

# THOR

MINING PLC

## QUARTERLY REPORT - DECEMBER 2007

### MOLYHIL TUNGSTEN-MOLYBDENUM PROJECT

#### Development Highlights

- A revised 5.7 year financial model was completed during the quarter based on a number of assumptions including an upgraded processing rate of 400,000 tpa.
- The pre capital expenditure ("CAPEX") project cash flow after tax and royalties totals AUD\$116 million.
- Mining Management Plan for the Molyhil project has been submitted to Northern Territory mines department for approval.
- Negotiations have advanced for an offtake agreement with interested parties during the quarter. A number of meetings were held in China, Australia and London. Letters of intent and suggested terms and conditions have been received from a number of parties. No decision has been made at this stage with further negotiations continuing.
- Financing alternatives are now being considered.

#### Exploration Highlights

- Results from 58 rock chip samples confirm barite-fluorite potential of the Oorabra reef area north east of Molyhil.

### URANIUM PROJECTS

- Results received from Plenty Highway Project with no assays greater than 150ppm U, although further drilling in this area is recommended.
- Soil and rock sampling program completed at the Daicos prospect in the Harts ranges, results expected shortly.

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## MOLYHIL TUNGSTEN - MOLYBDENUM PROJECT

### MOLYHIL DEVELOPMENT

#### Financial Model

The financial model 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 US \$32 per lb of Molybdenum and US \$240 per mtu of Tungsten, with conservative industry discounts to the quoted prices of 15% and 28% for concentrate sales respectively. The model uses an AUS\$ to US\$ exchange rate of 0.85.

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 AUD\$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. Therefore a net cash flow after CAPEX 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.

#### Basic Assumptions

- A constant Molybdenum price of US\$32 per pound less 15% discount.
- A constant Tungsten (APT) price of US\$240 per mtu less 28% discount.
- Taxation, Northern Territory Government royalties and Central Land Council royalties have been estimated.
- An average AUD to USD exchange rate of AUD\$1.00:USD\$0.85.
- Salvage value of the plant and equipment is assumed to be sufficient to meet final closure obligations.
- 100% equity finance.

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.

### **Off-take Negotiations**

During the last two quarters, Thor has focused on securing an offtake agreement for Molyhil. Thor is trying to achieve not only an offtake 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.

### **Financing**

Financing alternatives are now being considered with several parties.

### **Environmental and Notice of Intent (NOI)**

Keith Lindbeck and Associates (KLA) have completed the Mining Management Plan ("MMP") 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.

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## **MOLYHIL EXPLORATION**

### **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 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 approximately 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).

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## **URANIUM EXPLORATION**

### **Bundey River Project**

An airborne EM survey will be flown by Geoforce using the latest generation of SkyTEM equipment. A line spacing of 500m 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.

## Plenty Highway Project

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 10m 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.

## Harts Range Project

The Harts Range project area lies on the eastern margin of the Entia Dome. The Entia Gneiss forms the core of the Entia Dome, which is located on the western part of the Exploration License area.

In October, a mapping and soil sampling program was carried out over the Diacos prospect on tenements EL24736 and EL24734, two of the tenements within the Harts Range Uranium Project which is located approximately 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.

## Daicos Prospect

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 300m by 400m.

A total of **374** -80 mesh soil samples were collected over a 100m x 50m 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 200m of the main Indiana prospect area saving considerable time and effort.

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

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## OTHER PROJECTS

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.

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## CORPORATE

All resolutions placed before shareholders at Thor's Annual General Meeting were passed.

The quarter closed with \$4.2m in cash.

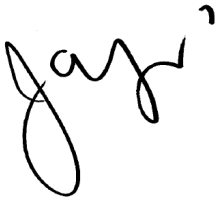
During the quarter Thor's NOMAD changed its name from ARM Corporate Finance to Blomfield Corporate Finance limited as announced on 1 November 2007.

## Tenements

No changes during the quarter

Yours faithfully

**THOR MINING PLC**

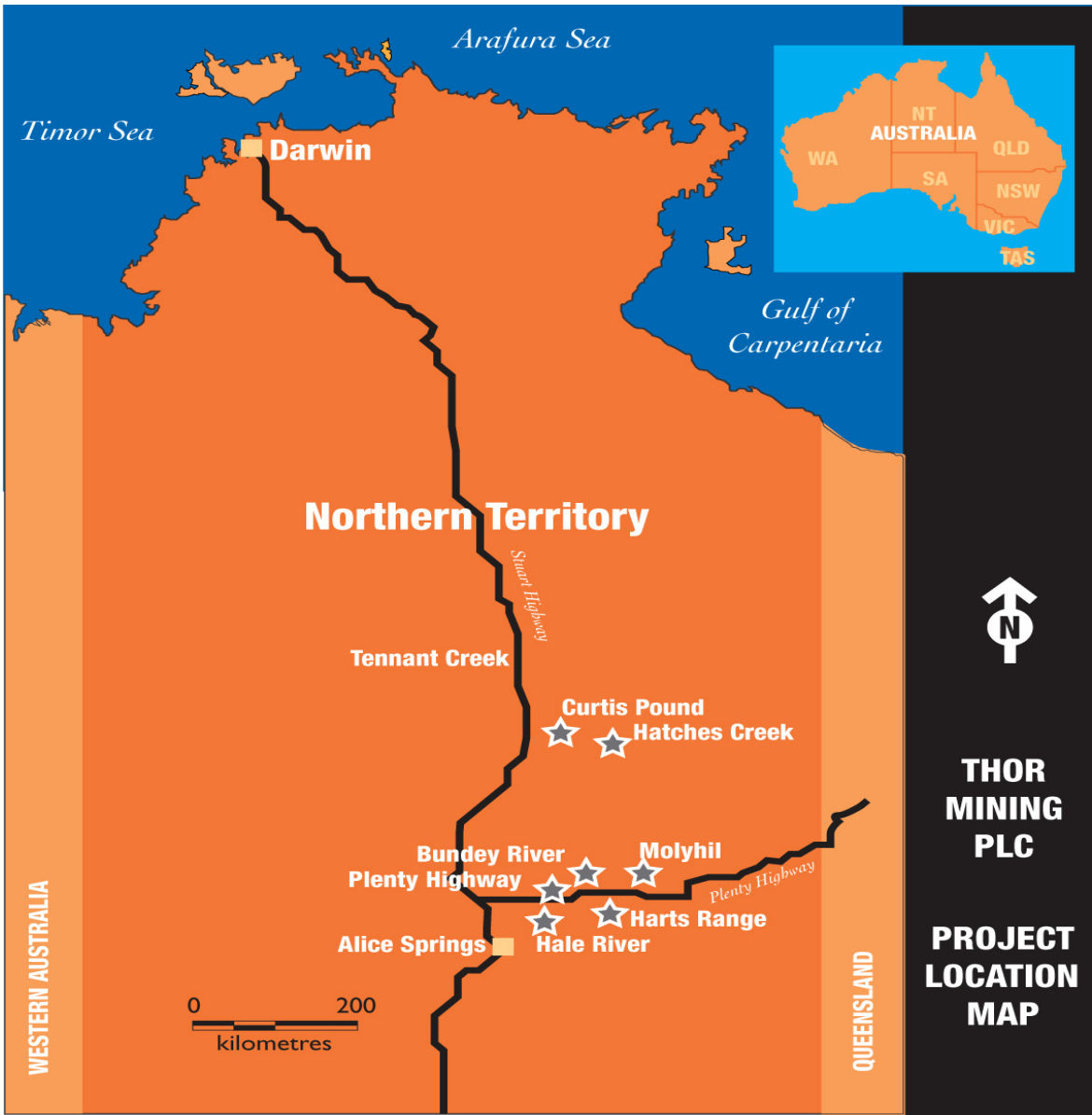


**John A Young**  
Chief Executive Officer

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by John Young, who is a Member of The Australasian Institute of Mining and Metallurgy. John Young is a director of Thor Mining PLC. John Young has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. John Young consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Appendix 1**

**Thor Project Locations**



## Appendix 2

### Hale Energy Tenements

Curtis Pound Uranium Project	EL24823	Curtis Pound Project
Hale River Uranium Project	EL24809	Hale River Project
Harts Range Uranium Project	EL24734	Harts Range Project
	EL24735	Harts Range Project
	EL24736	Harts Range Project
	EL24765	Harts Range Project
	EL24827	Harts Range Project
	A 24766	Harts Range Project
Plenty Highway Uranium Project	EL24810	Plenty Highway Project
Bunday River Uranium Project	EL25378	Bunday River Project

### Molyhil Mining Tenements

Molyhil Tungsten-Molybdenum Project	EL22349	Molyhil
	MLA23825	Molyhil
	MLA24429	Molyhil
	EL24392	Molyhil
	MLA25712	Molyhil
Hatches Creek Tungsten Project	EL22912	Hatches Creek
	EL23463	Hatches Creek
	EL22913	Hatches Creek

## Appendix 3

**Directors**

John W Barr	Executive Chairman
John Young	Chief Executive Officer
Greg Durack	Non-Executive Director
Mark Smyth	Non-Executive Director

**Chief Financial Officer**

Damian Delaney (AU)

**Company Secretary**

Damian Delaney (AU)  
Stephen Ronaldson (UK)

**Shareholder Enquiries**

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**Australian Stock Exchange Listing**

Shares	THR
Warrants	THRO

**AIM Listing**

Shares	THR
Warrants	THRW

**European Stock Exchange Listings**

Frankfurt  
Berlin  
Munich  
Stuttgart

**Major Shareholders 22/01/08**

Batavia Mining	9.26%
ANZ Nominees Limited	8.38%
Vidacos Nominees Limited	7.37%
RAB Special Situations Master Fund Limited	3.92%

**Capital Structure 22/01/08**

Ordinary Shares on Issue	140,455,903
15/06/09 Warrants Exercise Price 8p	65,589,829
Unlisted Options	
29/06/10 Options Exercise Price 6p	455,000
15/06/09 Options Exercise Price 11.25p	3,333,333
15/06/09 Options Exercise Price 8p	13,500,000
15/06/09 Options Exercise Price 11.25p	2,750,000