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Australia



29 July 2016

Quarterly Report for the period ended 30 June 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 announce the quarterly report for the period ended 30 June 2016. It has also been released today with the Australian Securities Exchange (ASX) as required by the listing rules of ASX.

Highlights

TUNGSTEN & MOLYBDENUM - Core projects now free of debt

Molyhil NT

- Assessment of drill targets adjacent to Molyhil

Pilot Mountain, Nevada USA

- Exploration scheduled pending availability of funds

Outlook for September Quarter 2016

- Proposal to drill test tungsten targets adjacent to Molyhil
- Continuing discussions to secure project finance for the Molyhil project
- Ongoing discussions for balance of concentrate production off-take at Molyhil
- At Pilot Mountain, planning has begun for exploration phase on deposits with previous multiple mineralised intersections

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:

“Scheduling a drilling program to test magnetic anomalies very close to Molyhil may, if successful, eventually lead to the delineation of additions to the Molyhil mining inventory.”

“The objective is to extend the operating life of the project, but also to provide the opportunity to reduce operating costs via increased production.”

“The initial drill program is designed to, at a modest cost, drill just below the alluvial cover, into bedrock and test material for tungsten mineralisation. If successful, further deeper drilling into that mineralisation will be required.”

TUNGSTEN PROJECTS

Tungsten & 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 12 month construction schedule from development commencement to first production.

During the September quarter, the Company proposes to carry out a shallow drilling program to test a series of magnetic anomalies with geophysical properties very similar to that of Molyhil, all within 6 kilometres of the Molyhil mine. These prospects within the exploration licence surrounding Molyhil are believed to be at shallow depth beneath between 2 and 20 metres of sedimentary cover. A 50 hole program designed to penetrate this cover and test the top of the bedrock beneath is scheduled to commence during August. Depending upon the results of this program, further deeper drilling will be required.

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

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 (~3 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.

The exploration opportunity is to drill the Garnet, Gunmetal, and Good Hope deposits, all of which were extensively drilled in the 1970's to verify and extend the known mineralisation, with the objective of converting Exploration Targets* into Mineral Resources.

* 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.

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

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£300,000 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 23rd June 2016, with portion of the funds received after the end of the quarter.

Subsequent to the end of the quarter, Mr Gervaise Heddle joined the board of Thor Mining.

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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