

28 June 2011

Company Announcements Office,
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Thor Mining feasibility study update into viability of Molyhil Project in the Northern Territory

The strong global price for tungsten has led to Thor Mining PLC (AIM, ASX: THR) undertaking a new study into the viability of the Company's Molyhil tungsten and molybdenum project in the Northern Territory.

Thor announced today it had appointed leading Australasian engineering firm, Proteus EPCM Engineers, to revise the 2007 Definitive Feasibility Study capital and operating cost estimates for the project.

Commenting on the new study, the Chairman of Thor, Mr Mick Billing, said today:

"The significant improvement in recent times, in particular of international tungsten pricing, has provided confidence that the project economics may once again be viable. The revised cost estimates will form part of an updated definitive feasibility study which is expected to be completed in October.

The keys to the revised study were an unchanged flow sheet for the proposed production process, along with the ATP tungsten price, currently quoted in metal-prices.com at up to US\$485/mtu.

In addition, the study will focus on contract provision of infrastructure and services where practicable to minimise start-up capital costs.

We are delighted to be in a position to re-examine the 2007 feasibility study, and are optimistic of a favourable outcome which may lead to commencement of development activities during 2012.

The improving commodity price for tungsten now provides almost 80% of project revenue and the medium term prospects for tungsten are positive.

We are also planning a drilling program to test for further extensions of the resource at depth with the objective of a much longer term mining operation."

For further detail contact:

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Key Projects:

- Molyhil (NT)
Tungsten, Molybdenum
- Dundas (WA)
Gold
- Spring Hill (NT)
Gold

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About Molyhil

Molyhil lies in the centre of Australia, 220 kilometres North East of Alice Springs. The geology consists of a well-defined lode which is a magnetite skarn in granite. The mineralogy is fairly simple with scheelite and molybdenite. The lodes dip steeply east and the body of mineralisation is open down plunge to the south. The results of a Definitive Feasibility Study unveiled in 2007 confirmed the viability of a 400,000 tonnes per annum mining and processing operation with attractive financial outcomes.

Summary of Rounded Resource Estimates – 15.25% Fe₂O₃ Lower Cut

Classification	Resource (t)	MoS ₂ (%)	WO ₃ (%)	Fe ₂ O ₃ (%)
Measured	540,000	0.24	0.33	29.4
Indicated	2,300,000	0.18	0.38	27.9
Inferred	900,000	0.20	0.15	27.0
Total	3,750,000	0.19	0.32	28.0

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr. J.J.G. Doepel, B.Sc (Hons), Grad Dip For Sc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr. Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration 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”. Mr. Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.



Thor Mining PLC project locations