



## NORTHERN TERRITORY

# The rumbling of Thor

Initial findings from a DFS into the Molyhil tungsten-molybdenum project have indicated the project's potential economic viability.

Spearheaded by dual-listed Thor Mining plc, the project was initially swept under the carpet following continued weakness in the molybdenum and tungsten markets. However since the GFC and a flat lining share price Thor has convalesced, rebuilding its assets to include two appealing gold projects, with one located outside its normal exploration playing field, and the re-emergence of the mothballed Molyhil.

Molyhil, 220km north-east of Alice Springs, is within the prospective polymetallic province of the Proterozoic Eastern Arunta Block in the Northern Territory.

An initial DFS in 2007 unveiled the viability of a 400,000 tpa mining and processing operation with attractive financial outcomes.

However after a significant slump in the price of tungsten the project was put on hiatus, only regaining ground since the momentum of the molybdenum price and strong increases in tungsten prices – prompting a re-assessment of the viability of the project.

Recently, Australasian engineering firm, Proteus EPCM Engineers completed an estimate of capital and operating costs for the proposed mining and processing operation at Molyhil.

Enhancements to the project following the initial studies include an operation of up to 100,000 tpa of high-grade magnetite which will be mined and extracted as part of the process of producing tungsten and molybdenum concentrates.

Capital expenditure was estimated to cost about \$66 million and cash operating margins were forecast at \$98/t of ore processed, however final figures would be decided following the completion of the DFS which was due to be wrapped up in November.

Thor chairman Mick Billing said the positive early outcomes provided a great deal of confidence.

"While much more work is required, these cost estimates, along with current metal prices are the key to the study outcomes."

The next phase of the DFS involved re-estimating the ore reserves and preparation of a new mining plan for the Molyhil operation. The outcomes from these could enable considerable changes to take place affecting both the total tonnage of ore to be mined from the Stage 1 pit and also the grade.

A resource development drilling programme had commenced with RC drilling intersecting new mineralisation outside of the existing resource including 16m @ 0.81% tungsten and 0.44% molybdenum from 189m (easterly extension to resource) and 21m @ 0.07% tungsten and 0.19% molybdenum and 28.5% iron from 50m (additional near surface resource).

"These are very positive results and suggest that the life of the proposed Molyhil mining operation has strong potential to be profit-

ably extended."

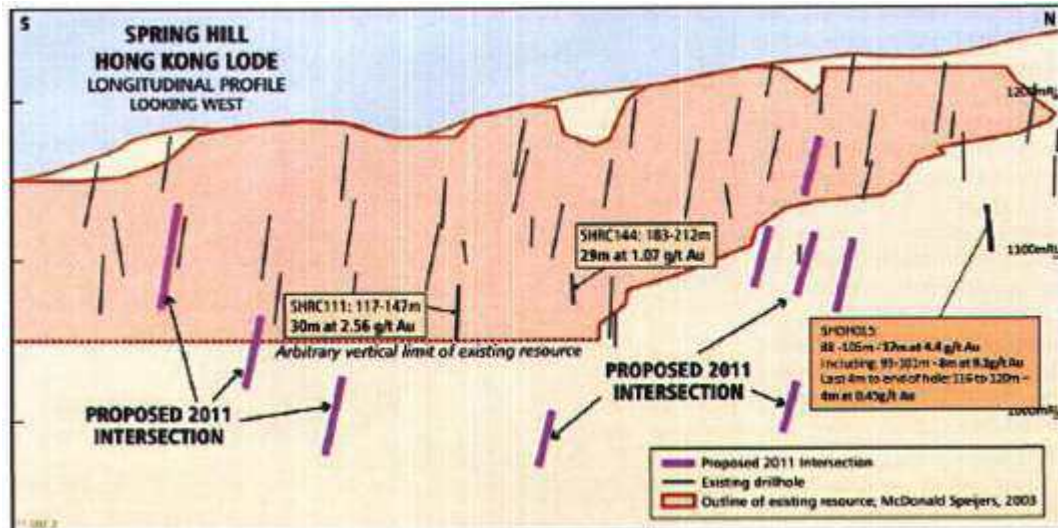
"The improving commodity price for tungsten, in particular, has added value to Molyhil, and the medium term prospects for tungsten are positive."

A revised resource estimate was yet to be prepared, pending the receipt of the diamond drill assay results.

Meanwhile the explorer has commenced a maiden diamond drilling programme at the historically sound Spring Hill gold project also located in the Northern Territory. Thor acquired an initial 25% stake in the project with rights to increase to an 80%-interest from Western Desert Resources Ltd.

The 10-hole programme is designed to confirm and extend the depth and extent of historical mineralisation. Subsequent testing to the north and west is scheduled for the next dry season in around March 2012.

**-Bianca Thair**



An initial drill programme at Spring Hill is designed to primarily extend the known gold mineralisation below the Hong Kong zone