

### TUNGSTEN-MOLYBDENUM PROJECTS

- Development of the project and in particular financing has been the priority. Meetings have been held with financial consultants in Perth, Sydney, Melbourne and Hong Kong.
- The outlook for both commodities continues to be optimistic. Published prices for Molybdenum roasted concentrates sit at US\$24-\$25 per lb and for Tungsten APT at US\$240-\$245.

Various options are being investigated to reduce capital and operating costs for the Molyhil Project. Test work on the suitability of the magnetite products and their marketability is ongoing.

### URANIUM PROJECTS

- The airborne EM survey completed earlier in 2008 over the eastern half of the Bunday River tenement successfully identified numerous basement anomalies, together with numerous potential "roll front" trap sites within conductive sediments in palaeo-channels associated with the Plenty River drainage system. Only half of the 1,255 square kilometres of the Bunday River tenement was covered by the airborne EM survey with the western half of the tenement remaining untested.
- Approximately two-thirds of the planned air core drilling was able to be completed due to unseasonal thunderstorms. The program closed with 27 holes completed for 1,685m. A total of 567 3m composite samples were sent for multi element analysis. All assay results were received during the quarter. Locally anomalous results were received from prospective carbonaceous horizons including a significant coal intersection in hole 08BRAC012. Some of the coal intersected appears to be high quality anthracite and has been re sampled for further analysis. Several basement samples also returned anomalous uranium assays. The results are regarded as encouraging at this early stage of exploration. A best assay of 14.5ppm U was returned from the base of hole 08BRAC021 in a quartz biotite feldspar garnet gneiss.

### CORPORATE

- Thor has moved its Australian registered office to Adelaide along with its three wholly owned subsidiaries. In the meantime Thor has moved its Perth based operations team into a smaller office as a means of conserving cash. It is envisaged that the operational functions of this office will migrate to the Adelaide office in early 2009.

## **MOLYHIL TUNGSTEN - MOLYBDENUM PROJECT**

**The Molyhil Project has a proposed mine-life of 5.7 years from a mining reserve of 2.212 million tonnes at 0.21% MoS<sub>2</sub> and 0.47% WO<sub>3</sub>. This reserve contains 10.4 million pounds of MoS<sub>2</sub> and 1.05 million mtu's of WO<sub>3</sub>. At current metal prices of \$24 per lb of MoS<sub>2</sub> and \$245 per mtu of WO<sub>3</sub> the Reserve has an in ground value of US\$407 million.**

The Molyhil Tungsten-Molybdenum Project (Molyhil Project) is a proposed open cut mine and processing facility to be constructed in the Northern Territory. The main objective of the proposed facility is to produce scheelite and molybdenite concentrate for sale.

Thor, through its wholly-owned Australian subsidiary Molyhil Mining Pty Ltd, owns 100% of the Molyhil Project, which comprises two EL's 22349 and 24392, totalling 829km<sup>2</sup> in area, and includes three granted Mining Leases 23825, 24429 and 25712. The combined Mining Leases cover an area of 247ha.

## **MOLYHIL DEVELOPMENT**

### **Finance**

Development of the project and in particular financing has been the priority.. Thor management met with Trade Finance Corporation, a Hong Kong based group in regard to financing alternatives. The China Molybdenum and Tungsten conference in Louyang was also attended to gain further insight into the continuing demand for both metals. Below is a summary on the outlook for both commodities;

### **Tungsten Commodity Summary**

- Tungsten domestic and global consumption was up 5% in 2007 with world production around 89,610mt. Predicted 2008 world demand is 81,500mt with trends showing that demand is slowing, but holding steady.
- The first half of 2008 shows that Chinese domestic production is down 6.37% and China mining and labour force costs have continued to rise throughout the year.
- The Chinese government has continued with strong macro economic controls and Tungsten resource taxes rose from 1<sup>st</sup> August 2008.
- China companies have continued to progress deals in exploring and **consolidating overseas tungsten resources.**
- Export quota down 2.5% in 2007, newly released export quota down 5% in 2008 to 14,900 tonnes.
- Scheelite prices in China are expected to be stable at **US\$191 per mtu delivering an APT price of US\$259 per mtu.**

### **Molybdenum Commodity Summary**

- **World projected demand growth for 2008/2009 of between 4.5-6%,** downside to 3%. China is set to become largest consumer of molybdenum by 2012, driven mainly by the stainless steel industry, with t new uses are expanding.
- World production in 2008 estimated at 473 million pounds (lbs), up 11 million lbs, with supply and demand to be well balanced in 2008, secondary supplies and inventories have diminished over the last two years.
- Chinese control prices, demand driven by urbanisation and transport, oil and aerospace industry. China produced 146 million lbs in 2007, up 51% from 2006. The China forecast is 170 million lbs in 2008.
- Chinese export quotas have reduced every year since 2004 and tighter regulation is expected

- Rising cost structures in China have seen the first 7 months of production in 2008 down 22%, the lowest in 5 years.
- US Moly production at 130 million lbs, same for last 3 years, Endako production down.
- Chile Moly production was 99.8 million lbs in 2007, 5 million lbs less than 2006.
- Peru and Mexico produced around 40 million lbs in 2007 overall down 3 million lbs.
- Moly prices are expected to be stable.
- LME listing should further stabilise prices in the second half of 2009.

The outlook for both commodities continues to be optimistic. Published prices for Molybdenum roasted concentrates have decreased over the last quarter to US\$24 - \$25 per lb. This is expected to be short term as inventories are low. Tungsten APT has held steady at US\$240-\$245.

A number of meetings have been held in Perth, Sydney and Melbourne with financial advisory groups in regard to the best possible way to finance the Molyhil Project. The current state of the equity market here and overseas has deteriorated even further and is not a positive environment in which to raise money.

### **Development**

Various options are being investigated to reduce capital and operating costs for the Molyhil Project.

Testwork at Nagrom has been completed on ROM ore and it was proven that there is limited benefit in early removal of magnetite from the process, Fine magnetite products can be extracted without significant change to the existing flowsheet and without any losses of tungsten and molybdenum.

Magnetite samples taken from previous testwork using the original flowsheet design are being tested for its suitability for use in the HMS section of a coal washing plant. All samples to date have passed stringent testing.

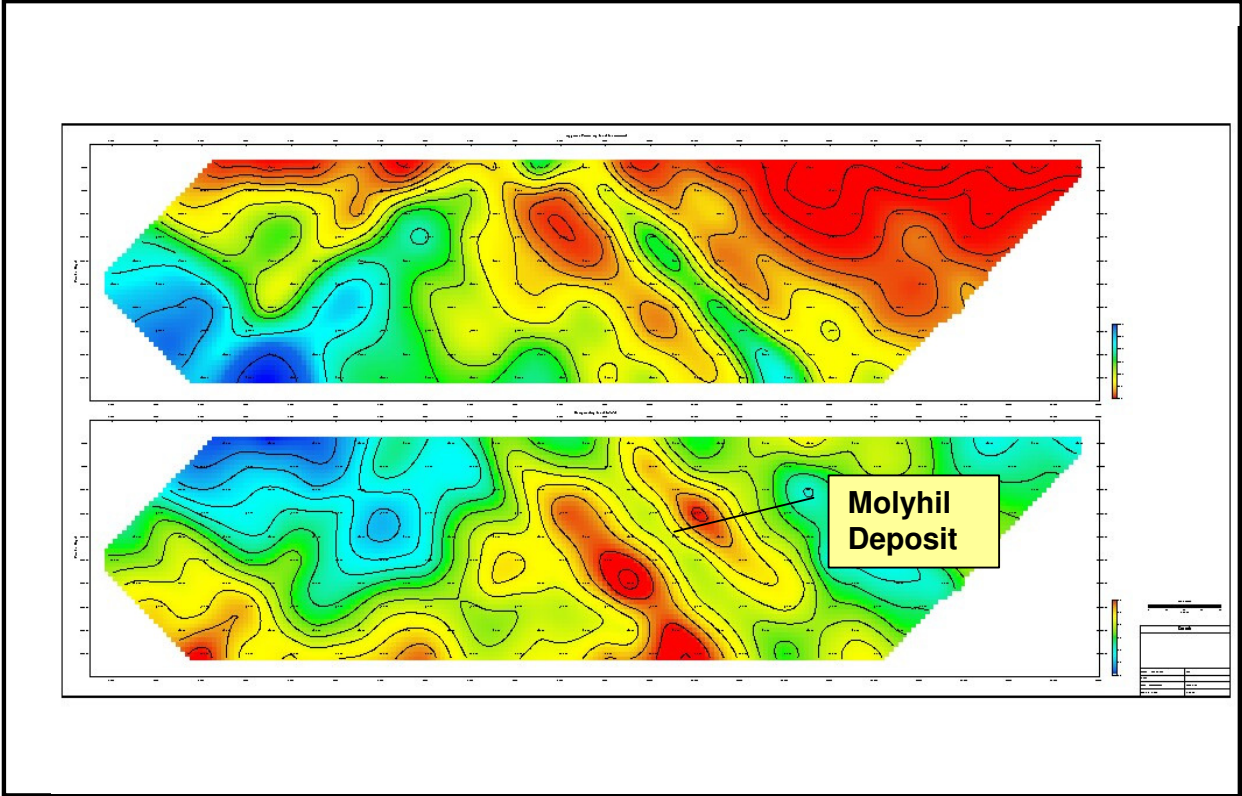
A number of marketing samples have been produced and they have been sent to gauge market suitability. Reliable sources within the industry have indicated pricing of around AUS\$ 200 per tonne to the Queensland coal industry.

### **MOLYHIL EXPLORATION**

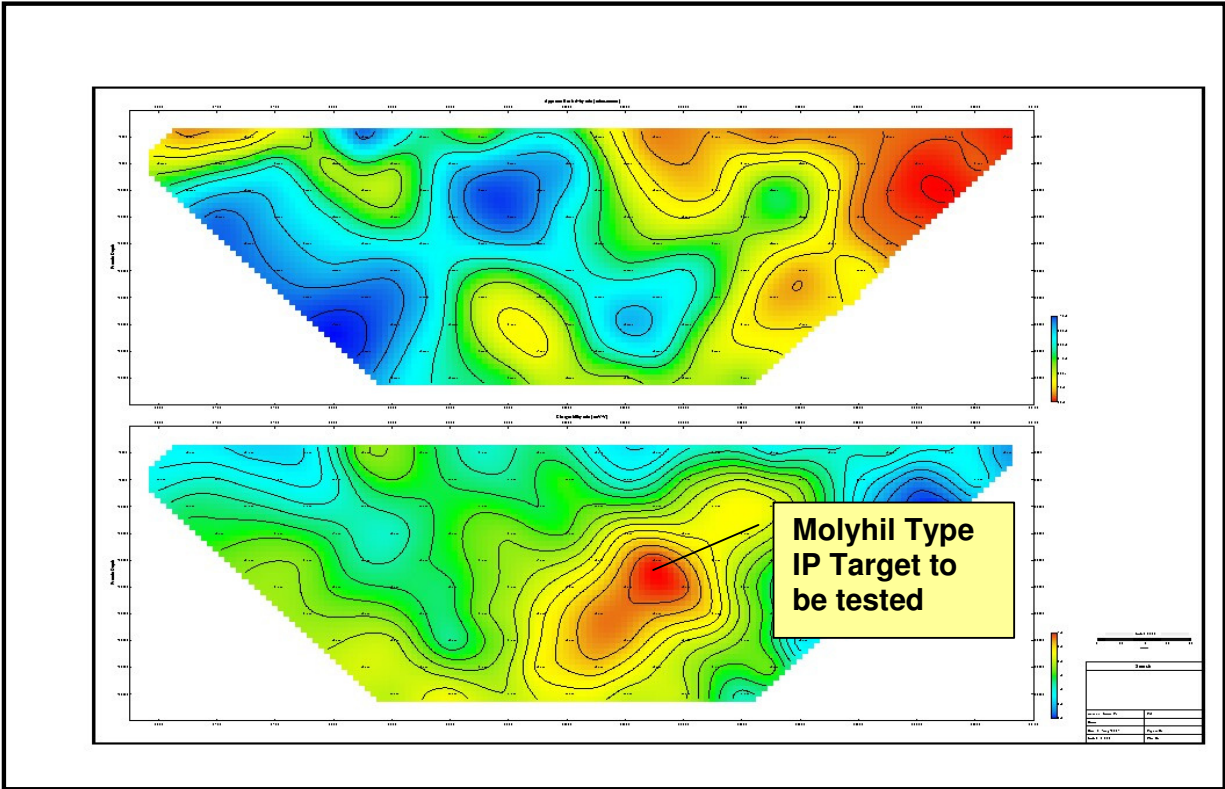
Drilling is planned at Molyhil on targets from the 2007 induced polarisation (IP) survey. There are targets both inside the proposed pit area and north and south of the proposed development. The drilling program is scheduled for early November.

The IP survey successfully identified the Molyhil skarn mineralisation, confirming that it is an effective exploration tool for targeting similar skarns in and around the Molyhil deposit. Chargeable responses were identified north and south along strike beyond current drilling and 500m to the west of the Molyhil mineralisation. A single traverse completed 150m north of the existing pit identified a chargeable response 50m below surface where there is no outcropping skarn identified in this area and is clearly a priority target.

**Line 19900 Molyhil Deposit**



**Line 20240N Target North of Molyhil**



## URANIUM EXPLORATION

### Bundey River

In the March quarter a total of 27 air core holes 07BRAC001- 027 were drilled for 1,685m at Bundey. Three metre composite samples were taken. A total of 567 samples were sent to Amdel in Adelaide for multi element analysis. All assay results have now been received for the drilling completed in the south eastern corner of the Bundey River tenement. Locally anomalous results were received from prospective carbonaceous horizons including a significant coal intersection in hole 08BRAC012. Some of the coal intersected appears to be high quality anthracite and has been re sampled for further analysis. Several basement samples also returned anomalous uranium assays. The A best assay of 14.5ppm U was returned from the base of hole 08BRAC021 in a quartz biotite feldspar garnet gneiss.

The area marginal to the deep pocket of coal intersected in hole 08BRAC012 is a favourable reducing environment and is regarded as highly prospective for uranium mineralisation. The area is worthy of further reconnaissance drilling as it is the most prospective setting encountered to date in the Hale Energy tenement package along the Plenty River palaeo-channel system. The remainder of the EM anomalies on the tenement also require first pass reconnaissance air core drilling.

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## OTHER PROJECTS

No work was completed this quarter at the Harts Range, Curtis Pound, Plenty Highway or Hale River Prospects.

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## CORPORATE

### Change of Address

The Australian registered office address and contact details are now as follows:

Level 1  
26 Greenhill Road  
Wayville  
SA 5034      TEL: (08) 8177 8800 FAX: (08) 8272 2838

Thor also moved its Perth based operations team into a smaller office as a means of conserving cash. It is envisaged that the operational functions of this office will migrate to the Adelaide office in early 2009.

The Perth operational office details are:

571A Canning Highway  
Alfred Cove  
WA 6154      TEL: (08) 7123 4050.      FAX: (08) 9330 5198.

### Securities

11,000,000 unlisted options and 2,000,000 listed warrants exercisable on or before 15 June 2009 at 8 pence were released from escrow on the 27<sup>th</sup> of September 2008.

### Cash Position

The quarter closed with \$1.9M in cash.

## TENEMENTS

Exploration Licence 22913 expired on the 20<sup>th</sup> of August 2008. This tenement was part of the Hatches Creek Project

Yours faithfully

**THOR MINING PLC**



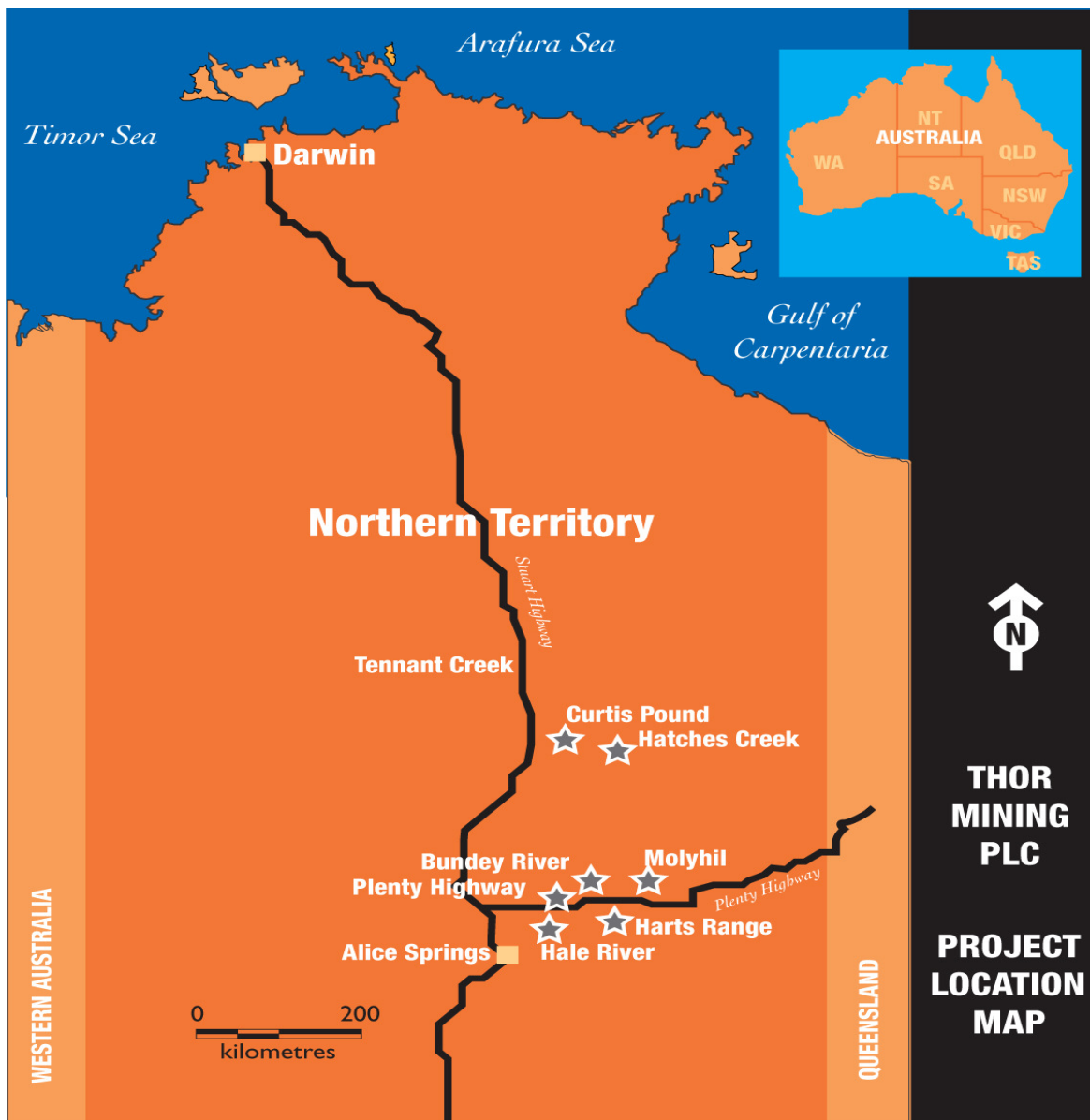
**John A Young**  
Executive Director

*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.*

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## 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
Bundey River Uranium Project	EL25378	Bundey River Project

### Molyhil Mining Tenements

Molyhil Tungsten-Molybdenum Project	EL22349	Molyhil
	ML23825	Molyhil
	ML24429	Molyhil
	EL24392	Molyhil
	ML25712	Molyhil
Hatches Creek Tungsten Project	EL22912	Hatches Creek
	EL23463	Hatches Creek

## Appendix 3

### Directors

Michael Billing	Non-Executive Chairman
John Young	Executive Director
Michael Ashton	Non-Executive Director
Greg Durack	Non-Executive Director
Norman Gardner	Non-Executive Director

### Management

Damian Delaney (AU)	Chief Financial Officer
Ian Sheffield-Parker	Chief Operating Officer

### Company Secretary

Damian Delaney (AU)  
Stephen Ronaldson (UK)

### Shareholder Enquires

Damian Delaney (AU)	Contact
Telephone:	(08) 71234050
Facsimile:	(08) 93305198
Email:	<a href="mailto:corporate@thormining.com">corporate@thormining.com</a>
Website:	<a href="http://www.thormining.com">www.thormining.com</a>

### Share Registry

Computershare Investor Services Pty Ltd (AU)	
PERTH WA 6000	
Telephone:	(08) 9323 2000
Facsimile:	(08) 9323 2033
Computershare Investor Services PLC (UK)	
The Pavilions, Bridgewater Road	
BRISTOL BS13 8AE	
UK	
Telephone:	+44 (0) 870 889 3113
Facsimile:	+44 (0) 870 703 6116

### 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 October 2008

Western Desert Resources Limited	16.70%
Vidacos Nominees Limited	7.10%
ANZ Nominees Limited	3.61%

### Capital Structure 22 October 2008

Ordinary Shares on Issue	149,470,949
15/06/09 Warrants Exercise Price 8p	65,574,783
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