

27 June 2011

Company Announcements Office,
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Project Update

The following letter was released to security holders who are recipients of an "*in specie*" distribution of Thor Mining PLC securities from Western Desert Resources Limited.

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THOR MINING PLC

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Shares: THR
Options: THRO

AIM Listings:
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Key Projects:

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

THOR MINING PLC – PROJECT STATUS REPORT

ASX Code: THR / AIM Code: THR

21 June 2011

Dear Shareholder,

Following the recently announced distribution by Western Desert Resources of its shareholding in Thor, we are taking this opportunity to give new and existing shareholders an update on our operations looking towards what we believe will prove to be a very exciting 12 month program ahead.

Commodity prices for Thor projects are now at record levels in the case of gold and tungsten and have substantially recovered in the case of molybdenum. We believe therefore that the company is in an excellent position to advance towards project development.

Below are details of our projects where we will be most active in the near term:

Molyhil Tungsten and Molybdenum project (Northern Territory)

- Projected for near-term development and mining
- Strong potential for increased resources from further exploration
- September quarter program includes; update of feasibility studies, and a drill program scheduled to test size of resource at depth and improve confidence level in the ore body.

Spring Hill Gold project (Northern Territory)

- Hosts Indicated Resource of 274,000oz within 3.64Mt @ 2.34 g/t Au
- Significant potential for exploration upside from current open-pit/future underground
- September quarter program includes extensional resource drilling
- December quarter program includes metallurgical test work and deep target drilling.

Dundas Gold project (Western Australia)

- Located in strike extension of prolific Norseman greenstone belt
- Hosts new discoveries including 5Moz Tropicana gold deposit
- Systematic drill testing programmed over 2011-2012.

Senior Management team

The Thor Mining Board of Directors, and senior management are seasoned professionals with a high level of skill sets across demanding exploration, mine production, commercial and project financing activity, and we continue to strengthen the team.

I look forward to giving you further updates soon.

Yours Sincerely,


Mick Billing

Executive Chairman

Thor Mining PLC is a resources company listed on the Australian Securities Exchange (ASX) in Australia, and on the Alternative Investment Market (AIM) in the United Kingdom.

We welcome your contact with the Company and more information can be found on our website at www.thormining.com

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MOLYHIL TUNGSTEN-MOLYBDENUM PROJECT (NT)

Thor holds 100% equity

Molyhil is located 220 kilometres north-east of Alice Springs (320km by road) within the prospective polymetallic province of the Proterozoic Eastern Arunta Block in the Northern Territory.

Since Thor acquired the project in 2005, the project has progressed from being an advanced exploration project to one which is ready for development. Exploration activities resulted in a resource estimate of 3.75 million tonnes containing high grade tungsten and molybdenum. A definitive feasibility study (DFS) was completed in 2007 with outcomes indicating profitable development. In addition your company secured development approval from traditional owners and environmental approval from the Department of Regional Development, Primary Industry, Fisheries and Resources in the Northern Territory.

The 2008 global financial crisis depressed the prices of both molybdenum and tungsten considerably, resulting in the suspension of development activities. These prices have since recovered, particularly strongly in the case of tungsten, and your Directors believe that near-term development may be feasible.

Summary of Rounded Resource Estimates – 15.25% Fe ₂ O ₃ 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

Note: Totals may differ from sum of individual items due to rounding.

At the time of writing, the price for the commodities, Tungsten APT and Molybdenum Concentrates as quoted in www.metal-pages.com are as follows:

- Tungsten APT – US\$460/mtu to US\$500/mtu; and
- Molybdenum Roasted Concentrates (57%) – US\$16.50/lb to US\$16.60/lb

At the average grade of the resource, this would translate to US\$200/tonne.



Figure 1: Thor Mining tenement map

Project Development

Directors have commenced a re-evaluation of the former Definitive Pre-feasibility Study, published in 2007. The scope of the re-evaluation will include updating estimates of capital and operating costs for the project, along with the updated metal prices and exchange rates. A successful outcome from this study revision will result in urgent steps towards mine development.

Future Exploration

Preparations have commenced for a drilling program at Molyhil to test the potential for significant increase in the size of the resource at depth, and also to further improve our level of confidence in the orebody. In addition, we plan to drill a nearby prospect (Thring Creek) which, if successful has the potential to further increase the size of the mineable resource. This drilling program is scheduled for the September 2011 quarter.



Figure 2: Molyhil core

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.

SPRING HILL PROJECT (NT)

Thor acquiring earn-in rights to up to 80% equity

Thor has agreed terms for staged acquisition from Western Desert Resources Limited ("WDR") of up to an 80% interest in Spring Hill Gold Project in the Northern Territory. The first stage of this acquisition (for an initial 25% interest) has progressed and currently awaits ministerial approval from the Northern Territory government.

The Spring Hill project is located approximately 150 km south of Darwin in the Northern Territory.

The location is served by all-weather access and is in close proximity to the sealed arterial Stuart Highway, north-south rail, gas pipeline and trunk powerlines.

Spring Hill hosts an Indicated Resource of 274,000oz gold within 3.64Mt @ 2.34 grams per tonne (g/t) gold. However, Directors believe significant potential exists for exploration upside, both for increments to the resource accessible for open pit mining, and at depth for a major resource using the "Callie" model.

Resource Estimate (Reported to ASX on 22 January 2011) (3.6 million tonnes @2.34g/t gold. Cutoff grade 1.0 g/t)									
	Measured		Indicated		Inferred		Total		
	Tonnes (Mt)	Grade g/t Au	Contained ounces Gold (K oz)						
Zone of Oxidation	-	-	1.32	2.16	-	-	1.23	2.16	92
Transition Zone	-	-	0.50	2.37	-	-	0.50	2.37	38
Unweathered Zone	-	-	1.82	2.47	-	-	1.82	2.47	144
Total	-	-	3.64	2.34	-	-	3.64	2.34	274

Estimate: McDonald Speijers, June 2003, Compliant with JORC Code September 1999

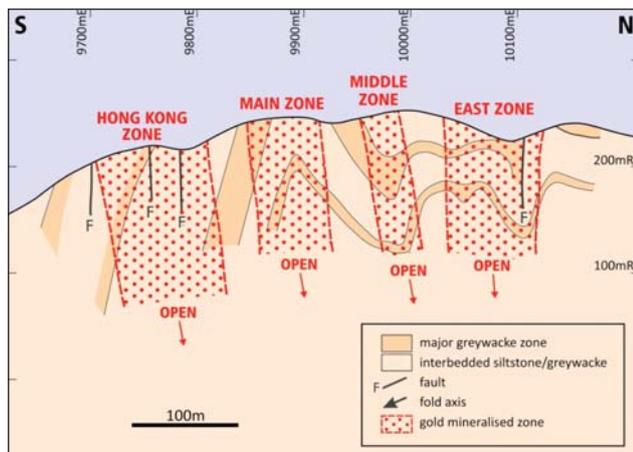


Figure 3: Spring Hill – Summary Cross Section

Gold at Spring Hill occurs mainly in quartz veins concentrated in fracture zones and the axial zones of anticlinal fold structures. Much of the gold is relatively coarse-grained, in the visible range, imparting significant 'nugget effect' to drill samples.

Four main zones of gold mineralisation cover an area of approximately 1,000 x 400 metres (Figure 3). They have been outlined during the early 1990s and mid 2000s by drilling conducted by previous owners of the project around historic workings. These zones have not been drill tested below 150 metres. Additionally, several subordinate occurrences have been identified in adjoining areas, which are scheduled for testing by Thor.

Additionally, the Company believes that the Spring Hill gold deposit may be just the indicator of much more substantial mineralisation at depth. *Figure 4* (based on a publication of the Northern Territory Geological Survey) indicates the conceptual setting of gold throughout the Pine Creek Inlier.

The Northern Territory’s Tanami Region shares a near-identical geological history and gold endowment. Importantly, in the Tanami, the Callie deposit (resources + production >5 million ounces at 5-6 g/t gold) occupies a structural-stratigraphic setting comparable to that of Cosmo Howley (resources + production >1 million ounces at 3-4 g/t) in *Figure 4*. Consequently, the Company is targeting a sheeted vein system deeper in the anticline, below the known Spring Hill mineralisation and which it believes has substantial Company-making potential.

The targeted stratigraphy is exposed, within EL22957, and is believed to exist in the subsurface below the Spring Hill deposit at depths which are reasonable to test by drilling.

The target deposit is more than an extension of the exposed mineralisation; it is a separate deposit in a separate but related setting.

The sheeted vein characteristic of much of the Hong Kong Lode at Spring hill provides evidence of favourable structural settings, while the magnitude of the Spring Hill system gives promise of additional gold concentrations in chemically more favourable environments at depth.

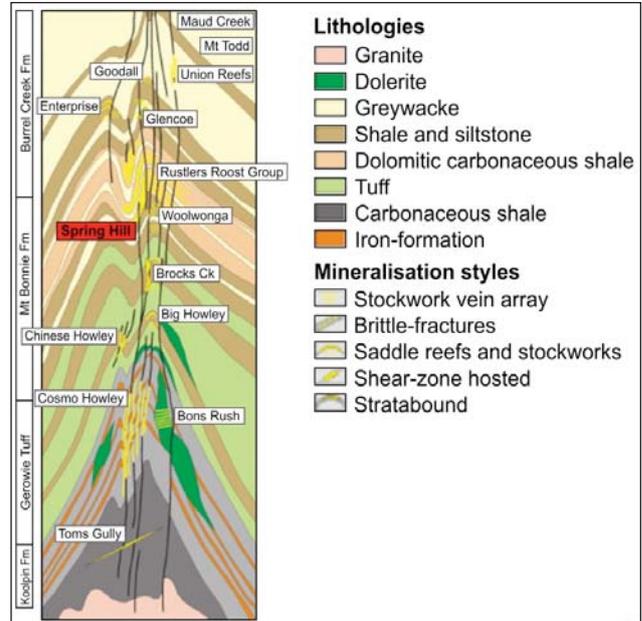


Figure 4: Structural and stratigraphic setting and styles of gold mineralisation in the Pine Creek Inlier (After N.T. Geological Survey).

Future Activities

The Company is planning to drill test for depth extensions to the existing resource at Spring Hill during the September 2011 quarter, along with preparatory work to drill test the deeper target later in the year. In addition, we shall be conducting metallurgical testwork, along with scoping studies for development.

The information in this report that relates to mineral resources or ore reserves of the Spring Hill gold deposit is based on information compiled by Diederik Speijers who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Speijers is the principal of consulting firm McDonald Speijers. 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’. Diederik Speijers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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DUNDAS GOLD PROJECT (WA)

Thor holds rights to up to 100% equity

The Dundas project tenements lie on the general strike-extension of the most prolific gold-bearing belt of the Yilgarn Province – the 700km Wiluna-Kalgoorlie-Norseman greenstone belt, in an area where the trend of the Albany-Fraser belt is displaced south-eastwards by about 50km. The Albany-Fraser belt hosts a number of recent gold discoveries including the +5 million ounce Tropicana

gold deposit, and other discoveries including Beachcomber, Socrates, Hercules, and Corona.

Exploration activities to date have focussed upon near surface calcrete sampling followed by RAB and air-core drilling to intersect the top section of bedrock.

To date, we have identified a number of prospects for drill testing and these are to be systematically tested during the next year.

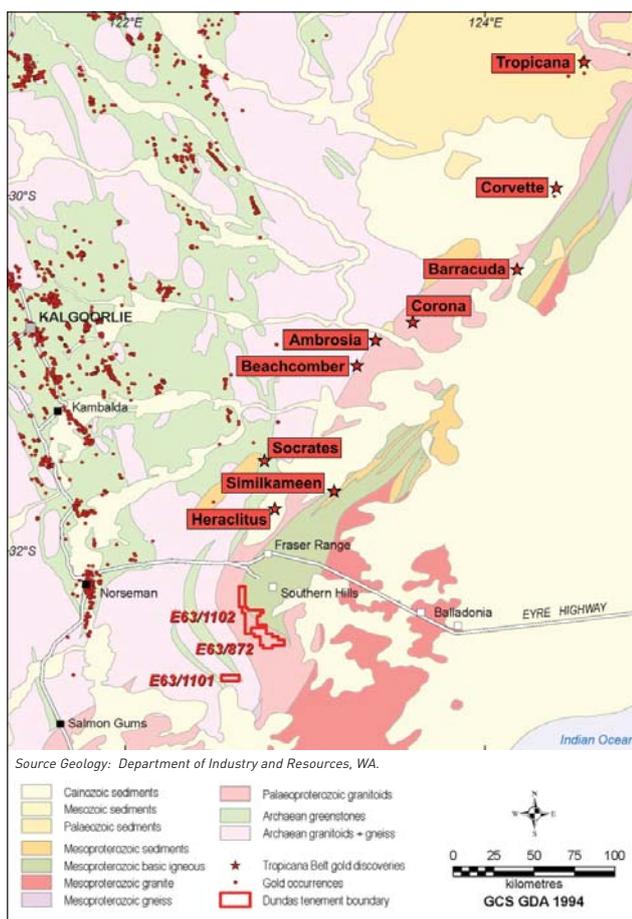


Figure 5: Albany Fraser belt geological image

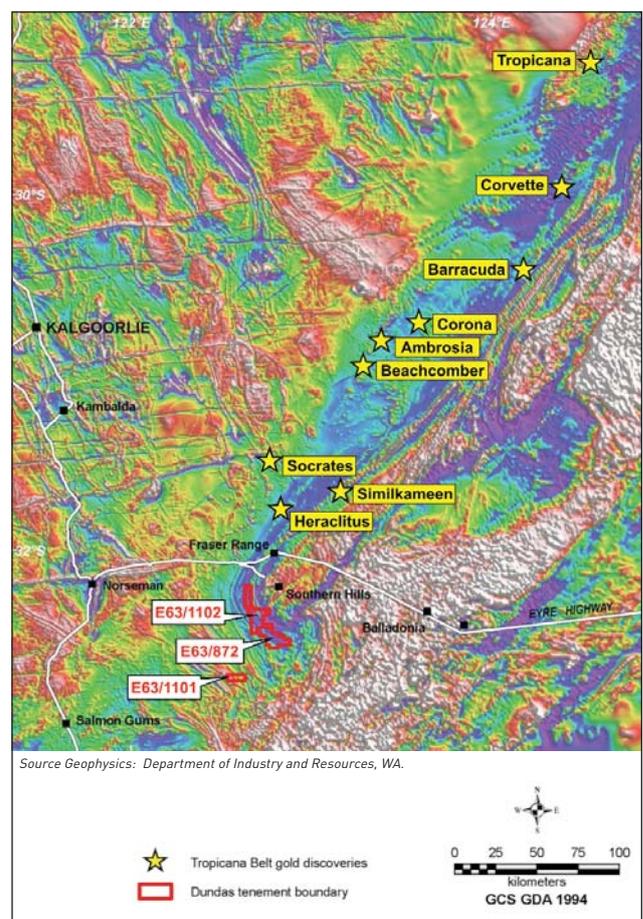


Figure 6: Albany Fraser belt magnetic image

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