **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.

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

## CORPORATE AND FINANCE

During the quarter Thor completed a share placement to raise, in aggregate, UKE600,000 (approximately A\$1.1million) before expenses from investors introduced by Thor's UK broker, VSA Capital.

### **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.*

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