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Half-yearly Report

**For the six months ended
31 December 2008**

REVIEW OF OPERATIONS

The net result of operations for the half-year was a loss of £500,000 (2007: £502,000).

Molyhil Molybdenum/Tungsten project

During the half year ended 31 December 2008, the consolidated entity continued to refine the economic parameters necessary for commencement of development and construction activities for the Molyhil project. While good progress has been made in reducing capital and operating costs for the project, international molybdenum prices have reduced in line with pricing for other metals over the period. This has pushed the development timetable back until product pricing is more conducive for the necessary capital raising.

Subsequent to the end of the half year a drilling program was conducted to identify any possible incremental mineralisation at the Molyhil project. At the time of reporting, assay results had not been received from this activity.

Uranium exploration projects

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

Finance

Subsequent to the end of the period, the company issued 22 million shares raising £209,000 after costs. Funds raised are directed towards funding the drilling program at Molyhil and to supplement working capital.

Other

Subsequent to the end of the period, a number of changes were announced concerning the senior management of the company. Mr John Young terminated as executive director of the company but continues as a non-executive director. Mr Mick Billing was appointed as executive chairman, and Mr Ian Sheffield-Parker was appointed as Chief Executive Officer.

The Board will continue its efforts to derive value from the existing tenement holdings and assess potential additional projects.



Mick Billing
Executive Chairman

INDEPENDENT REVIEW REPORT TO THOR MINING PLC

Introduction

We have been engaged by the Company to review the accompanying Consolidated Balance Sheet of Thor Mining Plc (the “Company”) as of 31st December 2008 and the related Consolidated Statements of Income, Changes in Equity and Cash Flows for the six-month period then ended and related notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

Directors’ Responsibilities

The interim report, including the financial information contained herein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the next annual financial statements.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 herein.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standards and the AIM Rules for Companies.

CHAPMAN DAVIS LLP
Chartered Accountants
2 Chapel Court
London
SE1 1HH
10th March 2009

Consolidated Income Statement

For the 6 months ended 31 December 2008

	Note	£'000 Six months ended 31 December 2008 (Unaudited)	£'000 Six months ended 31 December 2007 (Unaudited)	£'000 Year ended 30 June 2008 (Audited)
Administrative expenses		(231)	(205)	(553)
Corporate expenses		(267)	(315)	(572)
Other expenses		(39)	(67)	(93)
Operating Loss		(537)	(587)	(1,218)
Interest receivable		24	50	104
Other income		13	35	37
Loss before Taxation		(500)	(502)	(1,077)
Taxation		-	-	-
Loss on Ordinary Activities after Taxation		(500)	(502)	(1,077)
Basic loss per share	2	(0.33)p	(0.36)p	(0.76)p

Consolidated Balance Sheet

At 31 December 2008

	Note	£'000 31 December 2008 (Unaudited)	£'000 31 December 2007 (Unaudited)	£'000 30 June 2008 (Audited)
NON-CURRENT ASSETS				
Intangible assets - deferred exploration costs		5,499	4,621	5,419
Mine development costs		1,247	939	1,171
Plant and equipment	3	86	92	113
Total non-current assets		6,832	5,652	6,703
CURRENT ASSETS				
Cash and cash equivalents		588	1,871	1,321
Trade and other receivables		24	71	29
Other		11	20	14
Total current assets		623	1,962	1,364
TOTAL ASSETS		7,455	7,614	8,067
CURRENT LIABILITIES				
Trade and other payables		(72)	(133)	(117)
Provisions		(22)	(18)	(5)
Interest-bearing liabilities		(16)	(12)	(20)
Total current liabilities		(110)	(163)	(142)
NON-CURRENT LIABILITIES				
Interest-bearing liabilities		(57)	(57)	(79)
Total non-current liabilities		(57)	(57)	(79)
Total liabilities		(167)	(220)	(221)
NET ASSETS		7,288	7,394	7,846
EQUITY				
Issued share capital		448	421	448
Share premium		6,706	6,391	6,706
Foreign exchange reserve		1,375	758	1,443
Merger reserve		1,634	1,634	1,634
Option revaluation reserve		872	862	862
Retained losses		(3,747)	(2,672)	(3,247)
TOTAL EQUITY		7,288	7,394	7,846

Consolidated Cash Flow Statement

For the 6 months ended 31 December 2008

Note	£'000 Six months ended 31 December 2008 (Unaudited)	£'000 Six months ended 31 December 2007 (Unaudited)	£'000 Year ended 30 June 2008 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss	(500)	(502)	(1,077)
Decrease in trade and other receivables	8	17	63
Increase/(decrease) in trade and other payables	(32)	(191)	59
Depreciation	21	17	39
Share options expensed	10	79	79
Unrealised exchange gain	(24)	327	302
Net cash outflow from operating	(517)	(253)	(535)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of equipment	13	-	-
Purchase of property, plant and equipment	(8)	(10)	(64)
Payments for mine development	(116)	(175)	(702)
Payments for exploration expenditure	(84)	(317)	(342)
Net cash outflow from investing	(195)	(502)	(1,108)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary share capital	-	814	1,139
Share issue costs	-	(18)	-
Repayment of borrowings	(21)	(6)	(11)
Net cash inflow from financing	(21)	790	1,128
Net increase/(decrease) in cash and cash equivalents	(733)	35	(515)
Cash and cash equivalents at the beginning of period	1,321	1,836	1,836
Cash and cash equivalents at the end of period	588	1,871	1,321

Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2008

	Issued share capital £'000	Share premium £'000	Retained earnings £'000	Foreign Currency Translation Reserve £'000	Merger Reserve £'000	Option Reserve £'000	Total £'000
At 1 July 2007	399	5,616	(2,170)	431	1,634	783	6,693
Loss for the period	-	-	(502)	-	-	-	(502)
Foreign currency translation reserve	-	-	-	327	-	-	327
Total recognised income and expense	-	-	(502)	327	-	-	(175)
Share based payments expense	-	-	-	-	-	79	79
Shares issued	22	775	-	-	-	-	797
At 31 December 2007	421	6,391	(2,672)	758	1,634	862	7,394
At 1 July 2007	399	5,616	(2,170)	431	1,634	783	6,693
Loss for the period	-	-	(1,077)	-	-	-	(1,077)
Foreign currency translation reserve	-	-	-	1,012	-	-	1,012
Total recognised income and expense	-	-	(1,077)	1,012	-	-	(65)
Share based payments expense	-	-	-	-	-	79	79
Shares issued	49	1,090	-	-	-	-	1,139
At 30 June 2008	448	6,706	(3,247)	1,443	1,634	862	7,846
At 1 July 2008	448	6,706	(3,247)	1,443	1,634	862	7,846
Loss for the period	-	-	(500)	-	-	-	(500)
Foreign currency translation reserve	-	-	-	(68)	-	-	(68)
Total recognised income and expense	-	-	(500)	(68)	-	-	(568)
Share based payments expense	-	-	-	-	-	10	10
Shares issued	-	-	-	-	-	-	-
At 31 December 2008	448	6,706	(3,747)	1,375	1,634	872	7,288

Notes to the Half-yearly Report

For the 6 months ending 31 December 2008

1. PRINCIPAL ACCOUNTING POLICIES

(a) Presentation of Half-yearly results

This half-yearly report was approved by the Directors on 13 March 2009. 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 2008 annual report and to be adopted in the 2009 annual report. The financial information contained in this half-yearly report does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985.

This half year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008, which was 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 of the London Stock Exchange.

The half-yearly report has been prepared under the historical cost convention.

Notwithstanding the loss incurred during the period under review, the directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the Group's 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.

Notes to the Half-yearly Report
For the 6 months ending 31 December 2008

2. LOSS PER SHARE

	£'000 Six months ended 31 December 2008 (Unaudited)	£'000 Six months ended 31 December 2007 (Unaudited)	£'000 Year ended 30 June 2008 (Audited)
Basic loss per share for the period			
Loss	(500)	(502)	(1,077)
Weighted average number of shares	149,470,949	139,116,507	141,295,494
Loss per share - pence	(0.33)	(0.36)	(0.76)

No diluted loss per share is presented as the effect of exercise of outstanding options is to decrease the loss per share.

3. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2008 the group assets had a cost of £168,000 (six months ending 31 December 2007: £143,000). This comprised of motor vehicles and other equipment amounting to £102,000 and £66,000 respectively. The net book values at 31 December 2008 are £50,000 for motor vehicles and £36,000 for other equipment.

4. SHARE-BASED PAYMENTS

In November 2008 a grant of unlisted options was made to directors of Thor Mining PLC. The terms and conditions of the grant made during the six months ended 31 December 2008 are as follows:

Number	Grant Date	Expiry Date	Exercise Price
5,000,000	24 November 2008	15 September 2011	AUS\$0.18/£0.08

Fair value of share option and assumptions for the six months ended 31 December 2008:

Underlying security mid-market value	\$0.03/£0.01
Exercise Price	\$0.18/£0.08
Dividend rate	-
Standard deviation of returns	80.00%
Risk free rate	3.5%
Expiration period (days)	1,026
Black Scholes valuation	\$0.004/£0.002

The basis of measuring fair value is consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2008.

Notes to the Half-yearly Report
For the 6 months ending 31 December 2008

5. POST BALANCE SHEET EVENTS

During January 2009 the Company raised £220,000 by the placing of 22 million shares to sophisticated investors at 1p per share. This raising was used to fund the 2,000m drill program at Molyhil targeting IP anomalies and extensions to the main ore body and for additional working capital. The assay results for the drilling have not yet been received.

6. 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:

By geographical area 6 months ended 31 December 2008	UK	Australia	Total
	£'000	£'000	£'000
Result			
Operating loss	(337)	(200)	(537)
Investment revenue	5	19	24
Other income	-	13	13
Loss before and after tax			<u>(500)</u>
Other information	UK	Australia	Total
	£'000	£'000	£'000
Depreciation	-	21	21
Capital additions	1	154	155
			<u>155</u>
Assets	UK	Australia	Total
	£'000	£'000	£'000
Segment assets	3	6,820	6,823
Financial assets	10	25	35
Cash			588
Consolidated total assets			<u>7,455</u>
Liabilities	UK	Australia	Total
	£'000	£'000	£'000
Segment liabilities	-	-	-
Financial liabilities	12	155	167
Consolidated total liabilities			<u>167</u>

Notes to the Half-yearly Report
For the 6 months ending 31 December 2008

6 Turnover and segmental analysis – Group (continued)

By geographical area

6 Months ended 31 December 2007

	UK £'000	Australia £'000	Total £'000
Result			
Operating loss	(287)	(300)	(587)
Investment revenue	7	43	50
Other income	-	35	35
Loss before and after tax			<u>(502)</u>

Other information

	UK £'000	Australia £'000	Total £'000
Depreciation	1	16	17
Capital additions	1	657	658

Assets

	UK £'000	Australia £'000	Total £'000
Segment assets	1	5,651	5,652
Financial assets	17	74	91
Cash	-	-	1,871
Consolidated total assets			<u>7,614</u>

Liabilities

	UK £'000	Australia £'000	Total £'000
Segment liabilities	-	-	-
Financial liabilities	6	214	220
Consolidated total liabilities			<u>220</u>

**Thor Mining PLC
Company Information**

Directors	Mick Billing (<i>Executive Chairman</i>) Michael Ashton (<i>Non-executive Director</i>) Greg Durack (<i>Non-executive Director</i>) Norman Gardner (<i>Non-executive Director</i>) John Young (<i>Non-executive Director</i>)
Secretary	Stephen F Ronaldson (United Kingdom) Damian P Delaney (Australia)
Registered office	3 rd Floor 55 Gower Street London WC1E 6HQ
Australian office	Level 1 26 Greenhill Road Wayville South Australia 5034 Telephone: + 618 8177 8800 Fax: + 618 9272 2838
Shareholder Enquires	Damian P Delaney dpd@thormining.com Shareholders are encouraged to register on the Company's website to receive updates by email.
Web site:	www.thormining.com
Nominated Adviser and Broker	Blomfield Corporate Finance Limited London Telephone: + 44 (0) 20 7489 4500 Fax: + 44 (0) 20 7489 7707
Auditors	Chapman Davis LLP London
Solicitors	Ronaldsons London Hardy Bowen Australia
Registrar	Computershare Investor Services plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH Telephone: + 44 (0) 870 702 0002 Fax: + 44 (0) 870 703 6116
Registered number	05276414