

23 January 2012

Company Announcements Office,
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SIGNIFICANT IMPROVEMENT IN PROJECTED TUNGSTEN RECOVERY AT MOLYHIL (NT) PROJECT

A substantial 12% improvement in projected metallurgical recovery of tungsten for the Molyhil tungsten and molybdenum project ("Molyhil") in the Northern Territory, has been announced by Directors of Thor Mining PLC ("Thor" or the "Company") (AIM, ASX: THR, THRO).

Highlights

- Tungsten recovery now estimated at 75% compared with previous estimate of 67%
- Improvement derived from adding a flotation step to the tungsten recovery process after gravity separation
- Projected revenues at Molyhil improved by a further A\$7.0 million p.a. over the life of the mine.
- Cost per metric tonne unit ("mtu") of tungsten produced reduced to US\$109 after molybdenum bi-product credit
- Economics of the Molyhil project significantly enhanced.

Next steps at Molyhil

- Capital and operating cost changes to reflect the process change, to be confirmed
- Confirmatory test-work scheduled
- Revised resource estimate from 2011 drilling due later this month
- Updated ore reserve & mining plan calculation, reflecting revised resource and improved metallurgical recovery, due February 2012
- Updated feasibility study due February 2012



Figure 1: Thor Mining PLC project locations

THOR MINING PLC

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ASX Listings:
Shares: THR
Options: THRO

AIM Listings:
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Directors:
Michael Billing
Michael Ashton
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Key Projects:

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

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Analyses by Molyhil project consultants, Nagrom & Co, PAH Australia, and Proteus EPCM Engineers, have concluded that the tungsten recovery at Molyhil should increase to 75% from 67% previously, by subjecting tailings from the tungsten gravity extraction process, to flotation. This tailings material will contain 27% of the total tungsten (WO₃) in the system. The conclusion from the analyses is that 30% of the tungsten in this stream should be recoverable at relatively low cost.

The estimated value of improved tungsten recovery would be in the order of an additional A\$900,000pa in gross revenue, *per each additional 1% of tungsten recovered*. On current estimates, this enhancement would add approximately a further A\$7 million to the annual revenue stream from Molyhil before additional processing costs.

As previously advised, the expected revenue stream from Molyhil tungsten sales is estimated at US\$360/mtu. The improved recovery would result in a revised cost/mtu after molybdenum bi-product credits (and prior to incremental extraction costs from this flotation step) of \$109/mtu.

Confirmatory test-work has been scheduled.

Next steps

Proteus EPCM Engineers has undertaken to prepare an "optimisation" addendum to the previously published capital and operating cost estimates. These revised costings shall, along with the updated resource estimate, be incorporated into the ore reserve and mining plan calculation of the feasibility study.

The feasibility study outcomes are expected in February.

Commenting today, Mr Mick Billing, Executive Chairman of Thor Mining said:

"These improved recovery estimates should make a substantial difference to the feasibility study outcomes. Ore in the original mining plan will now be more profitable, while additional material not previously considered economic may now be included, providing for a more profitable and longer life operation. In addition, these improved estimates make Molyhil significantly more attractive potential off-take partners for tungsten and molybdenum concentrates as well as for potential financing arrangements"

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