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## **DJ Thor Mining Molyhil Input Model Revised, CAPEX AUD\$71M**

Edited Press Release

LONDON (Dow Jones)--Thor Mining, an AIM-listed specialist metals company focused on advancing tungsten-molybdenum and uranium projects in the Northern Territory of Australia, said Thursday during the quarter to Dec. 31, 2007, the financial model for the Molyhil development has been updated, using revised input parameters, including costs based on a processing throughput of 400,000 tonnes per annum, whereas previous costs were based on 300,000 tonnes per annum.

A number of assumptions were used based on current industry available information, including current prices of \$32 per lb of Molybdenum and \$240 per mtu of Tungsten, with conservative industry discounts to the quoted prices of 15% and 28% for concentrate sales respectively.

The CAPEX now totals AUD\$71 million, including working capital and equipment for owner operator fleet, power and camp. This outright purchase of equipment has the effect of reducing operating costs now estimated to be AUS\$76 per tonne of ore treated.

The new reserve indicates that a total of 4.9 million pounds of molybdenum metal and 700,000 mtu's of tungsten can be recovered over the expected life of the open pit with life of mine designed to be 5.7 years.

The operating cash flow of the project is estimated to be AUD\$116 million, after tax and royalties and before CAPEX. Therefore a net cash flow of AUD\$45 million is currently predicted. The model is sensitive to a number of input assumptions which will no doubt change over time and therefore Thor and its Directors cannot warrant the estimates as presented.

Thor's consultants are continuing to work on the potential underground extensions to the mine at the end of the expected 5.7 year open pit mine life.

Thor's engineering staff has continued to progress a number of matters during the quarter. Emphasis continues to be placed on the identification and possible acquisition of second hand plant which would further reduce the CAPEX of the project.

During the last two quarters, Thor has focused on securing an off-take agreement for Molyhil. Thor is trying to achieve not only an off-take but also assistance in funding of the project either by an investment in Thor or possible JV of Molyhil.

Presently negotiations have advanced significantly with two parties. Formal terms and conditions are being negotiated so that a decision can be made prior to financing being finalised.

Keith Lindbeck and Associates have completed the Mining Management Plan and this has been submitted to the Northern Territory mines department. This document and the granting of the mining leases are the final approvals required.

At Oorabra Reefs, a total of 58 rock chip samples (A105771-A105828) were collected during the quarter from barite/fluorite veining east of Molyhil near Gap Bore.

Assay results have confirmed significant barite mineralization with assays up to 9.37% Ba returned, many others range between 3.5 to 4.5% Ba. Visually massive fluorite was noted in most samples.

Historically values range from 5.7% CaF<sub>2</sub> to 85% CaF<sub>2</sub> (Central Pacific Minerals). Further check assaying for other elements will need to be carried out including F as CaF<sub>2</sub> (fluorite or fluorspar).

A number of semi continuous quartz barite - fluorite reefs occur in the Jinka granite. In 1972 Central Pacific Minerals identified an inferred resource of 250,000 short tonnes at 37% CaF<sub>2</sub>, this resource is excised from the



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Molyhil tenement EL23825.

The area in general needs to be reassessed in light of the likely Molyhil mine development nearby and infrastructure being readily available 10km to the west.

The area in general seems to be under explored and has potential for REE's, barite, fluorite, gold, silver and base metals. Given the recent price increases of Barite and Fluorite and the proximity to infrastructure at Molyhil the area is worthy of further investigation.

Potential for tin/tantalum mineralization in pegmatites has also been identified. One specimen contained 360ppm Li, as well as anomalous Niobium (Nb).

At the Bunday River Uranium project, an airborne EM survey will be flown by Geoforce using the latest generation of SkyTEM equipment. A line spacing of 500 million is adequate on the eastern side of the tenement for a first pass reconnaissance survey given the large area of the tenement that requires coverage.

Montana GIS have been contracted to model the data as soon as it becomes available.

A program of reconnaissance air core drilling was completed at the Plenty Highway Uranium Project in the Northern Territory last quarter. A total of 16 aircore holes (07PHAC001-016) were drilled for 1,582 m. Drilling to date has completed wide spaced reconnaissance aircore holes on two north-south lines and one east-west traverse along a fence line track.

A number of the holes did not reach bedrock due to the intersection of deep clay horizons which exceeded the capabilities of the drill rig.

The HoistEM data appears to have correctly defined the extent and approximate depth of the palaeo-channels in the area. Drilling has identified a thin sandy layer covering up to 10 million of calcrete while below this thick horizons of calcareous clay have been identified with thin units of gypsum and calcrete being common.

Anomalous scintillometer readings have been restricted to units of quartz sand below the clays.

The most prospective area appears to be between holes 07PHAC010 and 012, although results from this area rarely exceeded 5ppm U, a 8 m thick sandy horizon was identified as a prospective zone. Further analysis of the EM survey is required to develop new drilling targets in this area.

The Harts Range Uranium Project area lies on the eastern margin of the Entia Dome.

In October, a mapping and soil sampling program was carried out over the Daicos prospect on tenements EL24736 and EL24734, two of the tenements within the Harts Range Uranium Project which is located 200km east-northeast of Alice Springs in the Arunta Province of the Northern Territory. The project includes five other tenements, EL24827, EL24735, EL24765 and A24766.

The main objective of the sampling program was to follow up on previous anomalous rock chips taken earlier this year at Daicos and Haddock prospects in order to identify drilling targets in difficult terrain. A total of 99 rock chip samples were collected.

The Indiana prospect is thought to have potential for large tonnage low grade uranium mineralization. Further field investigations of the area have indicated more pegmatite veining than previously thought and significant broad highly anomalous scintillometer readings from both pegmatite and highly altered country rock associated with the roof margins of the eastern side of the Huckitta (Entia) Dome intrusive.

Last quarter reconnaissance rock chip samples taken on pegmatite veins mapped at the Daicos Prospect area returned a best assay of 19.37% U from highly radioactive samples with visible uraninite and columbite. The rock samples were taken along a number of contact zones associated with an exposed pegmatite vein system covering an area of 300 million by 400 million.

A total of 374-80 mesh soil samples were collected over a 100 million x 50 million panel covering the Daicos prospect area during October. A further 24 additional rock chip samples were collected from veining in the area. No results have been received as yet.

Suitable access has now been found via a scrub bashed track within 200 million of the main Indiana prospect area saving considerable time and effort.

15 vegetation samples (A105756-A105770) over the Daicos area were collected during Dec. as part of a joint



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exercise with Genalysis to further develop analytical techniques for determining REE element concentrations in plant species over known mineralisation. Results of this sampling are still outstanding.  
During the quarter exploration was held up at Hatches Creek, as the Central Land Council was unable to organise a final clearance meeting with traditional owners.  
No work was completed this quarter at the Hatches Creek, Curtis Pound and Hale River Projects.  
The quarter closed with \$4.2 million in cash.

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## **Thor Mining still in talks over Molyhill off-take agreement**

LONDON (Thomson Financial) - Thor Mining PLC said it is still negotiating an off-take agreement for its Molyhill tungsten-molybdenum project along with an assistance in funding of the project either by an investment in Thor or possible joint venture of Molyhill.

The company said negotiations have advanced significantly with two parties and formal terms and conditions are being negotiated so that a decision can be made prior to financing being finalised. Also, financing alternatives are now being considered with several parties, it said.

Thor Mining said the mining management plan for Molyhill has been submitted to the Northern Territory mines department for approval.

The operating cash flow of the project is estimated to be 116 mln aud after tax and royalties and before CAPEX. Therefore a net cash flow of 45 mln aud is currently predicted, the company said.

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