

QUARTERLY REPORT OCTOBER TO DECEMBER 2012

Highlights

Outlook for March 2013 Quarter

**TUNGSTEN & MOLYBDENUM**

**Molyhil NT**

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|---|--|
| <ul style="list-style-type: none"> <li>• Regulatory approvals activities</li> <li>• Ongoing marketing &amp; financing activities.</li> <li>• DFS enhancement studies.</li> <li>• Preliminary X-ray Fluorescence (XRF) geochemical reconnaissance identifies new anomalies.</li> </ul> | <ul style="list-style-type: none"> <li>• Ongoing marketing &amp; financing activities.</li> <li>• Ongoing enhancement program.</li> <li>• Exploration - review and test nearby prospects.</li> </ul> |
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**GOLD**

**Spring Hill NT**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Resource increase to 450,000oz above 150m depth.</li> <li>• Additional mineralisation intersected by drilling 150 to 250 metres.</li> </ul> | <ul style="list-style-type: none"> <li>• Continued evaluation of potential for profitable production.</li> <li>• Annual wet season interruption to field activities.</li> </ul> |
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**Dundas WA**

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|---|---|
| <ul style="list-style-type: none"> <li>• Geochemical assessment of surface samples for nickel potential.</li> <li>• Potential for nickel prospectivity recognised in a small part of the tenement.</li> </ul> | <ul style="list-style-type: none"> <li>• Further on site geochemical sampling for nickel potential.</li> <li>• Preparation for follow up air core and RC drilling.</li> </ul> |
|---|---|



Figure 1: Thor Mining PLC Project Location Map

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

December quarter activities were devoted to negotiations to secure agreements for off-take and project finance, as well as pursuing a number of optimisation opportunities

Discussions with potential customers for project concentrates are ongoing. While it is difficult to forecast the terms and timing of any agreement, Directors remain confident that a positive outcome will be achieved to allow development at Molyhil to commence.

**Concentrate Quality**

A number of potential customers have identified relatively high molybdenum levels in the scheelite concentrate, which while acceptable in some markets, is an issue for others. Subsequent testwork has successfully demonstrated a reduction in the molybdenum level in the scheelite concentrate to less than 0.5% Mo, resulting in a much more marketable product.

**Pit slope**

Ongoing work on our mining plan parameters has resulted in recognition that a steepening of the pit slope angle, and the consequent improved waste to ore ratio, has the potential to increase substantially the material considered economic to extract from the mine. In consequence Thor is planning 3 diamond drill holes, placed to assess steeper slope potential. While the impact of this work on any slope changes cannot be anticipated, and the subsequent effect on ore reserve calculations will depend also upon updated commercial factors, previous internally modelled outcomes of steepening the pit slope from the existing 48.3° suggest a substantial positive impact on both the mine life and the project economic returns.

**METAL PRICES**

The selling price in Europe of Tungsten APT now sits at US\$330/mtu, while the price of Molybdenum Roasted Concentrates remains steady at just over US\$11.00/lb (Figure 2).

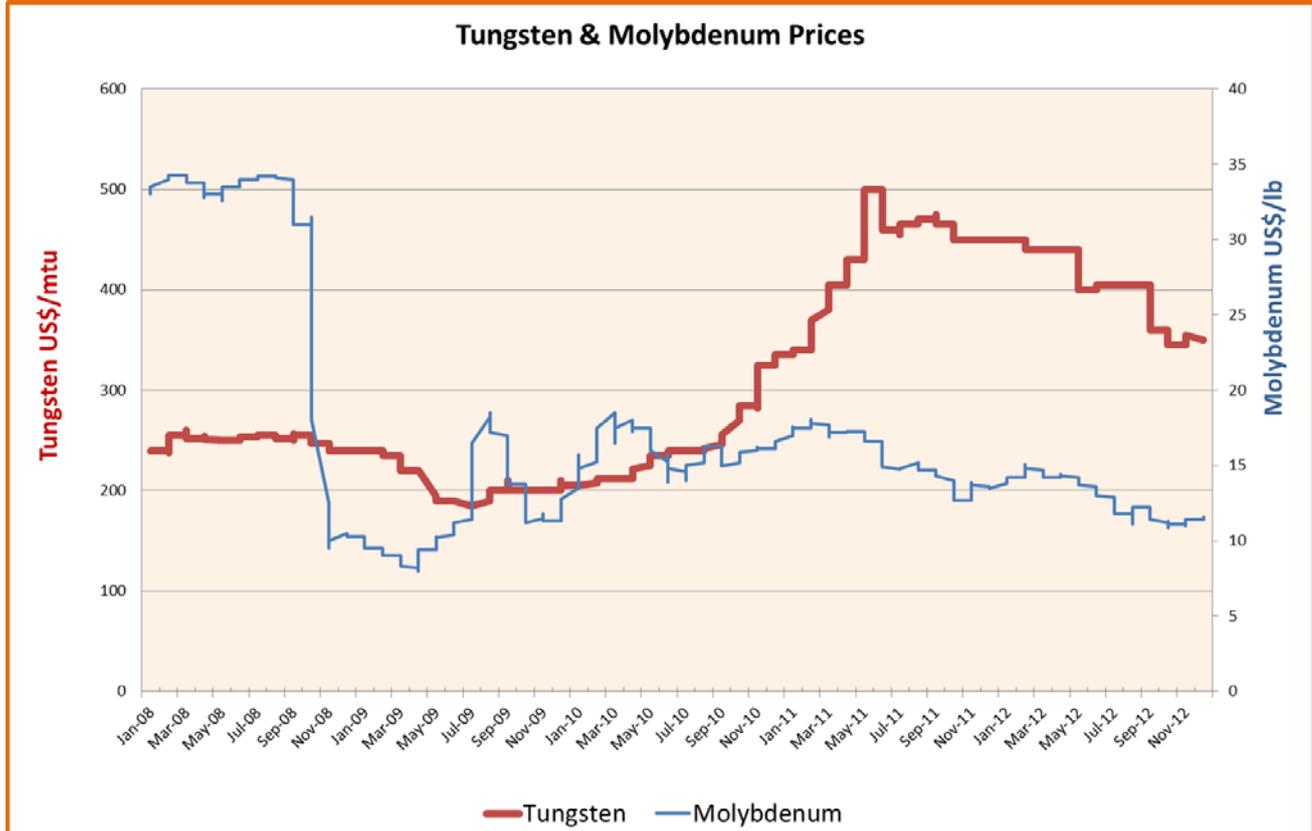


Figure 2: Tungsten & Molybdenum price movements (Metal Pages.com)

**TUNGSTEN EXPLORATION PROGRAM**

Initial stages of exploration on the Molyhil project tenements continued during the quarter. Field inspection and XRF geochemical surveys commenced over several of the Initial targets identified from hyperspectral and aeromagnetic data sets (figure 3). While the primary objective of the field work was to locate new economic mineralisation, the secondary objective is to evaluate targeting and exploration techniques.

Presentation of XRF results has been deferred until further assessment is completed to ensure some initial tungsten and molybdenum values have not been influenced by contamination from historic mining operations.

Initial field results indicate the airborne hyperspectral scanning is an effective targeting tool and that there may be potential to further develop the technique to locate blind deposits by identifying mineral alteration halos associated with economic mineralisation.

Further targeting and field assessment work is envisaged prior to implementation of reconnaissance drilling.

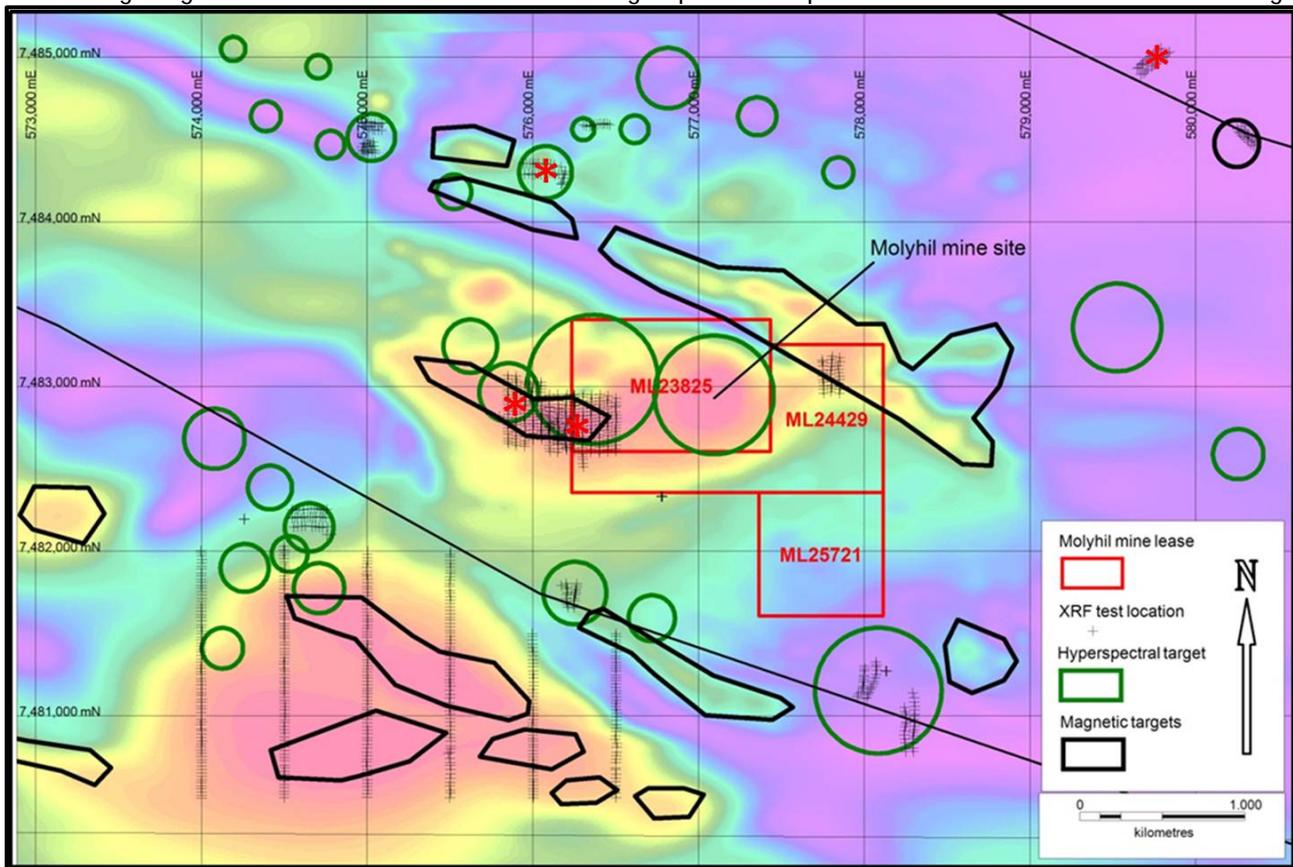


Figure 3: Surface soil geochemistry (XRF) traverses conducted around Molyhil mine targeting hyperspectral and gravity anomalies. Red asterisks indicate areas of anomalous geochemical response that require follow up.

**GOLD EXPLORATION**

**SPRING HILL PROJECT - NT (THOR acquiring earn-in rights to up to 80% equity)**

**PROJECT EQUITY**

Transfer documents have been provided to the Northern Territory Department of Resources to formally process the increase in equity to 51%. Following Ministerial approval, and the allotment to Western Desert Resources Limited (WDR) of 21,666,667 CDI shares, the transfer will be complete. Further, Thor has expended in excess of 50% of the additional A\$1,500,000 necessary for its equity holding increase to 80%.

**RESOURCE UPGRADE**

Following the receipt of all assays and quality control data, an independent resource update estimate was commissioned from McDonald Speijers. The result of the Spring Hill resource estimate update is an Indicated Resource of 450,000 oz gold within 10.0Mt @ 1.40 grams per tonne (g/t) gold using a 0.5 g/t cutoff grade, to a maximum depth of 150 metres, which is designated as the limit for open pit mining. Table 1 details the resource at 0.5 and 1.0g/t cutoff grades. The entire resource is classified as Indicated.

Spring Hill Resource Estimate* - Nov 2012			
Cutoff (g/t Au)	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (000 oz) **
0.5	10.0	1.40	450
1.0	4.0	2.32	300
*All classified as Indicated			

Table 1: 2012 Spring Hill resource estimate McDonald Speijers, November 2012. Thor Mining PLC holds equity rights to 80% of this resource

The updated resource represents a 9.5% increase in contained metal over the previous estimate completed in 2003 (Table2). The 9.5% increase in resource above 150 metres depth is a good result given the primary target of the recent drilling has been beneath 150 metres.

	2012 Estimate (cutoff 1g/t Au)	2003 Estimate	Comment
Total resource (000t)	4,000	3,600	11% increase
Gold grade (g/t)	2.32	2.34	
Contained gold (000 oz) <sup>1</sup>	300	274	9.5% increase
Vertical Limit of resource	150 metres	150 metres	Mineralisation open at depth

Table 2: 2012 Spring Hill resource estimate relative to the 2003 estimate

The following table details the resource grouped by ore type (oxide/transition & unweathered). The 4.6 million tonne oxide resource bodes well for a potential mining operation due to its relative ease of treatment.

(cut off grade 0.5 g/t)	Tonnes (Mt)	Grade g/t Au	Contained Gold (K oz)
Zone of Oxidation	4.6	1.28	190
Transition Zone	1.3	1.41	59
Unweathered Zone	4.06	1.54	201
Total	10.0	1.4	450

Upcoming exploration work on the project is planned to comprise low cost Reverse Circulation (RC) or percussion drilling of shallow satellite targets including those shown in figure 4.

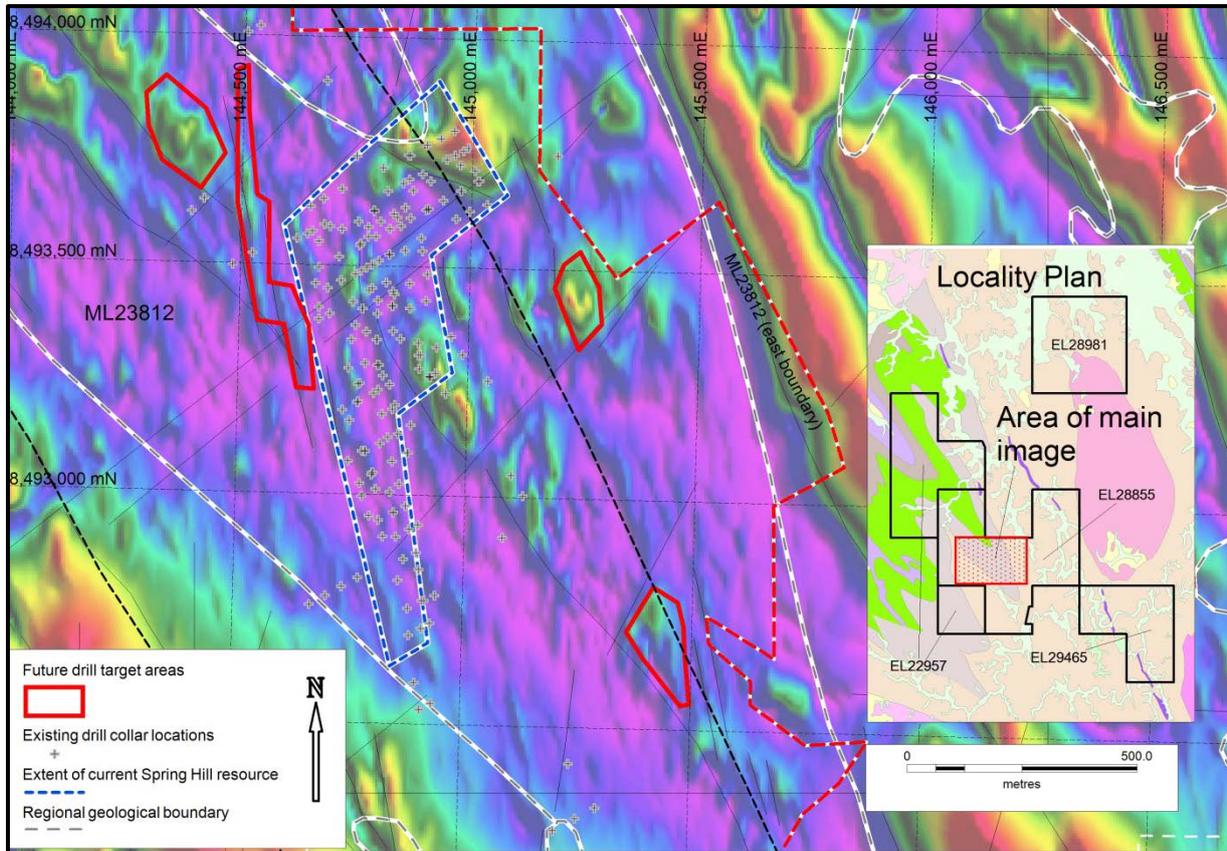


Figure 4: Satellite drill targets in the area of the Spring Hill resource (blue & white dashed line shown with resource drilling collar locations) shown over the high resolution aeromag. Red outlines represent areas of potential additional mineralisation that have not previously been drilled.

DUNDAS PROJECT - WA (60% THOR)

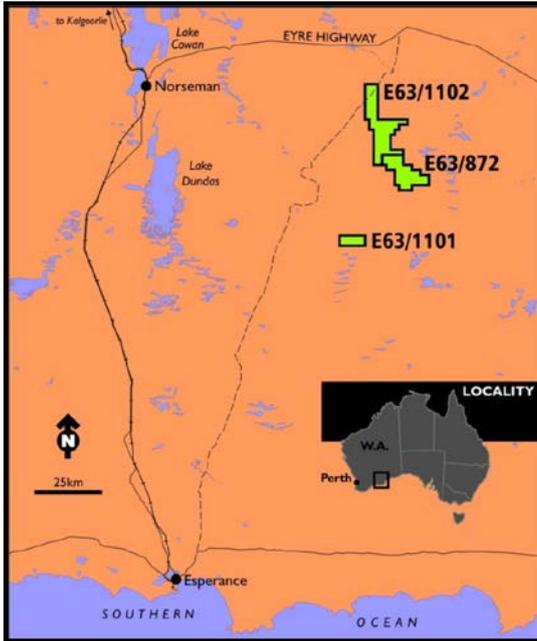


Figure 5: Dundas Project Location map

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

Nickel and copper assays<sup>1</sup> for existing calcrete geochemistry samples are shown below (Figure 6) for part of E63/1102 at the Dundas project in Western Australia. Results of the additional analyses indicate three areas of elevated nickel, one area of elevated copper and one area of coincident copper and nickel. Sample spacing is at a broad reconnaissance level and the identified areas will require follow up infill sampling to determine their significance. This work is anticipated to take place early in 2013.

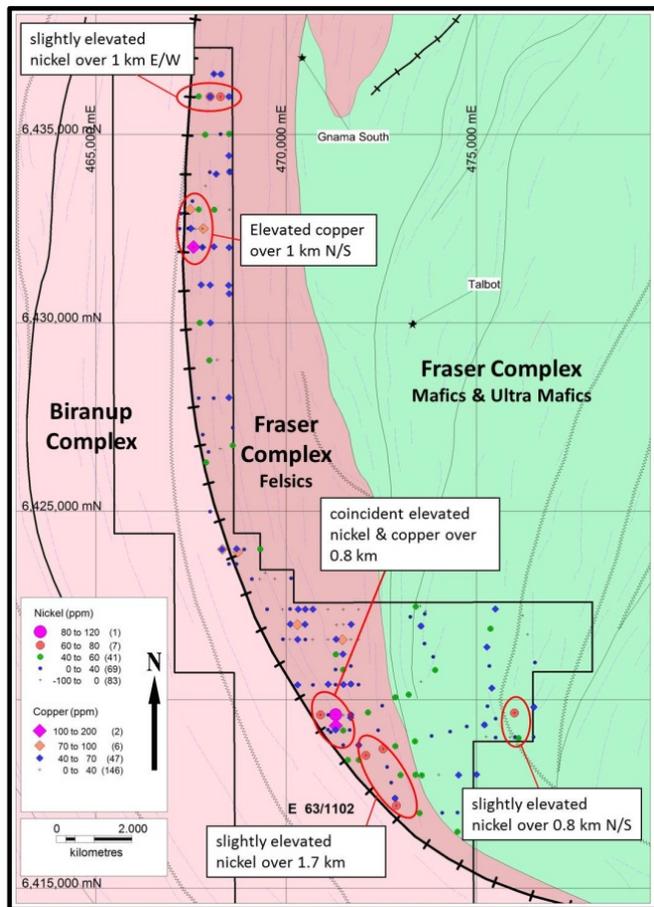


Figure 6: Nickel and copper geochemistry results relative to Thor's Dundas tenements (THR 60%) over GSWA regional geology.

<sup>1</sup> Sample analyses were conducted using an Olympus Innovex field portable XRF. Quality control data were collected via the analysis of certified reference standards, blanks and duplicates. The results are within acceptable limits for nickel and copper.

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CORPORATE AND FINANCE

During the quarter, the Company raised additional funds through the issue of 97.5 million ordinary shares, in placements to sophisticated investors in the UK. These issues raised AUD\$1,109,000 before associated costs.

The Company is in discussion with various parties to secure necessary funds to carry out the programs suggested in this report. It is expected that an announcement detailing the results of these discussions will be made shortly.

Yours faithfully,

THOR MINING PLC

Mick Billing

Executive Chairman

*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.*

*The information in this report that relates to the Spring Hill Mineral Resource 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.*