

13 October 2011

Company Announcements Office,
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Positive Progress in Feasibility Study

Molyhil Tungsten / Molybdenum Project (NT)

The Directors of Thor Mining PLC ("Thor" or the "Company") (AIM, ASX: THR, THRO), are pleased to announce that they have received initial findings of the Definitive Feasibility Study (DFS) on the Molyhil Tungsten and Molybdenum Project in the Northern Territory ("Molyhil") and that these underline the economic rationale for the development of Molyhil.

Highlights

- Estimate based on Phase 1 pit of 1.4 million tonnes of ore
- Cash operating margins of A\$98/tonne of ore processed
- Capital expenditure estimate of A\$66 million
- Upside potential
- Revised Ore Reserve and Mining Plan in progress
- Feasibility Study now estimated to be complete during November



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Key Projects:

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

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Thor advises that leading Australasian engineering firm, Proteus EPCM Engineers ("Proteus"), has completed an estimate of capital & operating costs for the proposed mining and processing operation at Molyhil.

Key outcomes of the Costs Estimates include:

- Capital costs A\$66 million including contingency
- Operating costs A\$79 / tonne of ore mined and processed
- Annual throughput of ore 400,000 tonnes per annum

Revenue assumptions

- Revenue A\$177/ tonne of ore mined and processed
- Cash operating margin A\$98 / tonne
- Tonnes of ore mined & processed 1.4 million tonnes (Pit Phase 1)
- Tungsten grade (WO₃) 0.60%
- Tungsten price (APT) US\$460/mtu - discounted by 23%
- Molybdenum grade (Mo) 0.13%
- Molybdenum price US\$15.00/lb - discounted by 12%
- Exchange rate A\$1:00 = US\$0:95

Other potential enhancements to the project include up to 100,000 tonnes per annum of high grade magnetite which will be mined and extracted as part of the process of producing tungsten and molybdenum concentrates. The value of any contribution from this commodity is still being assessed.

Next Steps

The next phase of this definitive feasibility study involves re-estimating the ore reserve, including use of the above calculated parameters, and preparation of a new mining plan for the Molyhil operation. The outcomes of this work have some potential to vary both the total tonnage of ore to be mined from the Stage 1 Pit, and also the grade of that ore.

Following these steps the Molyhil financial model will be updated to reflect all the revisions to operating parameters.

The final results of this DFS are now expected to be complete in November.

Commenting on the results to date, the Chairman of Thor, Mr Mick Billing, said today:

"These are very positive early outcomes and provide us with a great deal of confidence in the trend results of the feasibility study. While much more work is required, these cost estimates, along with current metal prices, are key to the study outcomes."

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

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About Molyhil

Molyhil lies in the centre of Australia, 220 kilometres northeast of Alice Springs. Mineralisation comprises two main south east plunging lodes of coarsely crystalline scheelite and molybdenite hosted in magnetite skarn. Mineralisation remains open down plunge. The results of a Definitive Feasibility Study unveiled in 2007 confirmed the viability of a 400,000 tonnes per annum mining and processing operation with attractive financial outcomes. During 2008 metal prices declined to the extent that project development was put on hold. Recent strong increases in tungsten prices along with some recovery in molybdenum prices have prompted a re-assessment of the viability of the project.

Summary of Rounded Resource Estimates – 15.25% Fe₂O₃ Lower Cut

Classification	Resource (t)	MoS ₂ (%)	WO ₃ (%)	Fe ₂ O ₃ (%)
Measured	540,000	0.24	0.33	29.4
Indicated	2,300,000	0.18	0.38	27.9
Inferred	900,000	0.20	0.15	27.0
Total	3,750,000	0.19	0.32	28.0

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr. J.J.G. Doepel, B.Sc. (Hons), Grad Dip For Sc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr. Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration 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". Mr. Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

For further detail contact:

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