

# QUARTERLY ACTIVITIES REPORT

ASX & AIM Code: "THR"



## QUARTERLY REPORT JANUARY TO MARCH 2018

### Highlights

### Outlook for June Quarter 2018

#### TUNGSTEN & MULTI COMMODITIES

##### Molyhil, NT Australia

- Conditional acquisition of interest in **Bonya project** adds multiple outcropping tungsten deposits adjacent Molyhil
- Upgraded **Open Cut Ore Reserve** adds to mine life and identifies subsequent underground mining potential.
- Continued strength in global tungsten and molybdenum pricing.

##### Pilot Mountain, Nevada USA

- Internal scoping study to determine high level operating parameters.

#### COPPER

##### Kapunda, SA Australia

- Release of **Inferred Mineral Resource Estimate** showing 119,000 tonnes contained copper considered amenable to In Situ Recovery.

#### INVESTMENTS

USA Lithium to be acquired by ASX listed Hawkstone Mining Limited, valuing the Thor holding at >A\$600,000.

#### CORPORATE & FINANCE

- The Company completed a share placement to Metal Tiger PLC raising £300,000 before expenses.
- Cash position remains robust with A\$3.0million in funds held ensuring that forecast activities are fully financed into 2019.

**Mr Mick Billing, Executive Chairman**, commented:

"A very productive period for the Company with substantial progress. All three of our core projects continue to make very good progress."

"In particular, the acquisition of the interest in the tungsten and copper deposits at Bonya has the potential to be a game changer for Molyhil with the expectation of consequent substantial mine life extension. We look forward to the first drill program at Bonya, scheduled for early in the September quarter"

"Following the upgraded Open Cut Ore Reserve for Molyhil, we have been progressing the Definitive Feasibility Study (DFS) and the outcomes of this are expected shortly."

"The scoping study at Pilot Mountain is nearing completion, and we expect to have some guidance from this during the June quarter."

"We will continue to provide investors with regular updates in respect of progress."

#### THOR MINING PLC

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AIM & ASX Listings:  
Shares: THR

Directors:  
Mick Billing  
David Thomas  
Paul Johnson  
Alastair Middleton  
Richard Bradey



Figure 1: Thor Mining PLC Project Location Map

**TUNGSTEN PROJECTS**

Tungsten & Molybdenum Price Trends

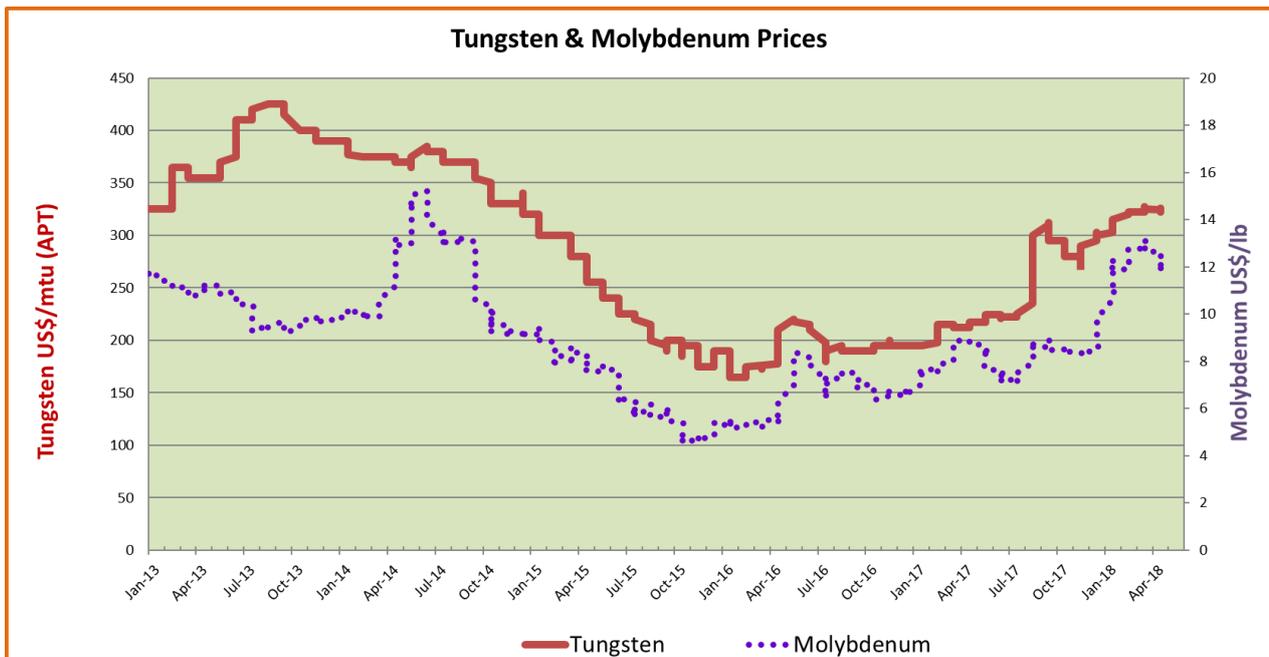


Figure 2: Tungsten & Molybdenum price movements (Argus Metals)

At the date of this report, the price of tungsten, per mtu of APT (Ammonium Para Tungstate) was US\$326.00/mtu, while the molybdenum price has held its strengthened position at around US\$12.00/lb.

Industry discussion suggests that these stronger pricing levels for both commodities are likely to continue for some time, with molybdenum in particular forecast to have supply constraints for several years.

**MOLYHIL TUNGSTEN PROJECT - NT (100% Thor)**

In January 2015, Thor announced an updated feasibility study for its wholly-owned Molyhil tungsten project, demonstrating a project NPV of A\$67million (approximately £39million).

A full background on the project is available on the Thor Mining website [www.thormining.com/projects](http://www.thormining.com/projects).

During the quarter (8 January 2018) Thor announced an upgraded Statement of Open Pit Ore Reserve.

This new ore reserve increases the open pit mine life by 1 year to 7 years, with increases in metal content of 10% for tungsten and 19% for molybdenum.

The study also identified portions of the Indicated and Inferred resource estimate, remaining outside the revised pit shell, which appear economic for mechanised underground mining techniques.

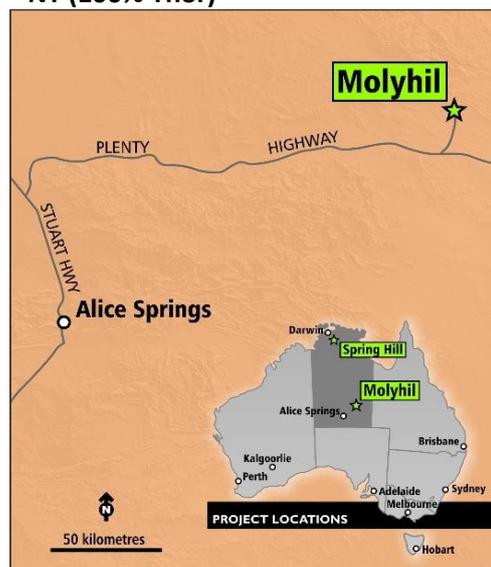


Figure 3: Molyhil Project Location map

Table A:

Molyhil Open Cut Ore Reserve Statement (announced 8 January 2018)

Classification	Reserve '000 Tonnes	WO <sub>3</sub>		Mo	
		Grade %	Tonnes	Grade %	Tonnes
Probable	3,500	0.29	10,200	0.12	4,300
Total	3,500	0.29	10,200	0.12	4,300

- Thor Mining PLC holds 100% equity interest in this reserve.
- The Company is not aware of any changes which could affect this reserve statement.

The review of operating and capital cost estimates to definitive feasibility (DFS) standard continues, along with some upgraded metallurgical balance reporting. The objective of this work is an upgraded DFS for the benefit of prospective partners and project financiers.

**Bonya**

During the quarter (28 March 2018) the Company also announced the conditional acquisition of an interest in a licence area containing 13 known outcropping tungsten deposits and one copper deposit close to Molyhil. This acquisition is now conditional only upon ministerial consent, following which an initial drilling program is scheduled.

This drilling program, the first to test the tungsten deposits in more than 40 years, is planned to test several of these deposits with a number of shallow (less than 100metres) reverse circulation holes over each deposit drilled. While detailed costing is still in progress, the program cost is expected to be in the region of A\$300,000.

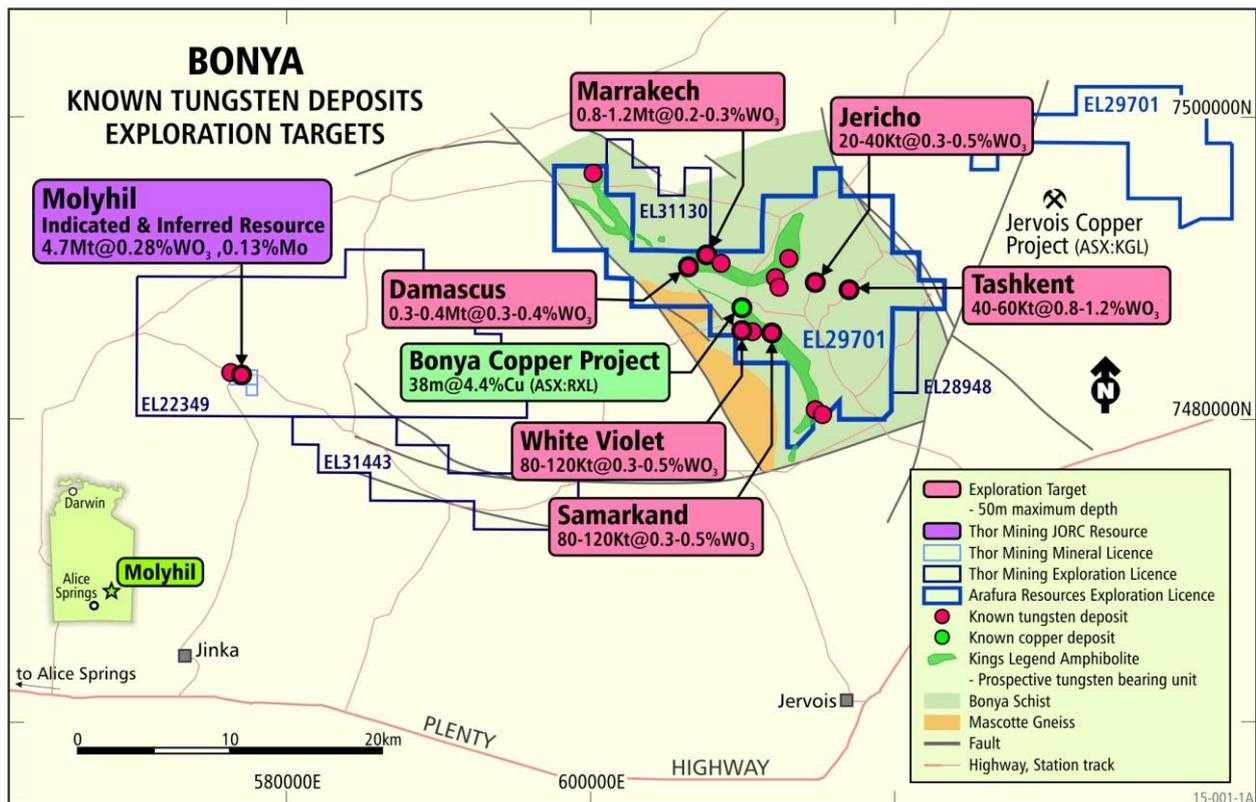


Figure 4: Molyhil Project location showing adjacent Bonya tenement

**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 of these deposits are in close proximity (~three kilometres) to 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 and development plan with the objective of upgrading the knowledge and status of the mineralisation of these deposits where historical drilling outlined potentially economic mineralisation.

A full background on the project is available on the Thor Mining website [www.thormining.com/projects](http://www.thormining.com/projects).



Figure 5: Pilot Mountain Project Location map

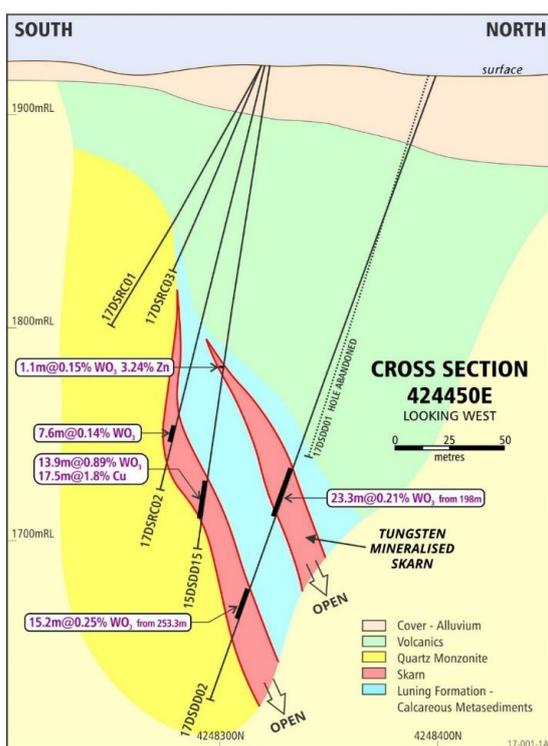


Figure 6: Desert Scheelite drill cross section showing location of new lode and down dip extension.

The directors believe Pilot Mountain resource is substantial on a global scale, and has potential for significant growth, in particular from the discovery in the August 2017 drilling program of an additional parallel zone of scheelite mineralisation at the Desert Scheelite deposit (Figure 6.).

In addition, the directors believe that the Desert Scheelite resource, which outcrops at surface at the western end for more than 400 metres, has potential to develop into a long term open pit mining operation which would make it one of the higher grade open pit tungsten operations in the western world.

Table B: Pilot Mountain Resource Summary (Announced 22 May 2017)

Resource		MT	WO <sub>3</sub>		Ag		Cu	
			Grade %	Contained metal (t)	Grade g/t	Contained metal (t)	Grade %	Contained metal (t)
<b>Garnet</b>	<b>Indicated</b>		-	-				
	<b>Inferred</b>	1.83	0.36	6,590				
	<b>Sub Total</b>	<b>1.83</b>	<b>0.36</b>	<b>6,590</b>				
<b>Desert Scheelite</b>	<b>Indicated</b>	<b>8.41</b>	<b>0.27</b>	<b>22,700</b>	21.3	179	0.14	11,800
	<b>Inferred</b>	<b>1.49</b>	<b>0.23</b>	<b>3,430</b>	9.07	13	0.17	2,500
	<b>Sub Total</b>	<b>9.90</b>	<b>0.26</b>	<b>26,130</b>	<b>19.39</b>	<b>192</b>	<b>0.14</b>	<b>14,300</b>
<b>Summary</b>	<b>Indicated</b>	<b>8.41</b>	<b>0.27</b>	<b>22,690</b>				
	<b>Inferred</b>	<b>3.32</b>	<b>0.30</b>	<b>10,020</b>				
<b>Pilot Mountain Total</b>		<b>11.73</b>	<b>0.28</b>	<b>32,720</b>				

Note:

- 100% owned by Thor Mining Plc
- The Company is not aware of any changes which could affect this resource estimate

An internal scoping study has been commissioned which is expected to provide a high level economic assessment, along with initial parameters associated with project site layout options for environmental and other permitting.

Additionally, while previous metallurgical testwork has demonstrated the production of saleable concentrates, further testwork is required to advance this to feasibility study standard, and this next stage of metallurgical testwork has recently been initiated.

**COPPER PROJECTS**

**KAPUNDA COPPER PROJECT - SA (Thor earning 45%)**

On 1 August 2017 Thor announced an investment in a newly incorporated private Australian company, Environmental Copper Recovery SA Pty Ltd. ("ECR"), initially via convertible loan notes of up to A\$1.8 million, which will be used to fund field test work and feasibility activities at Kapunda over the next 3 years. In turn ECR has entered into an agreement to earn, in two stages, up to 75% of the rights over metals which may be recovered via in-situ recovery ("ISR") contained in the Kapunda deposit from Australian listed company, Terramin Australia Limited ("Terramin" ASX: "TZN").

During the quarter (12 February 2018) Thor announced an Inferred Resource Estimate containing 119,000 tonnes of contained copper considered amenable to Insitu Recovery techniques. The grade of the resource, at 0.25%Cu, is considered typical for copper Insitu Recovery operations.



Figure 7: Kapunda Project Location map

Table C: Kapunda Copper Resource Estimate (Announced 12 February 2018)

	Resource		Copper	
	Classification	MT	Grade %	Contained Cu (t)
<b>Copper Oxide</b>	<b>Inferred</b>	30.3	0.24	73,000
<b>Secondary copper sulphide</b>	<b>Inferred</b>	17.1	0.27	46,000
	<b>Sub Total</b>	<b>47.4</b>	<b>0.25</b>	<b>119,000</b>

Notes:

- ECR are earning a 75% interest in this resource, and Thor have investment rights for up to 60% of ECR.
- The Company is not aware of any changes which could affect this resource estimate.

Other near-term activities at Kapunda include continued community liaison in respect of project activities, testwork on historical drill core to determine the optimum leaching agent (lixiviant) most suited to the Kapunda deposit and establishing appropriate parameters for future field trials.

**GOLD PROJECTS**

**SPRING HILL GOLD PROJECT – NT (ROYALTY ENTITLEMENT)**

In February 2017 Thor completed the A\$3.5 million sale of its Spring Hill Gold project<sup>1</sup>. The sale transaction carries an ongoing residual royalty of:

- A\$6 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for up to A\$1,500 per ounce; and
- A\$14 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for amounts over A\$1,500 per ounce.
- During the first half of the financial year, Thor received royalties from Spring Hill production totalling A\$8,124. No royalties were received during the quarter.

<sup>1</sup>Refer ASX and AIM announcement of 29 February 2016

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### LITHIUM PROJECTS

#### USA Lithium

On 14 June 2017, the Company announced the acquisition of a 25% interest in US Lithium Pty Ltd ("USL"), along with an option to acquire the remaining 75% of USL, subject to satisfactory completion of project due diligence. Whilst Thor elected not to exercise the option, it continues to hold an interest in this company, subsequently renamed USA Lithium.

On 29<sup>th</sup> March 2018, the Company advised that USA Lithium had accepted a conditional offer for 100% of its issued capital from ASX listed Hawkstone Mining Limited (ASX: HWK). We have been advised that a general meeting of shareholders of Hawkstone is expected to be held in late May 2018 to approve this agreement.

If the acquisition proceeds, Thor will be issued 15,625,000 shares in Hawkstone. At the date of writing, Hawkstone shares traded at A\$0.041, valuing the Thor interest at approximately A\$600,000

#### Western Shaw

On 8<sup>th</sup> December 2017, the Company announced it had entered in to an option agreement to acquire a licence, in application, in the Pilbara region of Western Australia, considered prospective for lithium and conglomerate hosted gold deposits.

Following an initial site visit conducted during January, and assay of samples collected, the Company elected not to proceed with this project,

### CORPORATE & FINANCE

During the quarter, the Company announced a strategic placing of £0.3 million at 3.0pence to Metal Tiger PLC, with Metal Tiger securing, for a 90 day period, first right of refusal to participate in any new joint venture, acquisition, or similar transaction undertaken by Thor. We look forward to working with Metal Tiger and reviewing our projects with them.

**Yours faithfully,**

THOR MINING PLC

Mick Billing  
Executive Chairman

#### *Competent Person's Report*

The information in this report that relates to exploration results, and exploration targets, is based on information compiled by Richard Bradey, 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.

Updates on the Company's activities are regularly posted on Thor's website [www.thormining.com](http://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).

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

THOR MINING PLC

### ABN

121 117 673

### Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts (Spring Hill Royalty)	-	8
1.2 Payments for		
(a) exploration & evaluation	(228)	(1,207)
(b) development	-	-
(c) production	-	-
(d) staff costs	(52)	(138)
(e) administration and corporate costs	(368)	(1,032)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	7
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (settlement of future royalty)	-	(162)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(644)</b>	<b>(2,526)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(17)
(b) tenements (see item 10)	-	-
(c) investments	-	(378)
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
commission paid on proceeds	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (security bonds)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(5)</b>	<b>(395)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,412	5,407
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(5)	(91)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings (finance lease)	(4)	(11)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (Director Advances repaid)	-	(50)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,403</b>	<b>5,255</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,278	685
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(644)	(2,526)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5)	(395)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,403	5,255
4.5 Effect of movement in exchange rates on cash held	42	55
<b>4.6 Cash and cash equivalents at end of period</b>	<b>3,074</b>	<b>3,074</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,574	1,778
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (term deposit)	1,500	500
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,074</b>	<b>2,278</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	168
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at Item 6.1 above represents payments to Directors for Directors fees and other consulting services provided (Messrs Billing and Thomas only).

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	(505)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(40)
9.5	Administration and corporate costs	(190)
9.6	Other	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>(735)</b>

<b>10.</b>	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  ..... Date: .....30 April 2018.....  
(Company secretary)

Print name: ..Ray Ridge.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.