

### QUARTERLY REPORT APRIL TO JUNE 2018

#### Highlights

#### Outlook for September Quarter 2018

#### TUNGSTEN & MULTI COMMODITIES

##### Molyhil, NT Australia

- Execution of acquisition agreement for **Bonya project** hosting multiple outcropping tungsten deposits adjacent Molyhil.
- Definitive Feasibility Study upgrade activity
- Continued strength in global tungsten and molybdenum pricing.

- Complete Bonya acquisition & schedule initial drilling program.
- Completion of upgraded DFS.

##### Pilot Mountain, Nevada USA

- Internal scoping study to determine high level operating parameters.
- Evaluation of scoping study outcomes.
- Stage 2 of metallurgical testwork.

#### COPPER

##### Kapunda, SA Australia

- Announcement of Australian Commonwealth Government CRCP research grant of A\$2.85million.
- Leach testing on historical core samples.
- Preparation for field pump testing.

#### INVESTMENTS

USA Lithium to be acquired by ASX listed Hawkstone Mining Limited in restructured agreement, valuing the Thor holding at approximately A\$500,000.

#### CORPORATE & FINANCE

- Cash position remains sound with forecast activities fully financed well into 2019.

**Mr Mick Billing, Executive Chairman**, commented:

"Progress on all fronts while our cash position remains robust. It is very pleasing to report that we have sufficient funds to carry out all planned activities well into 2019."

"In particular the recent announcement of the Australian government research grant is a tremendous endorsement of the approach taken by Thor and ECR in this exciting project"

"While we have experienced some delays in completing the Molyhil DFS upgrade, and also the Pilot Mountain scoping study, these tasks are nearing completion."

"The upgraded DFS for Molyhil, is incorporating some revisions to the process flowsheet, aimed at delivering efficiencies which are expected to be quantified very soon."

"The Pilot Mountain scoping study has advanced with positive indications for potential medium term open pit mining at the Desert Scheelite deposit."

"We will continue to provide investors with regular updates in respect of activities and progress."



Figure 1: Thor Mining PLC Project Location Map

#### THOR MINING PLC

Registered Numbers:  
United Kingdom 05 276 414  
Australia 121 117 673

Registered Office:  
58 Galway Avenue  
MARLESTON, SA, 5033  
Australia

Ph: +61 8 7324 1935  
Fx: +61 8 8351 5169

Email:  
[corporate@thormining.com](mailto:corporate@thormining.com)

Website:  
[www.thormining.com](http://www.thormining.com)



Enquiries:

Mick Billing  
Executive Chairman  
Thor Mining PLC  
+61 8 7324 1935

Colin Aaronson  
Nominated Advisor  
Grant Thornton  
+44 (0) 20 7383 5100

AIM & ASX Listings:  
Shares: THR

Directors:  
Mick Billing  
David Thomas  
Alastair Middleton  
Richard Bradey

TUNGSTEN PROJECTS

Tungsten & Molybdenum Price Trends

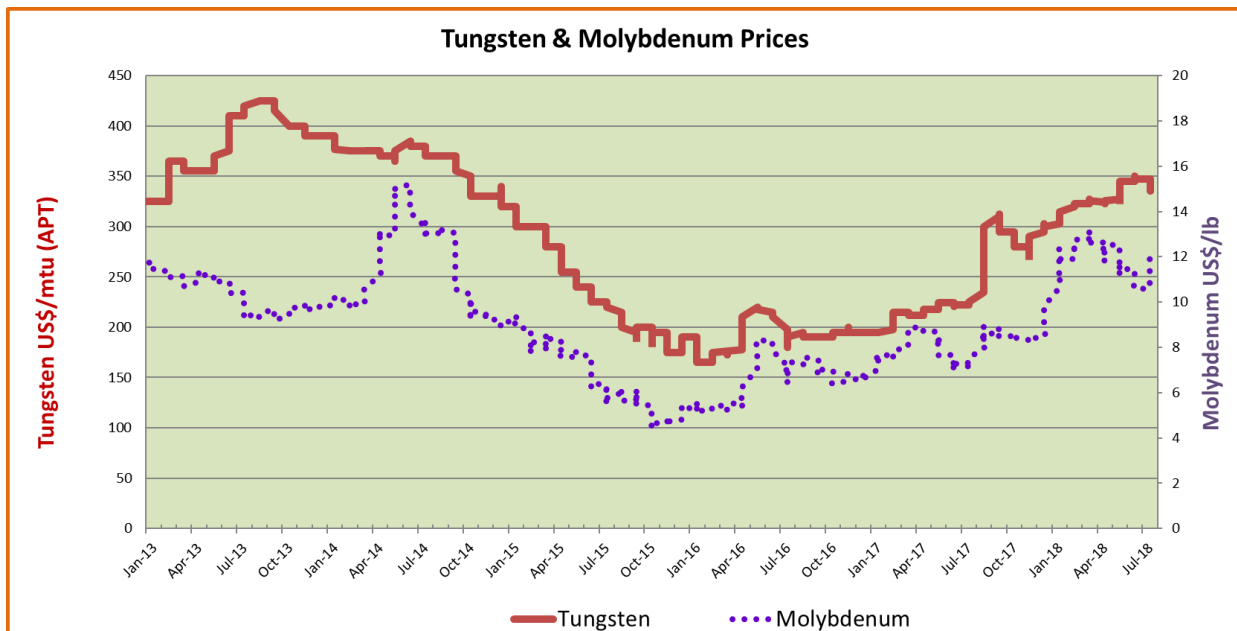


Figure 2: Tungsten & Molybdenum price movements (Argus Metals)

At the date of this report, the price of tungsten, per mtu of APT (Ammonium Para Tungstate) was US\$335.00/mtu, while the molybdenum price has held its strengthened position at around US\$12.00/lb.

Industry discussion suggests that these stronger pricing levels for both commodities are likely to continue for some time, with some forecasters predicting APT tungsten prices in excess of US\$400/mtu. In addition, suggestions for molybdenum are for supply constraints for several years.

MOLYHIL TUNGSTEN PROJECT - NT (100% Thor)

In January 2015, Thor announced an updated feasibility study for its wholly-owned Molyhil tungsten project, demonstrating a robust project NPV of A\$67million (approximately £39million).

A full background on the project is available on the Thor Mining website [www.thormining.com/projects](http://www.thormining.com/projects).

Earlier this year (8 January 2018) Thor announced an upgraded Statement of Open Pit Ore Reserve, increasing the open pit mine life by 1 year to 7 years, with increases in metal content of 10% for tungsten and 19% for molybdenum.

The study also identified portions of the Indicated and Inferred resource estimate, remaining outside the revised pit shell, which appear economic for mechanised underground mining techniques.

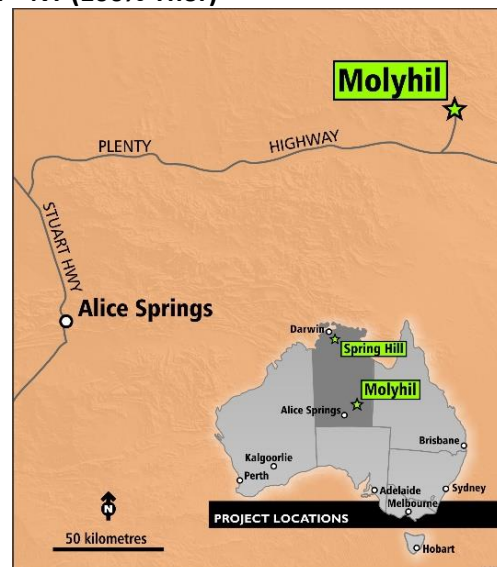


Figure 3: Molyhil Project Location map

Table A:

Molyhil Open Cut Ore Reserve Statement (announced 8 January 2018)

Classification	Reserve		WO <sub>3</sub>		Mo	
	'000 Tonnes	Grade %	Tonnes	Grade %	Tonnes	Grade %
Probable	3,500	0.29	10,200	0.12	4,300	0.12
Total	3,500	0.29	10,200	0.12	4,300	0.12

- Thor Mining PLC holds 100% equity interest in this reserve.
- The Company is not aware of any changes which could affect this reserve statement.

Studies to prepare an upgrade to the DFS are nearing completion with most cost estimates now in hand. A re-evaluation of the metallurgical process flow stream has resulted in resizing of some equipment in the flotation area, a reduction of some cells in the molybdenum flotation process, partially offset by additional cells downstream. We expect some cost savings from this work which is also near completion.

**Bonya**

Earlier in the year (28 March 2018) the Company also announced the conditional acquisition of an interest in a licence area containing 13 known outcropping tungsten deposits and one copper deposit close to Molyhil. Documents have been submitted to secure ministerial consent for title transfer which is expected shortly. An initial drilling program is an important next step is assessing these deposits, and regulatory and traditional owner heritage clearance work to this end is scheduled.

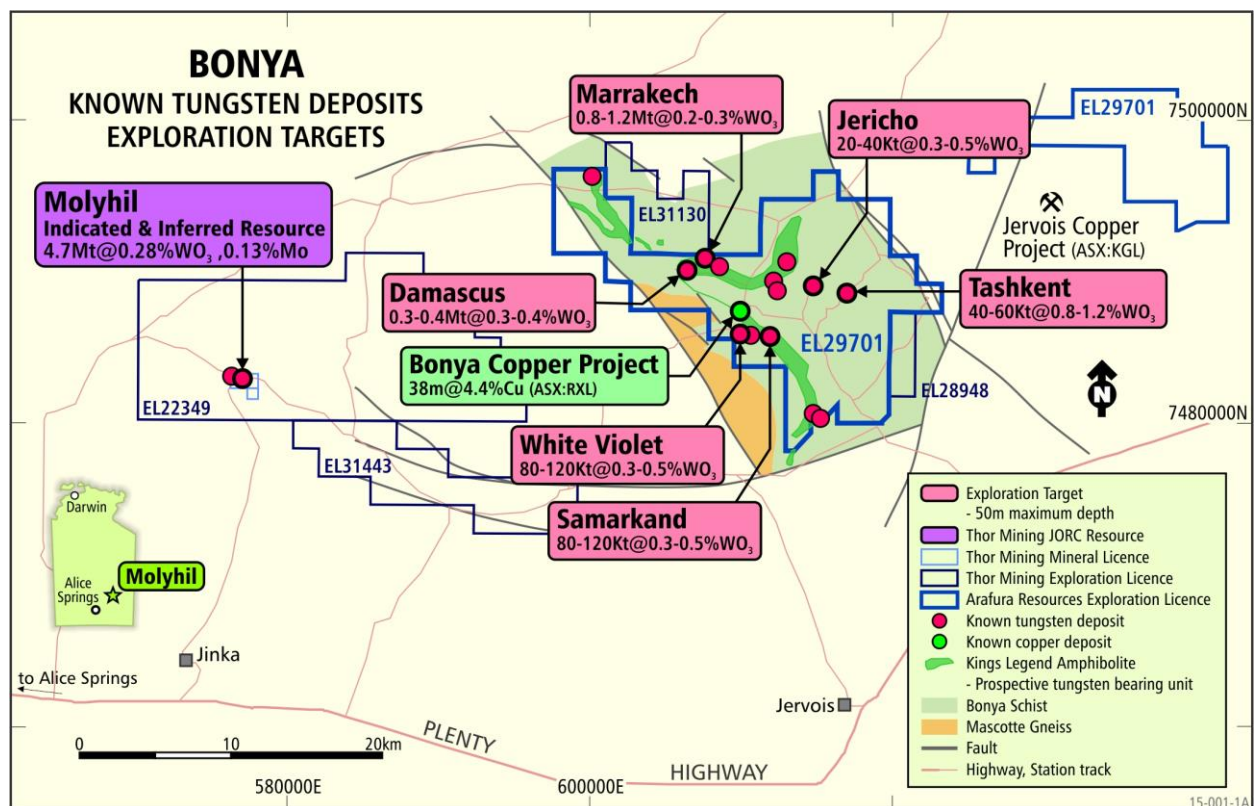


Figure 4: Molyhil Project location showing adjacent Bonya tenement



# QUARTERLY ACTIVITIES REPORT

ASX & AIM Code: "THR"



Table B: Pilot Mountain Resource Summary (Announced 22 May 2017)

	Resource		WO <sub>3</sub>		Ag		Cu	
	MT		Grade %	Contained metal (t)	Grade g/t	Contained metal (t)	Grade %	Contained metal (t)
<b>Garnet</b>	<b>Indicated</b>		-	-				
	<b>Inferred</b>	1.83	0.36	6,590				
	<b>Sub Total</b>	<b>1.83</b>	<b>0.36</b>	<b>6,590</b>				
<b>Desert Scheelite</b>	<b>Indicated</b>	8.41	0.27	22,700	21.3	179	0.14	11,800
	<b>Inferred</b>	1.49	0.23	3,430	9.07	13	0.17	2,500
	<b>Sub Total</b>	<b>9.90</b>	<b>0.26</b>	<b>26,130</b>	<b>19.39</b>	<b>192</b>	<b>0.14</b>	<b>14,300</b>
<b>Summary</b>	<b>Indicated</b>	<b>8.41</b>	<b>0.27</b>	<b>22,690</b>				
	<b>Inferred</b>	<b>3.32</b>	<b>0.30</b>	<b>10,020</b>				
<b>Pilot Mountain Total</b>	<b>11.73</b>		<b>0.28</b>	<b>32,720</b>				

Note:

- 100% owned by Thor Mining Plc
- The Company is not aware of any changes which could affect this resource estimate

A scoping study was commissioned in late 2017, to provide a high level economic assessment, along with initial parameters associated with project site layout options for environmental and other permitting.

Feedback from the consultants to date suggests that an open pit mining operation with a medium term life at the Desert Scheelite deposit offers the best opportunity to commence production at Pilot Mountain, and this has become the focus for the scoping work.

Mining cost estimates sourced from US based mining contractors are well below initial estimates from our consultants, and this may impact subsequent studies on other deposits at Pilot Mountain, however at this stage they appear to underpin projections for a medium term mining operation.

We will provide further updates on this work at the earliest opportunity.

Additionally, while previous metallurgical testwork has demonstrated the production of saleable concentrates, further testwork is required to advance this to pre-feasibility study standard, and this next stage of metallurgical testwork has recently been initiated.

During the quarter also, meetings were held in Nevada, aimed at progressing economic evaluation, and environmental and regulatory studies.

**COPPER PROJECTS**

**KAPUNDA COPPER PROJECT - SA (Thor earning 45%)**

On 1 August 2017 Thor announced an investment in a newly incorporated private Australian company, Environmental Copper Recovery SA Pty Ltd. ("ECR"), initially via convertible loan notes of up to A\$1.8 million, which will be used to fund field test work and feasibility activities at Kapunda over the next 3 years. In turn ECR has entered into an agreement to earn, in two stages, up to 75% of the rights over metals which may be recovered via in-situ recovery ("ISR") contained in the Kapunda deposit from Australian listed company, Terramin Australia Limited ("Terramin" ASX: "TZN").

Earlier in the year (12 February 2018) Thor announced an Inferred Resource Estimate containing 119,000 tonnes of contained copper considered amenable to Insitu Recovery techniques. The grade of the resource, at 0.25%Cu, is considered typical for copper Insitu Recovery operations.



Figure 7: Kapunda Project Location map

Table C: Kapunda Copper Resource Estimate (Announced 12 February 2018)

Resource			Copper	
	Classification	MT	Grade %	Contained Cu (t)
<b>Copper Oxide</b>	<b>Inferred</b>	30.3	0.24	73,000
<b>Secondary copper sulphide</b>	<b>Inferred</b>	17.1	0.27	46,000
	<b>Sub Total</b>	<b>47.4</b>	<b>0.25</b>	<b>119,000</b>

Notes:

- ECR are earning a 75% interest in this resource, and Thor have investment rights for up to 60% of ECR.
- The Company is not aware of any changes which could affect this resource estimate.

Other near-term activities at Kapunda include continued community liaison in respect of project activities, testwork on historical drill core to determine the optimum extraction agent (lixiviant) most suited to the Kapunda deposit and establishing appropriate parameters for future field trials.

A first stage extraction test on historical core using glycine, a food additive, has been undertaken and outcomes showing copper, and potentially other potentially valuable metals recovered, and recovery rates, are expected shortly. Testwork trialling other potential lixiviants is also proceeding.

On 30 July 2018, the Australian Government Ministry for Science, Jobs and Innovation announced an offer to ECR for research funding of A\$2,851,303, over a 30 month period, for the Kapunda In-Situ Copper and Gold Recovery Trial. This funding is expected to significantly advance the Kapunda project feasibility work, while minimising the ongoing funding requirement for Thor, other than for the A\$1.8 million required to earn the equity in ECR.

### GOLD PROJECTS

#### SPRING HILL GOLD PROJECT – NT (ROYALTY ENTITLEMENT)

In February 2017 Thor completed the A\$3.5 million sale of its Spring Hill Gold project<sup>1</sup>. The sale transaction carries an ongoing residual royalty of:

- A\$6 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for up to A\$1,500 per ounce; and
- A\$14 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for amounts over A\$1,500 per ounce.

During the first half of the financial year, Thor received royalties from Spring Hill production totalling A\$8,124. No royalties were received during the quarter.

<sup>1</sup>Refer ASX and AIM announcement of 29 February 2016

### LITHIUM PROJECTS

On 14 June 2017, the Company announced the acquisition of a 25% interest in US Lithium Pty Ltd ("USL"), along with an option to acquire the remaining 75% of USL, subject to satisfactory completion of project due diligence. Whilst Thor elected not to exercise the option, it continues to hold an interest in this company, subsequently renamed USA Lithium.

On 29<sup>th</sup> March 2018, the Company advised that USA Lithium had accepted a conditional offer for 100% of its issued capital from ASX listed Hawkstone Mining Limited (ASX: HWK). These terms were subsequently revised with the details announced by Thor on 27 June 2017.

We have been advised that a general meeting of shareholders of Hawkstone is scheduled for 3 August 2018 to approve this agreement.

If the acquisition proceeds, Thor will be issued 15,625,000 shares in Hawkstone in 2 equal tranches of 7,812,500 shares, with the 2<sup>nd</sup> tranche conditional on

- a. Buyer within 36 months from completion, declaring an inferred resource at the Big Sandy Lithium Project of not less than 30 million tonnes at a grade greater than 2,000ppm Lithium (Li) (or equivalent, subject to a minimum average grade of 1,000ppm Li); and
- b. ASX granting a waiver from Listing Rule 7.3.2 for the issue of the Deferred shares. Hawkstone announced on 20 July 2018 that this waiver had been granted.

Hawkstone advised ASX on 25<sup>th</sup> July 2018 of the commencement of a maiden drilling program at the Big Sandy lithium project in Arizona.

At the date of writing, Hawkstone shares traded at A\$0.033.

### CORPORATE & FINANCE

Shortly after the end of the quarter Paul Johnson, non-executive director, resigned from the board of Thor. The contribution by Paul during his period as a director was significant and the Company is in a much stronger position at the end of his tenure than at the commencement.

At the end of the quarter, cash reserves stood at just under A\$2.5million, with expenditure forecasts for all activities funded until well into 2019.

**Yours faithfully,**

THOR MINING PLC

# QUARTERLY ACTIVITIES REPORT

ASX & AIM Code: "THR"



Mick Billing  
Executive Chairman

## *Competent Person's Report*

The information in this report that relates to exploration results, and exploration targets, 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 2012 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.

Updates on the Company's activities are regularly posted on Thor's website [www.thormining.com](http://www.thormining.com), which includes a facility to register to receive these updates by email, and on the Company's twitter page [@ThorMining](https://twitter.com/ThorMining).

## About Thor Mining PLC

*Thor Mining PLC (AIM, ASX: THR) is a resources company quoted on the AIM Market of the London Stock Exchange and on ASX in Australia.*

*Thor holds 100% of the advanced Molybdenum tungsten project in the Northern Territory of Australia, for which an updated feasibility study in 2015<sup>1</sup> suggested attractive returns.*

*Thor also holds 100% of the Pilot Mountain tungsten project in Nevada USA which has a JORC 2012 Indicated and Inferred Resources Estimate<sup>2</sup> on 2 of the 4 known deposits. The US Department of the Interior has confirmed that tungsten, the primary resource mineral at Pilot Mountain, has been included in the final list of Critical Minerals 2018.*

*Thor is also acquiring up to a 60% interest Australian copper development company Environmental Copper Recovery SA Pty Ltd, which in turn holds rights to earn up to a 75% interest in the mineral rights and claims over the resource<sup>3</sup> on the portion of the historic Kapunda copper mine in South Australia recoverable by way of in situ recovery.*

*Thor has a material interest in USA Lithium Pty Limited, an Australian private company with a 100% Interest in a Lithium project in Nevada, USA.*

*Finally, Thor also holds a production royalty entitlement from the Spring Hill Gold project<sup>4</sup> of:*

- *A\$6 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for up to A\$1,500 per ounce; and*
- *A\$14 per ounce of gold produced from the Spring Hill tenements where the gold produced is sold for amounts over A\$1,500 per ounce.*

## Notes

- <sup>1</sup> Refer ASX and AIM announcement of 12 January 2015
- <sup>2</sup> Refer AIM announcement of 22 May 2017 and ASX announcement of 23 May 2017
- <sup>3</sup> Refer AIM announcement of 10 February 2016 and ASX announcement of 12 February 2018
- <sup>4</sup> Refer AIM announcement of 26 February 2016 and ASX announcement of 29 February 2017