

20 February 2014

## THOR MINING PLC

### SHARE SUBSCRIPTION, EQUITY SWAPS AND GENERAL MEETING

Thor Mining PLC ("Thor") (AIM, ASX: THR), the Australian tungsten and gold explorer and developer, is pleased to announce that it has raised, in aggregate, UK£750,000 (before expenses) from new shareholders by way of a subscription for 178,957,219 new ordinary shares of 0.1p each in the capital of the Company ("Ordinary Shares") (the "Initial Subscription Shares") at a price of 0.23375p per share (the "Subscription") and a conditional subscription for a further 141,898,396 new Ordinary Shares (the "Second Subscription Shares") at a price of 0.23375p per share (the "Proposed Subscription").

#### Use of Proceeds

The net proceeds raised will be used to augment the Company's existing cash resources and assist with continued assessment and exploration of its advanced tungsten and gold projects in Australia's Northern Territory primarily, and where prudent, its gold project in Western Australia.

#### Details of the Subscription, Proposed Subscription and Equity Swaps

The Company has issued the Initial Subscription Shares under its existing share capital authority, pursuant to ASX Listing Rule 7.1, and is proposing to issue the Second Subscription Shares under new authorities to be sought at a General Meeting to be convened shortly (the "General Meeting"), notice of which will be included in a circular expected to be posted shortly to those shareholders who have elected to receive hardcopy shareholder communications from the Company and which, once posted, will also be made available to download from the Company's website at [www.thormining.com](http://www.thormining.com).

Lanstead Capital L.P. ("Lanstead"), a new institutional investor in the Company, has subscribed for all of the Initial Subscription Shares and all of the Second Subscription Shares, together being 320,855,615 new Ordinary Shares (the "Lanstead Subscription Shares"), for an aggregate consideration of UK£750,000. In addition, the Company has entered into Equity Swap Agreements with Lanstead which allow the Company to retain much of the economic interest in the Lanstead Subscription Shares. The Equity Swap Agreements enable the Company to secure much of the potential upside arising from anticipated near term news flow.

The Equity Swap Agreements provide that the Company's economic interest will be determined and payable in 18 monthly settlement tranches as measured against a benchmark price of 0.311667p per share (the "Benchmark Price"). If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis. Of the aggregate proceeds of UK£750,000 from the issue of the Lanstead Subscription Shares, the Company will use UK£112,500 (15 per cent.) for working capital and UK£637,500 (85 per cent.) for investment in the Equity Swap Agreements as described above. In no event would a decline in the Company's share price result in any increase in the number of Ordinary Shares received by Lanstead or any other advantage accruing to Lanstead.

The Company has agreed to make a value payment to Lanstead of 16,042,781 Ordinary Shares in consideration for the Equity Swap Agreements of which 15,042,781 Ordinary Shares (the "Initial Value Shares") have been issued in connection with the Subscription and 1,000,000 Ordinary Shares (the "Second Value Shares") will be issued in connection with the Proposed Subscription.

The mid-market price of an Ordinary Share at the close of business on 19 February 2014 (being the latest practicable date prior to this announcement) was 0.27p. Application has been made to the London Stock Exchange for the Initial Subscription Shares and the Initial Value Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the Initial Subscription Shares and Initial Value Shares will commence at 8.00 a.m. on 21 February 2014.

Application will be made to the London Stock Exchange for the Second Subscription Shares and the Second Value Shares, to be issued under the new authorities, to be admitted to trading on AIM shortly after the forthcoming General Meeting.

The new Ordinary Shares will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares. The total number of Ordinary Shares in issue following completion of the Subscription and issue of the Initial Value Shares, and the total number of voting rights, will be 1,535,661,459. Thor does not hold any Ordinary Shares in treasury and accordingly there are no voting rights in respect of any treasury shares.

Following completion of the Subscription, the aforementioned figure of 1,535,661,459 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Thor under the FCA's Disclosure and Transparency Rules.

Following completion of the Subscription, Lanstead will be interested in 194,000,000 Ordinary Shares and following completion of the Proposed Subscription Lanstead will be interested, in aggregate, in 336,898,396 Ordinary Shares representing approximately 12.6% and 20.1% respectively of Thor's enlarged issued share capital.

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

"We are delighted to welcome Lanstead as new investors in Thor.

The structure of the fundraising and associated swap arrangements is designed to provide additional financing to maintain our planned programmes, in particular to further progress the development of our Molybdenum tungsten project, and the Spring Hill gold project, whilst allowing the Company to secure much of the potential upside arising from anticipated near term news flow. As a result of these transactions, Thor will benefit from additional working capital for immediate deployment with further amounts receivable over 18 months subject to the outcome of its investment in the equity swap agreements."

**Enquiries:**

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