



MINING PLC

Half-yearly Report

**For the six months ended
31 December 2010**

REVIEW OF OPERATIONS

The net result of operations for the half-year was a loss of £570,000 (2009: £534,000).

Molyhil Molybdenum/Tungsten project

During the half year ended 31 December 2010, the price of tungsten rallied strongly providing encouragement for medium term development of the Molyhil project, while the price of molybdenum remained relatively static. That rally in tungsten pricing has continued post 31 December 2010

A drilling program conducted during 2009, included, amongst other tests, 2 holes testing for potentially economic mineralisation below 150 metres. The Company is encouraged by the widths of mineralisation and high grades reported from these deeper holes, on 30 April 2009. Directors are preparing for a further drilling program to test Molyhil further at depth, in an effort to demonstrate the potential for significant increase in the size of the resource.

The drilling program proposed is likely to be conducted during the June 2011 quarter.

Exploration projects

Gold exploration – Dundas WA

During the half year ended 31 December 2010, the consolidated entity increased its equity in the Dundas Gold project to 60% following shareholder approval for the acquisition

Subsequent to this, assays from a calcrete sampling program on EL 63/872 and EL 63/1102 revealed clusters of elevated gold values which identify five previously unknown areas of gold anomaly in addition to the target area identified by previous exploration. Each of these warrants systematic follow-up sampling. Preparation for a RAB drilling program on the highest priority anomaly proceeded, including securing regulatory and environmental approvals, and completion of, in conjunction with Traditional Owners, a heritage clearance of the most preferred drilling locations.

Other exploration projects

The consolidated entity continued to explore its portfolio of tenements for economic deposits of base metals, uranium and rare earths.

Finance

Subsequent to the end of the period, the company raised £1,457,000 (Aust \$2,284,000) before costs as a result of share placements to sophisticated investors in United Kingdom and Australia. This resulted in the issue of 44,777,778 shares at a price of 2.25 pence each in United Kingdom and 20,000,000 shares at a price of 3.5 cents each in Australia.

Funds raised are directed towards the company's exploration programme in Australia, at the Dundas gold prospect in Western Australia, further drilling and evaluation of the Molyhil tungsten/molybdenum project in Northern Territory, meeting costs related to the acquisition of the Spring Hill gold project in Northern territory, and meeting day to day running costs of the company.

Comprehensive Income

The comprehensive income statement records a comprehensive income for the period of £683,000 (2009: £506,000) after taking into account a Directors review and write down due to

an impairment of exploration costs for the half year amounting to £115,000 (2009: £209,000) and favourable (unrealised) exchange differences of £1,253,000 (2009: £1,040,000).

The loss for the period, excluding the unrealised exchange differences, amounted to £570,000 (2009: loss of £534,000).

A handwritten signature in black ink, appearing to read 'Mick Billing', written in a cursive style.

Mick Billing
Executive Chairman
15 March, 2011

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 31st December 2010 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 31st December 2010.



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

15th March 2011

Condensed Consolidated Statement of Comprehensive Income

For the 6 months ended 31 December 2010

	Note	£'000 6 months ended 31 December 2010 (Unaudited)	£'000 6 months ended 31 December 2009 (Unaudited)	£'000 Year ended 30 June 2010 (Audited)
Administrative expenses		(98)	(105)	(164)
Corporate expenses		(251)	(219)	(446)
Other expenses		(0)	(67)	-
Share based Payment expense		(117)	-	-
Gain (Loss) on disposal of assets		9	-	(86)
Impairment of Exploration assets		(115)	(209)	(1,016)
Operating Loss		(572)	(600)	(1,712)
Interest receivable		9	4	5
Other income		5	62	29
Currency losses		(12)	-	(84)
Loss before Taxation		(570)	(534)	(1,762)
Taxation		-	-	-
Loss for the period		(570)	(534)	(1,762)
Other comprehensive income:				
Exchange differences on translating foreign operations		1,253	1,040	1,174
Other comprehensive income for the period, net of income tax		1,253	1,040	1,174
Total comprehensive income for the period		683	506	(588)
Basic loss per share	2	(0.15)p	(0.25)p	(0.77)p

Condensed Consolidated Balance Sheet

At 31 December 2010

	Note	£'000 31 December 2010 (Unaudited)	£'000 31 December 2009 (Unaudited)	£'000 30 June 2010 (Audited)
NON-CURRENT ASSETS				
Intangible assets - deferred exploration costs		7,096	6,340	5,735
Mine development costs		1,454	1,197	1,251
Plant and equipment	3	42	46	28
Total non-current assets		8,592	7,583	7,014
CURRENT ASSETS				
Cash and cash equivalents		701	277	35
Trade and other receivables		29	6	28
Prepayments		12	19	34
Total current assets		742	302	97
TOTAL ASSETS		9,334	7,885	7,111
LIABILITIES				
Current liabilities				
Trade and other payables		(90)	(50)	(162)
Provisions		-	-	-
Interest-bearing liabilities		(9)	(7)	(7)
Total current liabilities		(99)	(57)	(169)
Non-current liabilities				
Interest-bearing liabilities		(10)	(16)	(13)
Total non-current liabilities		(10)	(16)	(13)
Total liabilities		(109)	(73)	(182)
NET ASSETS		9,225	7,812	6,929
EQUITY				
Issued share capital		1,319	649	729
Share premium		8,181	7,144	7,275
Foreign exchange reserve		3,911	2,524	2,658
Merger reserve		1,634	1,634	1,634
Option revaluation reserve		127	10	10
Retained losses		(5,947)	(4,149)	(5,377)
TOTAL EQUITY		9,225	7,812	6,929

Condensed Consolidated Cash Flow Statement

Thor Mining PLC
Half-yearly Report 2010

For the 6 months ended 31 December 2010

Note	£'000 Six months ended 31 December 2010 (Unaudited)	£'000 Six months ended 31 December 2009 (Unaudited)	£'000 Year ended 30 June 2010 (Audited)
Cash flows from operating activities			
Operating Loss	(572)	(600)	(1,712)
Decrease/ (increase) in trade and other receivables	30	6	27
Increase/(decrease) in trade and other payables	(72)	(63)	(25)
Depreciation	12	14	26
Exploration expenditure written off	115	209	1,016
Unrealised exchange gain	88	67	86
Share based payment expense	117	-	-
Sundry Income	5	62	29
Profit/(Loss) on sale of fixed assets	(9)	(1)	(6)
Net cash outflow from operating activities	(286)	(306)	(559)
Cash flows from investing activities			
Interest Received	9	4	5
Refund of R & D grant relating to development	-	-	42
Proceeds on disposal of development assets	-	160	176
Proceeds from sale of fixed assets	12	24	41
Purchase of property, plant and equipment	(25)	-	-
Payments for mine development expenditure	-	(16)	(48)
Payments for exploration expenditure	(150)	(162)	(392)
Loans to controlled entities	-	-	-
Net cash outflow from investing activities	(154)	10	(176)
Cash flows from financing activities			
Repayment of borrowings	(4)	(44)	(58)
Net issue of ordinary share capital	1,110	419	630
Net cash inflow from financing activities	1,106	375	572
Net increase in cash and cash equivalents	666	79	(163)
Cash and cash equivalents at beginning of period	35	198	198
Cash and cash equivalents at end of period	701	277	35

Condensed Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2010

	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
Balance at 1 July 2009	514	6,860	(3,615)	1,484	1,634	10	6,887
Loss for the period	-	-	(534)	-	-	-	(534)
Foreign currency translation reserve	-	-	-	1,040	-	-	1,040
Total comprehensive income / (loss) for the period	-	-	(534)	1,040	-	-	506
Transactions with owners in their capacity as owners							
Shares issued	135	322	-	-	-	-	457
Cost of shares issued	-	(38)	-	-	-	-	(38)
At 31 December 2009	649	7,144	(4,149)	2,524	1,634	10	7,812
At 1 July 2009	514	6,860	(3,615)	1,484	1,634	10	6,887
Loss for the period	-	-	(1,762)	-	-	-	(1,762)
Foreign currency translation reserve	-	-	-	1,174	-	-	1,174
Total comprehensive income / (loss) for the period	-	-	(1,762)	1,174	-	-	(588)
Transactions with owners in their capacity as owners							
Shares issued	215	465	-	-	-	-	680
Cost of shares issued	-	(50)	-	-	-	-	(50)
At 30 June 2010	729	7,275	(5,377)	2,658	1,634	10	6,929
Balance at 1 July 2010	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)
Transactions with owners in their capacity as owners							
Shares issued	590	1,038	-	-	-	-	1,628
Cost of shares issued	-	(132)	-	-	-	-	(132)
At 31 December 2010	1,319	8,181	(5,947)	3,911	1,634	127	9,225

Notes to the Half-yearly Report

For the 6 months ending 31 December 2010

1. PRINCIPAL ACCOUNTING POLICIES

(a) Presentation of Half-yearly results

This half-yearly report was approved by the Directors on 15 March 2011. 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 2010 annual report and to be adopted in the 2011 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 2010.

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

	£,000	£,000	£,000
	Six months ended	Six months ended	Year ended
	31	31	30
	December	December	June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
Loss for the year	(570)	(534)	(1,762)
Weighted average number of Ordinary shares in issue	378,664,708	213,377,949	222,694,602
Loss per share - basic	(0.15)p	(0.25)p	(0.79)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 2010

3. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2010 the group assets had a cost of £110,000 (six months ending 31 December 2009: £124,000). This comprised of motor vehicles and other equipment amounting to £43,000 and £67,000 respectively. The net book values at 31 December 2010 are £12,000 for motor vehicles and £30,000 for other equipment.

4. SHARE-BASED PAYMENTS

10,000,000 options were granted to directors on 25 November 2011 with an exercise price of 4 Aust cents per share and at a Black-Scholes value per share of 1.89 Aust cents per share.

	£,000	£,000	£,000
	Six months ended	Six months ended	Year ended
	31	31	30
	December	December	June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
At 1 July	10	10	10
Valuation of 10,000,000 options @A\$0.0189 (£0.0117)	117	-	-
At 30 June	<u>127</u>	<u>10</u>	<u>10</u>

The fair value of equity share options granted is estimated using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. The following table lists the inputs to the model used for the outstanding options.

	Nov-10	Dec-08
Dividend yield	0.00%	0.00%
Underlying security spot price	A\$0.0280	A\$0.030
Exercise price	A\$0.04	A\$0.18
Standard deviation of returns	121.00%	80.00%
Risk free rate	5.27%	3.5%
Expiration period	3 yrs	2.81 yrs
Black-Scholes valuation per option	A\$0.0189	A\$0.004

Options outstanding at 31 December 2010

	Grant Date	Expiry Date	Exercise Price
5,000,000	24-Nov-08	15-Sep-11	AUS\$0.18
10,000,000	25-Nov-11	24-Nov-13	AUS\$0.04

Notes to the Half-yearly Report

For the 6 months ending 31 December 2010

5. POST BALANCE SHEET EVENTS

During January 2011, the company raised GBP 1,120,000 by the placing of:

- 29.78 million shares at GBP 2.25 pence per share, and
- 20.00 million shares at A\$0.035 cents per share

This raising is to be used for a drilling programme at the company's Dundas gold prospect near Norseman in Western Australia and to fund the acquisition of an initial 25% interest in the Spring Hill gold project in Australia's Northern Territory, as detailed below.

On 21st January, 2011 the Directors announced that the company has agreed terms for the staged acquisition of up to an 80% interest in the Spring Hill Gold Project, from Western Desert Resources Ltd, a shareholder in the company. The terms of the acquisition include:

- Acquisition of an initial 25% interest for consideration of A\$1,250,000 (GBP800,000) plus the issue of 10 million Thor shares.
- The option to acquire an additional 26% interest, subject to certain conditions, within 18 months of acquiring the initial 25% interest.
- The option to acquire an additional 29% interest, subject to certain conditions, within 30 months of acquiring the initial 25% interest.

On 11th March 2011, the company raised GBP 337,500 by the placing of 15 million shares at GBP 2.25 pence per share.

This raising is to be directed towards the company's exploration programme in Australia, at the Dundas gold prospect in Western Australia, further drilling and evaluation of the Molyhil tungsten/molybdenum project in Northern Territory, meeting costs related to the acquisition of the Spring Hill gold project in Northern territory, and meeting day to day running costs of the company.

6. NON CASH SHARE BASED TRANSACTIONS

The group issued 45 million shares on 16 August 2010 to purchase an additional 9% (to bring ownership to 60%) in the Dundas Project tenements.

7. TURNOVER AND SEGMENTAL ANALYSIS - GROUP

The group has not commenced production and therefore recorded no turnover.

The analysis of operating loss before taxation and the net assets employed by geographical segment of operations is shown below:

Notes to the Half-yearly Report

For the 6 months ending 31 December 2010

By geographical area

6 months ended 31 December 2010	UK £'000	Australia £'000	Total £'000
Result			
Operating loss	(189)	(383)	(572)
Investment revenue	-	9	9
Other income	-	5	5
Currency Losses	-	(12)	(12)
Loss before and after tax	(189)	(381)	(570)
<hr/>			
Other information			
	UK £'000	Australia £'000	Total £'000
Depreciation	-	12	12
Capital additions	-	25	25
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Assets			
	UK £'000	Australia £'000	Total £'000
Segment assets	-	8,592	8,592
Financial assets	-	41	41
Cash	116	585	701
Consolidated total assets	116	9,218	9,334
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Liabilities			
	UK £'000	Australia £'000	Total £'000
Segment liabilities	-	-	-
Financial liabilities	-	(109)	(109)
Consolidated total liabilities	-	(109)	(109)
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Notes to the Half-yearly Report

For the 6 months ending 31 December 2010

By geographical area

6 months ended 31 December 2009

	UK £'000	Australia £'000	Total £'000
Result			
Operating loss	(85)	(515)	(600)
Investment revenue	-	4	4
Other income	-	62	62
Loss before and after tax	(85)	(449)	(534)

Other information

	UK £'000	Australia £'000	Total £'000
Depreciation	-	14	14
Capital additions	-	-	-

Assets

	UK £'000	Australia £'000	Total £'000
Segment assets	-	7,583	7,583
Financial assets	-	25	25
Cash	162	115	277
Consolidated total assets	162	7,723	7,885

Liabilities

	UK £'000	Australia £'000	Total £'000
Segment liabilities	-	-	-
Financial liabilities	12	61	73
Consolidated total liabilities	12	61	73

DIRECTORS, SECRETARY AND ADVISERS

Directors

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

	In UK	In Australia
Registered Office and Directors' business address	Third Floor 55 Gower Street London WC1E 6HQ	Unit 7, 60-66 Richmond Road Keswick, South Australia Australia 5035
Company Secretaries	Stephen Frank Ronaldson	Allan Charles Burchard
Website	www.thormining.com	www.thormining.com
Nominated Adviser to the Company	Daniel Stewart & Company Plc Becket House, 36 Old Jewry, London EC2R 8DD	
UK Broker to the Company	Simple Investments 1 High Street Godalming Surrey GU7 1AZ	
Auditors to the Company	Chapman Davis LLP 2 Chapel Court London SE1 1HH	
Solicitors to the Company	Ronaldsons LLP 55 Gower Street London WC1E 6HQ	Watson Lawyers Ground Floor, 60 Hindmarsh Square Adelaide SA 5000
Registrars	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