

QUARTERLY REPORT JULY TO SEPTEMBER 2013

Highlights

Outlook for December Quarter

**TUNGSTEN & MOLYBDENUM**

**Molyhil NT**

- Letter of Intent agreed for sale of 70% to 75% of tungsten concentrates to major US based tungsten group.
- Ore sorting testwork identifies cost savings.
- Other initiatives targeting reduced capital & operating costs.

- Seeking off-take agreements for balance of concentrate production.
- Ongoing cost reduction work.
- Testwork on proposed variations to process flow sheet.
- Negotiations to secure project finance.

**GOLD**

**Spring Hill NT**

- RC drilling program extends known mineralisation.
- Best down hole intercepts of:
  - 6 metres @ 5.6g/t au
  - 6 metres @ 6.8 g/t au.
- Ore sorting testwork shows potential for lower costs & improved economic outcomes.

- Follow up drilling
- Continued evaluation of potential for profitable production.
- Follow up ore sorting testwork.

**Dundas WA**

- No work during the quarter.

- Aircore drilling program contingent upon available funds.

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Figure 1: Thor Mining PLC Project Location Map

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

**Project Development**

Discussions with potential customers for project concentrates resulted in a Letter of Intent from US based Global Tungsten & Powders undertaking, subject to due diligence and sourcing project finance, to purchase 70% to 75% of tungsten concentrates produced, at pricing benchmarked against Metal Bulletin (LMB) APT European free-market price. Discussions with other parties, in respect of the balance of the concentrates continue.

**Ongoing Optimisation Studies**

A number of initiatives are being evaluated with the objective of reducing costs of the operation with considerable recent success. Several of these initiatives will increase the capital cost of project development. However, other identified savings will largely offset these. Those savings identified to date include; ore sorting, owner mining rather than contract mining, and funding certain aspects of infrastructure via capital in preference to leasing. More opportunities are being evaluated. Cost savings in the order of 15% compared with the 2012 definitive feasibility study (DFS) have been identified to date.

**Metal Prices**

The selling price in Europe of Tungsten APT now sits at US\$400/mtu, while the price of Molybdenum Roasted Concentrates has eased to US\$9.50/lb (Figure 2). While the price of tungsten has weakened marginally since the June quarter, the price has still improved by 25% during 2013.

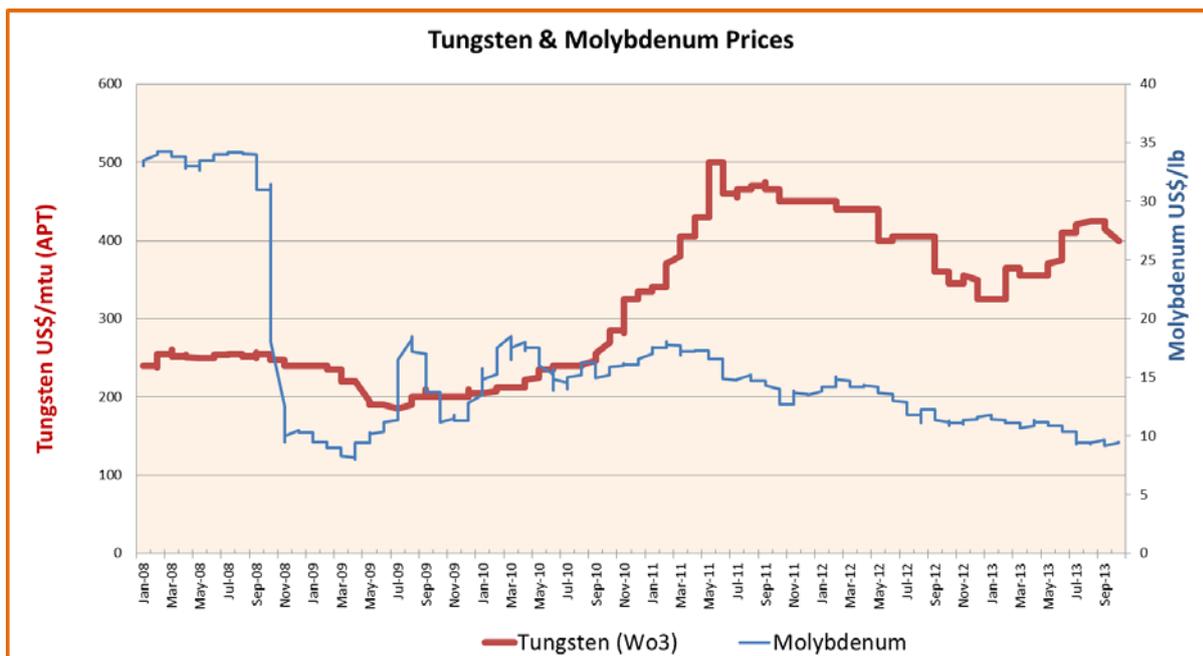


Figure 2: Tungsten & Molybdenum price movements (Metal Pages.com)

GOLD

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

Project Development

During the June quarter Thor signed a non-binding Memorandum of Understanding (MOU) in respect of toll treatment of ore from Spring Hill with Crocodile Gold Australian Operations Pty Ltd, a subsidiary of Toronto-listed Crocodile Gold Corporation (TSX: CRK), and also announced that Thor is preparing for mine development following positive results of a study to extract over 40,000 ounces of gold from near surface oxide ore from the project.

During the September 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 (currently being conducted), internal modelling suggests that material cost savings can be achieved at the proposed Spring Hill operation, from this pre-concentration process, with additional potential benefits of increasing the economic mineable inventory.

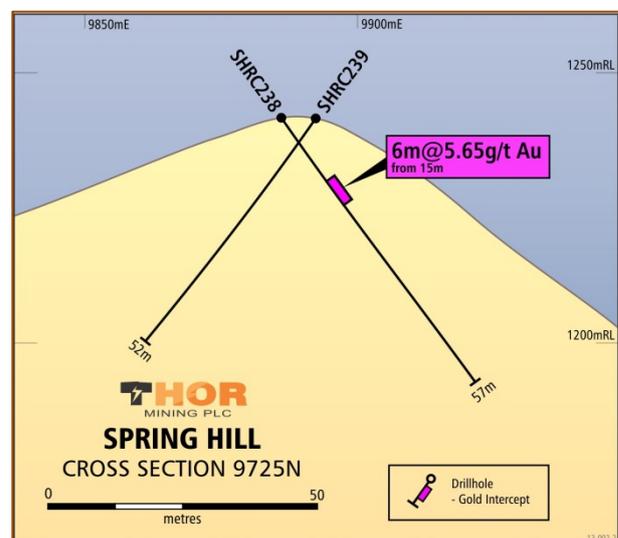
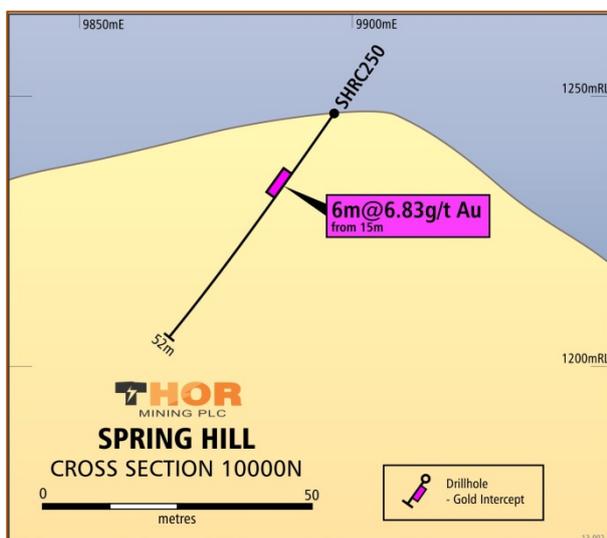
Project Exploration

A reverse circulation (RC) drilling program of 1,606 metres over 19 holes commenced in September, and was completed shortly after the end of the quarter. Assays highlights include downhole intersection of:

- SHRC238 6metres(m) at 5.6 grams/tonne (g/t) gold from 15m  
Including: 3m at 10.9g/t from 15m
- SHRC250 6m at 6.8g/t from 15m  
Including: 4m at 10.1g/t Au from 16m
- SHRC244 28m at 1.2g/t Au from 3m  
Including: 1m at 2.5g/t Au from 10m,  
: 1m at 2.7g/t Au from 12m,  
: 1m at 2.2g/t Au from 15m, and  
: 2m at 2.3g/t Au from 18m

In addition, 11 holes of the 19 hole program, intersected mineralisation within 50 metres of surface at grades consistent with what Thor has come to expect from Spring Hill suggesting that the planned near term oxide mining inventory may be extended.

The program comprised 1,606 metres of reverse circulation (RC) drilling targeting near surface mineralisation most likely to enhance the initial mining inventory. Holes SHRC238 and SHRC250 (figures 3&4) demonstrate the potential to further add significant value to the near surface resource at Spring Hill.



Figures 3&4: High grade shallow intersects from 2013 RC drilling. In both cases mineralisation is located near the southern margins of proposed pits and have the potential to enhance mining inventory significantly

Drilling to test up-dip continuation of mineralisation, from SHDD010 in the 2012 drilling program, has shown mineralisation may roll in an easterly direction as a saddle reef rather than extend directly to the surface as previously postulated (figure 5).

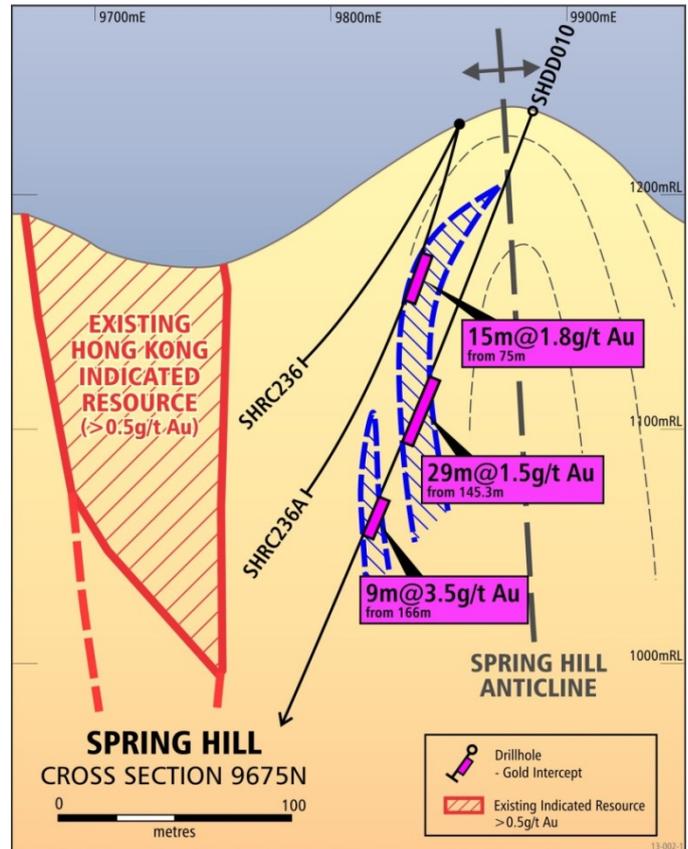


Figure 5: Initial results of drilling up-dip of the 2012 diamond hole SHDD010 indicate mineralisation in this area may be in the form of a saddle reef rolling eastwards with bedding rather than an axial planar vein system as first thought.

DUNDAS PROJECT - WA (60% THOR)

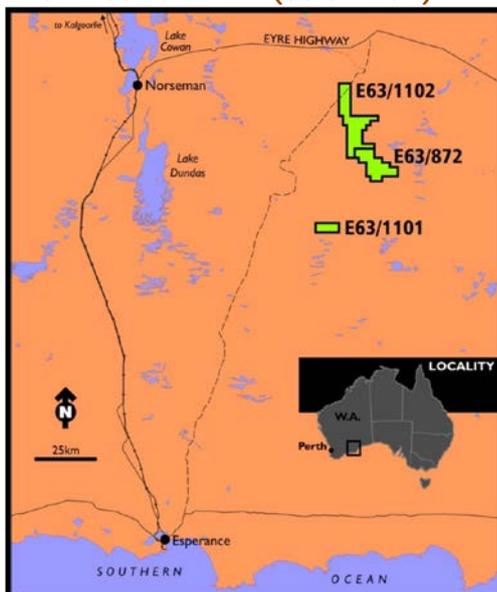


Figure 6: Dundas Project Location map

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

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## CORPORATE AND FINANCE

During the quarter, the Company raised additional funds through the issue of 293,788,887 million ordinary shares, in placements to sophisticated investors in the UK. These issues raised AUD\$1,121,000 before associated costs.

Commenting, Mr Mick Billing, Executive Chairman of Thor Mining, said: "This has been a very productive period for Thor. A concentrate off-take agreement with a company of the stature of Global Tungsten & Powders is a big step forward. In addition the ore sorting results and other cost saving initiatives provide some confidence in the potential to generate additional profitable production at Molyhil, including the potential for a longer mine life. Add in the results of drilling and other progress at Spring Hill, and the Company has made very good progress in challenging market conditions".

Yours faithfully,

THOR MINING PLC

Mick Billing

Executive Chairman

### ***Competent Persons 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.*