



**Half-yearly Report**

**For the six months ended  
31 December 2011**

## REVIEW OF OPERATIONS

The net result of operations for the half-year was a loss of £469,000 (2010: £570,000).

### Molyhil Molybdenum/Tungsten project

#### **Definitive Feasibility Study**

During the half year ended 31 December 2011, the Company made substantial progress on the Definitive Feasibility Study (DFS) of the Molyhil project with the highlights including:

- An overall increase of 25% in the resource estimate to 4.7 million tonnes;
- Increased tungsten recovery estimates; and
- Projected revenue increases of \$7.0 million p.a. over the life of the mine.

A feature of the revised resource estimate is the high grade of tungsten in the upper levels of the resource (averaging >0.5%WO<sub>3</sub>), suggesting an early payback of capital from the proposed operation.

Key input parameters to the DFS include:

Capital Cost Estimate	A\$69 million
Operating Cost estimate (per tonne of ore processed)	A\$84
Operating Cost / mtu WO <sub>3</sub>	US\$115
After molybdenum bi-product credits	
Assuming 75% recovery of WO <sub>3</sub>	
Revenue / mtu WO <sub>3</sub>	US\$360
Source Roskill October 2011. (After APT discounts)	
Annual throughput of ore	400,000 tpa
Tungsten recovery	75%
Molybdenum recovery	77.8%
Scheelite concentrate produced annually	2,200 tpa
Molybdenum concentrate produced annually	1,250 tpa

As at the date of this report the DFS study is nearing completion.

#### **Regulatory Approvals**

The Public Environmental Report for the Molyhil Project was approved in July 2007 by the Department of Regional Development, Primary Industry, Fisheries and Resources in the Northern Territory, who also confirmed in December 2011 that the environmental process was complete.

As required by the above department, the next process is for a Mining Management Plan to be prepared for approval.

The Tripartite Deed records the terms of the Agreement between the parties in accordance with the Native Title Act and is between the Arrapere People, the Central Land Council and Thor.

An Aboriginal Areas Protection Authority Certificate, granted in 2008, cleared the proposed Molyhil development in respect of sacred sites and areas of significant cultural heritage. This certificate has expired and is currently in the process of being renewed. Subject to this matter, Thor has obtained all the required agreements from the Traditional Owners of the land to enable the Molyhil Operations to proceed with the recognition and support of those Traditional Owners.

### **Next Steps**

On completion of the DFS, the next stage of activities will involve securing off-take agreements for the concentrates to be produced and finance for the development. These processes have already commenced and it is hoped that these will be secured in time to allow project development to commence in the second half of 2012.

**Table 1: Summary of Molyhil Mineral Resource Estimate** (Reported to ASX and AIM on 30 January 2012)

Classification	Resource Tonnes	MoS <sub>2</sub>		WO <sub>3</sub>		Fe
		Grade %	Tonnes	Grade %	tonnes	Grade %
Measured	-	-	-	-	-	-
Indicated	3,820,000	0.22	8,200	0.29	10,900	18.8
Inferred	890,000	0.25	2,200	0.25	2,200	15.2
<b>Total</b>	<b>4,710,000</b>	<b>0.22</b>	<b>10,400</b>	<b>0.28</b>	<b>13,100</b>	<b>18.1</b>

Mineral Resource reported at 0.1% combined Mo + WO<sub>3</sub> Cut-off and above 200mRL only.

Note: minor rounding errors may occur in compiled totals.

### **Gold Exploration projects**

#### **Spring Hill Project - Northern Territory**

The acquisition of an interest in this exciting gold opportunity was completed in August 2011, and by the end of September the Company had commenced drilling. Six diamond drill holes were complete before the annual "wet season" commenced, with assays confirming extensions to the mineralisation.

The Company is planning, in 2012, to:

- continue drill testing for depth extensions to the existing resource at Spring Hill, along with drill testing known mineralisation to the north, south and west;
- drill test the deeper ("Callie" style) target later in the year;
- conduct further metallurgical testwork, particularly to assess the potential for economic recovery of the near surface material, via fine crushing, followed by gravity extraction and vat leaching;
- progress scoping and feasibility studies for development;
- progress regulatory and environmental approval activities.

#### **Dundas - Western Australia**

The Company has advanced the preparation of various regulatory and environmental reports which are the precursors to the lodgement of drilling applications. Although hampered by bad weather, a calcrete sampling programme was begun and preparations are in hand for a follow up RC drilling programme.

During 2012 it is expected that the calcrete sampling program over the 3 tenements will be completed and a number of targets generated from the activity will be drill tested.

### **Finance**

During the period, the Company raised £792,500 before costs as a result of the issue of 68.9 million shares in the United Kingdom at prices between 1 p. and 1.34 pence. In addition, 462,500 unlisted UK warrants were exercised at the subscription price of 1.5 pence each.

Subsequent to the end of the period:

- The Company raised £570,000 before costs as a result of a share placement to sophisticated investors in the United Kingdom. This resulted in the issue of 57,000,000 shares at a price of 1.00 p each in the United Kingdom.
- The company raised £70,000 as a result of the early exercise, by two directors, of Australian CDI warrants with an expiry date of 26 March 2012.

Funds raised are directed towards the Company's continuing developments at the above projects, and meeting day to day running costs of the Company.

### **Comprehensive Income**

The comprehensive income statement records a comprehensive loss for the period of £554,000 (2010: £683,000 gain) after taking into account a Directors review and write down due to an impairment of exploration costs for the half year amounting to £117,000 (2010: £115,000) and unfavourable (unrealised) exchange differences of £85,000 (2010: £1,253,000 favourable).



**Mick Billing**  
**Executive Chairman**  
9 March, 2012

### **Competent Persons statements**

*The information in this report that relates to the Molybil Mineral Resource is based on information compiled by Mr Craig Allison, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Allison is a full-time employee of Runge Limited. 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'. Mr Allison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to exploration results 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 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.*

## **INDEPENDENT REVIEW REPORT TO THOR MINING PLC**

### ***Introduction***

We have been engaged by the Company to review the interim consolidated financial statements for the six months ended 31<sup>st</sup> December 2011 comprising the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet and Statement of Changes in Equity and Cash Flows and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

### ***Directors' Responsibilities***

The interim financial report is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim financial report in accordance with the rules of the London Stock Exchange Plc for Companies trading securities on the AIM Market. As disclosed in Note 1 the accounting policies are consistent with those that the Directors intend to use in the next financial statements. The interim financial statements included in this interim report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

### ***Our Responsibility***

Our responsibility is to express to the Company a conclusion on the interim financial statements in the interim report based on our review.

### ***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review we are not aware of any material modifications that should be made to the financial information as presented in the interim financial statements for the six months ended 31<sup>st</sup> December 2011.



CHAPMAN DAVIS LLP  
Chartered Accountants  
2 Chapel Court  
London SE1 1HH

9<sup>th</sup> March 2012

**Condensed Consolidated Statement of Comprehensive  
Income**

For the 6 months ended 31 December 2011

	Note	£'000 6 months ended 31 December 2011	£'000 6 months ended 31 December 2010	£'000 Year Ended 30 June 2011
		Unaudited	Unaudited	Audited
Administrative expenses		(68)	(98)	(175)
Corporate expenses		(307)	(251)	(686)
Other expenses		0	-	-
Share based payment expense		0	(117)	(155)
Gain (Loss) on disposal of assets		0	9	9
Impairment of exploration assets		(117)	(115)	(1,834)
<b>Operating Loss</b>		<b>(492)</b>	<b>(572)</b>	<b>(2,841)</b>
Interest received		23	9	32
Other income		0	5	9
Currency losses		0	(12)	(52)
<b>Loss before Taxation</b>		<b>(469)</b>	<b>(570)</b>	<b>(2,852)</b>
Taxation		-	-	-
<b>Loss for the period</b>		<b>(469)</b>	<b>(570)</b>	<b>(2,852)</b>
<b>Other comprehensive income:</b>				
Exchange differences on translating foreign operations		(85)	1,253	1,354
Other comprehensive income for the period, net of income tax		(85)	1,253	1,354
Total comprehensive income for the period		<b>(554)</b>	<b>683</b>	<b>(1,498)</b>
Basic loss per share	2	(0.08)p	(0.15)p	(0.65)p

**Condensed Consolidated Balance Sheet**

At 31 December 2011

	Note	£'000 31 December 2011  Unaudited	£'000 31 December 2010  Unaudited	£'000 30 June 2011  Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets - deferred exploration costs	3	9,432	8,550	7,310
Plant and equipment	4	66	42	35
<b>Total non-current assets</b>		<u>9,498</u>	<u>8,592</u>	<u>7,345</u>
<b>Current assets</b>				
Cash and cash equivalents		236	701	1,585
Trade & other receivables		168	29	24
Prepayments		12	12	5
<b>Total current assets</b>		<u>416</u>	<u>742</u>	<u>1,614</u>
<b>Total assets</b>		<u>9,914</u>	<u>9,334</u>	<u>8,959</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		(257)	(90)	(84)
Provisions		-	-	-
Interest bearing liabilities		(9)	(9)	(9)
<b>Total current liabilities</b>		<u>(266)</u>	<u>(99)</u>	<u>(93)</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities		(1)	(10)	(6)
<b>Total non-current liabilities</b>		<u>(1)</u>	<u>(10)</u>	<u>(6)</u>
<b>Total liabilities</b>		<u>(267)</u>	<u>(109)</u>	<u>(99)</u>
<b>Net assets</b>		<u>9,647</u>	<u>9,225</u>	<u>8,860</u>
<b>Equity</b>				
Issued share capital		1,919	1,319	1,591
Share premium		10,700	8,181	9,687
Foreign exchange reserve		3,927	3,911	4,012
Merger reserve		405	1,634	405
Option revaluation reserve		131	127	165
Retained losses		(7,435)	(5,947)	(7,000)
<b>Total equity</b>		<u>9,647</u>	<u>9,225</u>	<u>8,860</u>

**Condensed Consolidated Cash Flow Statement**

For the 6 months ended 31 December 2011

	£'000	£'000	£'000
	<b>6 months ended 31 December 2011</b>	6 months ended 31 December 2010	<b>Year Ended 30 June 2011</b>
	<b>Unaudited</b>	Unaudited	<b>Audited</b>
<b>Cash flows from operating activities</b>			
Operating Loss	(492)	(572)	(2,841)
Decrease/(increase) in trade and other receivables	(151)	30	33
Increase/(decrease) in trade and other payables	50	(72)	(78)
Depreciation	12	12	23
Exploration expenditure written off	117	115	1,834
Unrealised exchange gain	0	88	-
Share based payment expense	0	117	155
Sundry income	0	5	9
Profit/(loss) on sale of fixed assets	0	(9)	(9)
<b>Net cash outflow from operating activities</b>	<b>(464)</b>	<b>(286)</b>	<b>(874)</b>
<b>Cash flows from investing activities</b>			
Interest received	23	9	32
Proceeds from sale of fixed assets	0	12	12
Purchase of property, plant and equipment	(11)	(25)	(28)
Payments for exploration expenditure	(1,643)	(150)	(609)
<b>Net cash outflow from investing activities</b>	<b>(1,631)</b>	<b>(154)</b>	<b>(593)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	(5)	(4)	(5)
Net issue of ordinary share capital	751	1,110	2,888
<b>Net cash inflow from financing activities</b>	<b>746</b>	<b>1,106</b>	<b>2,883</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,349)</b>	<b>666</b>	<b>1,416</b>
Exchange rate adjustments on opening cash balances	0	0	134
Cash and cash equivalents at beginning of period	1,585	35	35
<b>Cash and cash equivalents at end of period</b>	<b>236</b>	<b>701</b>	<b>1,585</b>



**Condensed Consolidated Statement of Change in Equity**

For the 6 months ended 31 December 2011

	Issued share capital £'000	Share premium £'000	Retained earnings £'000	Foreign Currency Translation Reserve £'000	Merger Reserve £'000	Share Based Payment Reserve £'000	Total £'000
<b>Balance at 1 July 2010</b>	729	7,275	(5,377)	2,658	1,634	10	6,929
Loss for the period	-	-	(570)	-	-	-	(570)
Foreign currency translation reserve	-	-	-	1,253	-	-	1,253
Total comprehensive income / (loss) for the period	-	-	(570)	1,253	-	-	683
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	590	1,038	-	-	-	-	1,628
Cost of shares issued	-	(132)	-	-	-	-	(132)
Share options issued	-	-	-	-	-	117	117
<b>At 31 December 2010</b>	<b>1,319</b>	<b>8,181</b>	<b>(5,947)</b>	<b>3,911</b>	<b>1,634</b>	<b>127</b>	<b>9,225</b>
<b>At 1 July 2010</b>	729	7,275	(5,377)	2,658	1,634	10	6,929
Loss for the period	-	-	(2,852)	-	-	-	(2,852)
Foreign currency translation reserve	-	-	-	1,354	-	-	1,354
Total comprehensive income / (loss) for the period	-	-	(2,852)	1,354	-	-	(1,498)
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	862	2,654	-	-	-	-	3,516
Cost of shares issued	-	(242)	-	-	-	-	(242)
Reserve written back	-	-	1,229	-	(1,229)	-	0
Share options issued	-	-	-	-	-	155	155
<b>At 30 JUNE 2011</b>	<b>1,591</b>	<b>9,687</b>	<b>(7,000)</b>	<b>4,012</b>	<b>405</b>	<b>165</b>	<b>8,860</b>
<b>Balance at 1 July 2011</b>	1,591	9,687	(7,000)	4,012	405	165	8,860
Loss for the period	-	-	(469)	-	-	-	(469)
Foreign currency translation reserve	-	-	-	(85)	-	-	(85)
Total comprehensive income / (loss) for the period	-	-	(469)	(85)	-	-	(554)
<b>Transactions with owners in their capacity as owners</b>							
Shares issued	328	1,061	-	-	-	-	1,389
Cost of shares issued	-	(48)	-	-	-	-	(48)
Share options lapsed	-	-	34	-	-	(34)	0
<b>At 31 December 2011</b>	<b>1,919</b>	<b>10,700</b>	<b>(7,435)</b>	<b>3,927</b>	<b>405</b>	<b>131</b>	<b>9,647</b>

**Notes to the Half-yearly Report**

*For the 6 months ending 31 December 2011*

**1. PRINCIPAL ACCOUNTING POLICIES**

**(a) Presentation of Half-yearly results**

The half-yearly results have not been audited, but were the subject of an independent review carried out by the Company's auditors, Chapman Davis LLP. Their review confirmed that the figures were prepared using applicable accounting policies and practices consistent with those adopted in the 2011 annual report and to be adopted in the 2012 annual report. The financial information contained in this half-yearly report does not constitute statutory accounts as defined by Section 435 of the Companies Act 2006.

The half-yearly report has been prepared under the historical cost convention.

The Directors acknowledge their responsibility for the half-yearly report and confirm that, to the best of their knowledge, the interim consolidated financial statements for the six months ended 31 December 2011 have been prepared in accordance with International Financial Reporting Standards, including IAS 34 "Interim Financial Statements", and complies with the listing requirements for companies trading securities on the AIM market. This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2011.

The Directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the accounts on a going concern basis is appropriate.

**(b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Thor Mining PLC and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

**2. LOSS PER SHARE**

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>6 months ended 31 December 2011</b>	<b>6 months ended 31 December 2010</b>	<b>Year Ended 30 June 2011</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
Loss for the year	(469)	(570)	(2,852)
Weighted average number of Ordinary shares in issue	593,346,548	378,664,708	438,071,586
Loss per share – basic	(0.08)p	(0.15)p	(0.65)p

No diluted loss per share is presented as the effect of exercise of outstanding options is to decrease the loss per share.

**Notes to the Half-yearly Report**  
For the 6 months ending 31 December 2011

**3. DEFERRED EXPLORATION COSTS**

	£'000	£'000	£'000
	<b>31</b>	31	<b>30</b>
	<b>December</b>	December	<b>June</b>
	<b>2011</b>	2010	<b>2011</b>
<b>Cost</b>	<b>Unaudited</b>	Unaudited	<b>Audited</b>
At commencement	9,353	8,531	8,328
Exchange gain/(loss)	(112)	1,195	1,420
Additions	2,325	510	995
Write off exploration tenements			(1,390)
At period end	<u>11,566</u>	<u>10,236</u>	<u>9,353</u>
<b>Less: Impairments</b>			
At commencement	2,043	1,342	1,342
Exchange (gain)/loss	(26)	229	257
Impairment for period	117	115	1,834
Write off exploration tenements			(1,390)
At period end	<u>2,134</u>	<u>1,686</u>	<u>2,043</u>
<b>Net book value at period end</b>	<u>9,432</u>	<u>8,550</u>	<u>7,310</u>

At 31 December 2011 the Directors undertook an impairment review of the deferred exploration costs, as a result of which, an additional provision for impairment for £117,000 has been made.

**4. PROPERTY, PLANT AND EQUIPMENT**

As at 31 December 2011 the Group assets had a cost of £158,000 (six months ending 31 December 2010: £110,000). This comprised of motor vehicles and other equipment amounting to £43,000 and £115,000 respectively. The net book values at 31 December 2011 are £1,000 for motor vehicles and £65,000 for other equipment.

**Notes to the Half-yearly Report**

*For the 6 months ending 31 December 2011*

**5. POST BALANCE SHEET EVENTS**

On 16<sup>th</sup> February 2012, the Company raised £570,000 by the placing of 57 million shares at 1.00 p per share.

This raising will be used to progress the Company's exploration programme in Australia, including:

- Updating the ore reserve estimate and mining plan at the Molyhil Tungsten/Molybdenum project,
- Further drilling and evaluation at each of the Spring Hill gold project in Northern Territory and the Dundas gold prospect in Western Australia,

and to meet day to day running expenses of the Company.

**6. NON CASH SHARE BASED TRANSACTIONS**

The Company issued 40 million shares on 2 August 2011 valued at £590,000 as part of the consideration to purchase an initial 25% interest in the Springhill gold tenements.

**7. TURNOVER AND SEGMENTAL ANALYSIS - GROUP**

The Group has not commenced production and therefore recorded no revenue.

The Group has a number of exploration licenses in Australia which are managed on a portfolio basis. The decision to allocate resources to individual projects in the portfolio is predominantly based on available cash reserves, technical data and the expectations of future metal prices. Accordingly, the Group effectively operates as one segment, being exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

**DIRECTORS, SECRETARY AND ADVISERS**

**Directors**

Michael Robert Billing (Executive Chairman)  
Michael Kevin Ashton (Non-executive Director)  
Gregory Michael Durack (Non-executive Director)  
Trevor John Ireland (Non-executive Director)

	<u>In UK</u>	<u>In Australia</u>
<b>Registered Office and Directors' business address</b>	Third Floor 55 Gower Street London WC1E 6HQ	Level 1, 32 Richmond Road Keswick, South Australia Australia 5035
<b>Company Secretaries</b>	Stephen Frank Ronaldson	Allan Charles Burchard
<b>Website</b>	<a href="http://www.thormining.com">www.thormining.com</a>	<a href="http://www.thormining.com">www.thormining.com</a>
<b>Nominated Adviser to the Company</b>	<p><i>With effect from 24 February 2012:</i> Grant Thornton Corporate Finance 30 Finsbury Square London EC2P2YU</p> <p><i>Previously:</i> Daniel Stewart &amp; Company Plc Becket House, 36 Old Jewry, London EC2R 8DD</p>	
<b>UK Broker to the Company</b>	Simple Investments 1 High Street Godalming Surrey GU7 1AZ	
<b>Auditors to the Company</b>	Chapman Davis LLP 2 Chapel Court London SE1 1HH	
<b>Solicitors to the Company</b>	Ronaldsons LLP 55 Gower Street London WC1E 6HQ	Watson Lawyers Ground Floor, 60 Hindmarsh Square Adelaide SA 5000
<b>Registrars</b>	Computershare Investor Services Plc The Pavilions Bridgewater Road Bristol BS99 6ZY	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth Western Australia 6000