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THOR MINING PLC

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Shares: THR

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Michael Billing
David Thomas
Paul Johnson
Alastair Middleton
Richard Bradey

Key Projects:

- **Tungsten**
Molyhil NT
Pilot Mountain USA
- **Copper**
Kapunda SA

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LETTER TO SHAREHOLDERS

Thor Mining Plc ("Thor" or the "Company") (AIM, ASX: THR) is pleased to provide details of a letter to shareholders from Mick Billing, Chairman.

This letter will be posted on the Company's website at www.thormining.com and a link will be provided on the Company's twitter feed @thormining.

Further information on the Company and its project interests may be found in the latest company presentation which may be accessed through the following link:

<http://www.thormining.com/-/thor/lib/docs/interviews/Thor%20Minng%20201804.pdf>

Dear Shareholders,

MARKET VALUATION

In early February 2018 the price of Thor Mining shares closed at 4.0 pence per share giving the Company a market capitalisation of approximately £25 million. As at the time of writing the Company's share price has fallen by 50% in four months to 2.0 pence and our market capitalisation now stands at just under £13 million.

Your Directors acknowledge the currently challenging conditions in the junior resource company sector, a challenge that extends across the sector in the UK market, but also in the Canadian and Australian markets. The additional liquidity issues arising from the administration of Beaufort Securities, a significant UK broker for resource companies, has added to these already challenging conditions.

At Thor, notwithstanding the market conditions, the Board are resolutely of the view that the loss of 50% of the market value for the business does not correlate with the progress that has been achieved across the Company over the last four months.

We recognise that the Company has entered the development phase of projects, rather than exploration which tends to deliver a more emphatic rate of news flow during the project study process. As a result, the time and concentration of the Company for some weeks and months has been the progression of longer tail studies and, in the case of Molyhil, the study has taken longer than anticipated. We deal with this in further detail below and although there are no concerns identified to date with the study, we understand that we must update the market as soon as possible.

In light of the above I wanted to provide some reassurance in a number of areas within our business and summarise the current position of the Company.

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COMPANY FINANCIAL POSITION

Thor remains very well-funded with sufficient cash to cover planned work programmes and general working capital requirements until well into 2019. Cash is key to any exploration and development business and we are grateful to have had the support of shareholders and investors who helped to put the Company into a robust financial position.

We are utilising our cash carefully to ensure all three key projects are moving forward. Thor is progressing the Definitive Feasibility Study (“DFS”) for Molyhil, along with the Scoping Study at Pilot Mountain, and undertaking project development work at Kapunda with the key objective of delivering considerable valuation uplifts for the individual projects, the Company and thus, for shareholders.

PROJECT DEVELOPMENT AND NEWSFLOW

During recent months Thor Mining has seen considerable progress across all three key projects which has included announcements as detailed below:

Molyhil Tungsten/Molybdenum Project – Northern Territory Australia (Thor 100% interest):

8 March 2018 – within the Company’s Business Strategic Update we confirmed that preparation of an updated DFS for Molyhil was underway. This revised DFS has been undertaken to incorporate the findings from extensive project work programmes which have delivered project-positive findings impacting Capital Expenditure and Operating Expenditure, not least the upgraded Open Cut Ore Reserve statement announced on 15 January 2018 and extension to a mine life of 7 years (at present).

28 March 2018 – purchase agreement to acquire Rox Resources’ interests in tenements at Bonya Creek 30km from Molyhil, which included a 40% interest in Exploration Licence EL29701 and 100% of Exploration Licence EL29599, including outcropping tungsten deposits and a high-grade copper deposit. The acquisition, subject to standard completion procedures, represented a significant boost to the Molyhil Project and its commercial potential going forward.

2 May 2018 – we were able to confirm positive initial exploration findings at Bonya with positive tungsten and copper assay results from a rock chip sampling programme undertaken at four of the thirteen known targets at Bonya.

Latest Position - Work in respect of the updated DFS for Molyhil is nearing completion. This work has taken longer than originally anticipated, which is not due to any negative factors and, subject to remaining findings, we anticipate a positive outcome in line with expectations. It is important to note that a range of positive developments in respect of Molyhil, including process improvements, the announced enhanced Open Cut Ore Reserve Statement and extended mine life, had to be incorporated into the new study and that has taken more time than we expected. We view this DFS document as absolutely key in terms of project development and commercial discussions with external parties. As a result, whilst the additional time taken to reach completion has been frustrating we consider the thoroughness of the task to be fully justified.

Pilot Mountain Tungsten/Copper/Silver Project – Nevada, United States (Thor 100% interest):

20 February 2018 – acceleration of the Pilot Mountain project recognising the significance of the inclusion of tungsten on the Federal Register of Commodities classed as critical by the United States government.

28 February 2018 – commissioning of a Scoping Study to highlight high level operating and development parameters for the Pilot Mountain project and the undertaking of stage 2 metallurgical test-work to Pre-Feasibility standard.

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16 March 2018 – the United States House of Representatives Natural Resource Committee had passed the National Strategic and Critical Minerals Production Act expected to be a key step to enable the acceleration of permitting and related matters pertaining to critical metals projects in the United States. Given the absence of any material supply of primary (mined) tungsten, the passing of legislation to accelerate project development was of key importance to the Pilot Mountain project.

24 May 2018 - following a consultation period, the US Department of the Interior has confirmed that tungsten, the primary resource mineral at Pilot Mountain, has been included in the final list of Critical Minerals 2018.

Latest Position – The work undertaken on the Scoping Study in conjunction with our consultants continues, including work to assess pit optimisation and enhanced project development planning. I have just returned from Nevada with a delegation of your board where we held meetings with a range of regulators, environmental agencies, local government authorities, and utility suppliers, all of whom were very supportive of our proposed development. We will continue this work and seek to provide results to the market at the earliest available opportunity.

Kapunda Copper Project – South Australia (Thor earning into an effective 45% interest):

22 February 2018 – publication of a maiden inferred resource of 119,000 tonnes of contained copper, solely in respect of the portion of the Kapunda deposit considered amenable to in-situ leaching. The published resource considerably exceeded the Company’s internal expectations.

19 March 2018 – the Company confirmed a higher grade core had been identified in respect of 91,200 tonnes of contained copper representing 76.6% of the overall maiden resource.

Latest Position: We expect to provide further updates to the market in the near term in respect of the preparatory work being undertaken prior to commercial development, including in-depth local government and community engagement, continuing technical assessment, and various environmental and regulatory issues.

PROJECT AND CORPORATE COMMERCIALISATION

I appreciate shareholders are keen to know how development pathways to commercialisation are progressing. This is an area where we would like to disclose more but commercial sensitivities and practicalities prevent too much information being released until commercial transactions are crystallised and announced to market.

The Company is highly active in this area and whilst there has historically been a degree of interest in the Company’s core projects, of late and markedly in 2018 that interest has intensified and accelerated.

Reasons behind the interest being shown are many and varied, and in part relate to the underlying supply/demand factors which contribute to commodity pricing, and the extent to which known resource deposits of highly sought after commodities attract attention.

Tungsten

Tungsten has seen a considerable price increase during 2017 and 2018, bolstered by both increasing global demand and restrictions on some Chinese producers who, it has been reported, were operating at below acceptable environmental practices. At the time of writing, the price of APT tungsten (the international standard for pricing this commodity) sits at US\$35,000/tonne. With a combined resource inventory of over 45,000 tonnes of WO₃ (tungsten trioxide) at Molyhil and Pilot Mountain this places your Company’s assets in a solid position.

Thor has a significant Australian tungsten resource at Molyhil and a substantially bigger tungsten resource at Pilot Mountain in the State of Nevada, USA. The Company is extremely fortunate to have Pilot Mountain at the point when tungsten is included on the list of minerals critical to the USA and when measures are being implemented to accelerate permitting and approvals processes. The outcome of this is that the attractiveness and inherent value of the Pilot Mountain project is increasing.

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Molybdenum

A substantial portion of global molybdenum production is as a by-product of other mining activities, and thus forward molybdenum supply growth is quite restricted. With the increase in global demand, there are many organisations seeking to access new sources of molybdenum which, together with the increasing price of the commodity, places Molyhil in a very strong position.

Molybdenum Oxide has recently exhibited strong upward growth in pricing, with highs approaching US\$100,000/tonne in 2006 leading into a long term decline to lows of US\$11,000 in 2015. Since then prices recovered to US\$15,000/tonne in 2017 and recently have seen further increases to circa US\$26,000/tonne.

Feedback from external information sources and meetings with those seeking Molybdenum product is that supply is expected to be short of demand and there is a considerable push to secure sources of product. If this situation plays out, as appears likely, it would be very good for Molyhil with 6,220 tonnes of Molybdenum within the current Mineral Resource Estimate, and 80% of that within the Indicated category.

Copper

Alongside molybdenum and tungsten, the addition of an interest in the evidently substantial copper opportunity at Kapunda is strategically well timed when copper, an energy metal in great demand, is showing such an attractive forward dynamic.

Copper as a commodity is showing all the signs of a robust trading dynamic, with the lows of 2015 and 2016 of circa US\$4,500/tonne seemingly behind us and current prices of circa US\$7,000/tonne providing a much more favourable climate for copper project developers.

The agreement signed in 2017 allowing Thor to earn into an effective 45% interest in Kapunda was considered attractive with rising copper prices and sentiment. However, the maiden resource published of 119,000 tonnes of copper at Kapunda, was significantly ahead of expectations and means the project is certainly a key project for the Company going forward.

Overview

Given the strategic merits underpinning the commodities in the Thor portfolio it is understandable that there is interest in specific projects, and the Company, from external parties. How we manage that interest is key to ensuring shareholders see valuable returns from their confidence and investment in the Company.

We share the view of many shareholders that well timed and appropriately structured commercial transactions can be company transformational and enable a considerable return of value for shareholders.

GOING FORWARD

Back to the issue of our share price and market valuation I would reiterate the Board's view that the decline in share price by 50% in the last four months is not reflective of the publicly released progress, or of the internal work that has been undertaken by the Thor team. The findings from internal work will of course be released to the market in due course and with that to hand the market will have a fuller information set from which to judge the Company and its progress.

I would like to thank shareholders for their interest and engagement with the Company. The Thor Mining team have worked for many years to build up a portfolio of very good assets and a business model we are proud of and from which we intend to deliver considerable returns and crystallisable value for shareholders.

For further information, please contact:

THOR MINING PLC

Mick Billing Executive Chairman
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25 May 2018

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 2012 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.

Forward-looking statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;
- Estimates of future metal production; and
- Estimates of the resource base and statements regarding future exploration results.

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However, the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

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, and on the Company's twitter page [@ThorMining](https://twitter.com/ThorMining).

About Thor Mining PLC

Thor Mining PLC ((Thor) AIM, ASX: THR) is a natural resources company with key interests in tungsten, molybdenum and copper. Thor's holdings include:

A **100 %** interest in the development ready **Molyhil** Tungsten and Molybdenum Project located 220 km north east of Alice Springs, NT, Australia. Thor holds leases in the districts surrounding to Molyhil including the Bonya tungsten and copper prospects.

A **100%** interest in the **Pilot Mountain** Tungsten project in Nevada, USA which contains the largest reportable tungsten resource in the Unites States. The US Department of the Interior has confirmed that tungsten, the primary resource mineral at Pilot Mountain, has been included in the final list of Critical Minerals 2018.

A 6.25% interest in USA Lithium Pty Limited (USL). USL is an Australian private limited company which has a 100% owned subsidiary company, registered in the United States of America, that holds exploration properties in the State of Arizona and in the State of New Mexico.

A production royalty entitlement from the Spring Hill Gold project in the Northern Territory, Australia.