

31 July 2013

THOR MINING PLC

QUARTERLY REPORT APRIL TO JUNE 2013

The Directors of Thor Mining PLC ("Thor") (AIM, ASX: THR) the Australian tungsten and molybdenum, and gold explorer and developer, today lodge the following June 2013 quarterly report. It is scheduled for release on 31st July 2013 with the Australian Securities Exchange (ASX) as required by the listing rules of ASX.

Highlights

Outlook for September Quarter

TUNGSTEN & MOLYBDENUM

Molyhil NT

- Marketing & financing discussions continued with interested parties.
- Ongoing metallurgical work enhancing concentrate specification & potential financial outcomes.
- Tungsten price up by more than 25% in 2013
- Brownfields targets reconnaissance.
- Ongoing marketing & financing activities.
- Ongoing enhancement program to lower costs and improve economic outcomes.
- Exploration - review and test nearby prospects.

GOLD

Spring Hill NT

- Pit optimisation study demonstrates attractive returns from mining near surface material at low capex
- Toll treatment MOU with Crocodile Gold.
- Ore sorting testwork shows potential for lower costs & improved economic outcomes.
- Continued evaluation of potential for profitable production.
- Follow up ore sorting testwork
- Preparation for drill testing shallow targets nearby.

Dundas WA

- Further geochemical sampling for nickel potential.
- Follow up on site geochemical sampling for nickel potential.
- Preparation for air core and RC drilling.

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

Project Development

June quarter activities were devoted to continuing efforts to market project concentrates and secure project finance, as well as progressing a number of optimisation opportunities

Discussions with potential customers for project concentrates are ongoing. Samples of concentrate have now been delivered to a number of these and are currently being assessed. During 2013, the global demand and price of tungsten concentrates and other tungsten products has strengthened considerably and Directors remain confident that they will achieve a positive outcome from these discussions to allow development at Molyhil to commence.

Ongoing Optimisation Studies

Following completion of the Molyhil definitive feasibility study efforts have continued to optimise the process and improve the returns. Recent activities have included trialling ore sorting technology, which if successful would pre-concentrate coarsely crushed ore prior to moving to the more expensive fine crushing, grinding, & subsequent flotation and gravity circuits. The outcome of this may be reduced costs, and enhanced potential to mine and treat deeper ore and lower grade ore. Early

testwork achieved a very successful upgrade, particularly of the tungsten component of the ore, with low losses. These results are being followed up with testwork of a larger sample size.

Metal Prices

The selling price in Europe of Tungsten APT now sits at US\$415/mtu, while the price of Molybdenum Roasted Concentrates has weakened to US\$9.30/lb. The price of tungsten has improved by more than 25% during 2013, and this along with the weakening of the Australian currency against the US dollar adds impetus to the Molyhil project economic outcomes.

Tungsten Exploration Program

Within a 60 kilometre radius of Molyhil there are 27 other known tungsten deposits, or occurrences; an exceptional crustal enrichment of this rare and strategic metal. With the exception of Molyhil (the largest so far discovered), all these known occurrences outcrop at surface and were identified by prospectors more than 30 years ago.

A strong association between areas of high magnetic intensity and the distribution of known tungsten deposits has facilitated a focussing of exploration efforts. Highest priority is for discovery nearest the existing Molyhil resource and proposed facility.

Transported soil blankets much of the target geology rendering surface soil geochemistry ineffective in detecting the presence of tungsten mineralisation. A geochemistry drilling program has now been prepared to facilitate the sampling and analysis of the underlying geology across the target area.

The proposed program will comprise up to 300 holes generally not greater than 10 metres depth and undertaken by a light weight drill rig.

GOLD EXPLORATION

SPRING HILL PROJECT - NT (THOR 51%, with earn-in rights to up to 80% equity)

Project Development

Toll treatment MOU

During the quarter Thor signed a non-binding Memorandum of Understanding (MOU) in respect of toll treatment of ore from Spring Hill.

The agreement is between Spring Hill's two co-venturers, Thor Mining PLC and Western Desert Resources Limited (ASX: WDR), and Crocodile Gold Australian Operations Pty Ltd, a subsidiary of Toronto-listed Crocodile Gold Corporation (TSX "CRK").

Crocodile Gold operates the Union Reefs gold processing facility, approximately 20 kilometres from Spring Hill, and currently has excess processing capacity.

The agreement provides that Thor & WDR, following receipt of all necessary approvals to conduct mining operations at Spring Hill, will haul ore mined from the operation for processing and gold extraction at Crocodile Gold's Union Reefs processing plant, provided:

- The parties can agree acceptable terms, and execute a formal binding agreement setting out the terms upon which the toll treatment may occur.
- The Board of Directors of Crocodile Gold approve the toll treatment.
- Excess processing capacity remains available at the Union Reefs processing facility.

The parties have agreed to work cooperatively to achieve a mutually beneficial outcome and will at approximately six monthly intervals correspond in reference to progress and issues.

Pit Optimisation Study

In June 2013 the directors announced that Thor is preparing for mine development following positive results of a study to extract near surface oxide ore from the project. An opportunity has been identified which may expedite early environmental and regulatory approval to mine shallow oxidised ore by constraining the initial mine plan to extract only near surface oxide material for processing off-

site. Mining of deeper transition and primary ore will be subject to subsequent studies and approval applications.

Study parameters included:

Mining		
Ore mined	880,000	tonnes
Ore cut-off grade	0.8	grams / tonne
Diluted ore grade mined	1.56	grams / tonne
Waste mined	1,970,000	tonnes
Stripping ratio	2.2 : 1	
Processing		
Ore transported to Union Reefs & processed	880,000	tonnes
Feed grade	1.56	grams / tonne
Metallurgical recovery	90%	
Ounces recovered	41,300	
Financial Assumptions / Outcomes		
US\$ Gold price	US\$1,400	per ounce
A\$ / US\$ exchange rate	0.95	
A\$ Gold price	A\$1,473	per ounce
Mining costs (ore and waste)	A\$4:00	per tonne
Processing costs	A\$33:00	per tonne
Total Operating costs	A\$1,170	per ounce
Capital Cost	Less than A\$5 million	

Based upon the above parameters and current exchange rates, operating costs in the study are US\$1,000/ounce compared with a gold price of over US\$1,300 / oz. providing a margin of more than US\$300/oz on very low anticipated capital outlay

Ore Sorting Proof of Concept

Subsequent to the end of the quarter Thor announced positive results from initial ore sorting test work on near surface oxide ore from the Spring Hill project. Pending confirmation by subsequent test work on a larger sample size, internal modelling, suggest material cost savings at the proposed Spring Hill operation, from this pre-concentration process, with additional potential benefits of increasing the economic mineable inventory.

Project Exploration

Low cost Reverse Circulation (RC) drilling is now proposed to test shallow mineralisation targets less than 150 metres below ground surface. There has been an 11% increase in the Spring Hill resource above 150 metres since Thor commenced drilling which predominantly targeted mineralisation below 150 metres. Several shallow targets have been identified adjacent to, but not currently included in the existing resource. This work will be prioritised over the previously described plans to test the shallow satellite targets to the north.

During the course of exploration conducted in the 1990s, several targets were identified in the vicinity of the main Spring Hill resource and have been partially drilled. Four of the prospects identified in this work have yielded positive mapping, rock chip or RC drill assay results but are yet to be fully evaluated. In addition, as yet untested targets have been identified from high resolution aeromagnetic data which represent additional opportunities for increasing the resource base particularly with near surface oxide ore.

DUNDAS PROJECT - WA (60% THOR)

Infill XRF soil geochemistry¹ was undertaken at Dundas during the quarter. Results of the additional analyses supported the three southern anomalies.

¹ Sample analyses were conducted using an Olympus Innovex field portable XRF. Quality control data were collected via the analysis of certified reference standards, blanks and duplicates. The results are within acceptable limits for nickel and copper.

Prioritising expenditure on Molyhil and Spring Hill has prevented the commissioning of, planned and permitted, drilling the gold targets at Dundas. Testing these targets continues to be conditional upon the availability of working capital.

The additional infill geochemistry results include two areas of weakly elevated nickel coincident with magnetic trends. Slightly elevated copper trends similar to the nickel are also present.

These results provide moderate encouragement but more infill geochemistry work is required before drill testing if any is warranted.

CORPORATE AND FINANCE

During the quarter, the Company drew down the second and final A\$500,000 tranche of the debt finance of A\$1million secured against its Molyhil and Spring Hill projects for a term of 3 years.

In March 2013 the Company issued an open offer to eligible shareholders inviting subscriptions of up to UKP2.025 million. The offer closed on 19th April 2013, raising a total of A\$382,000 before costs associated with the offer.

In recognition of the difficult market conditions the directors have made a concerted effort to reduce costs, including employee costs. Directors' remuneration has been withheld since January 2013, and consulting fees of the executive chairman have only been partially paid since September 2012. It is expected that shareholders will be requested to consider conversion of the outstanding amounts to shares at the next general meeting.

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

"Like many junior resource companies, Thor is encountering trying market conditions, and we are grateful to those shareholders who have remained loyal during this period. We are fortunate to hold resources at both Spring Hill and Molyhil which have value, well in excess of market capitalisation. At Molyhil while progress in obtaining off-take agreements and finance has been slower than we expected, we remain active in both enhancing the project parameters, and continuing discussions with potential off-take and finance partners. In the meantime, the recent studies for Spring Hill have proved very encouraging and the potential for development with very low capital expenditure has been substantially enhanced."

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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.