

THOR
MINING PLC



ANNUAL REPORT

08

Company Information

Directors

Michael Billing (Non-Executive Chairman)
John Young (Chief Executive Officer)
Gregory Durack (Non-Executive Director)
Michael Ashton (Non-Executive Director)
Norman Gardner (Non-Executive Director)

Company Secretary

Stephen F Ronaldson (United Kingdom)
Damian P Delaney (Australia)

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Shareholder Enquiries

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Shareholders are encouraged to register on the Company's website to receive updates by e-mail.

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Nominated Adviser and Broker

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Auditors

Chapman Davis LLP, United Kingdom

Solicitors

Ronaldsons, United Kingdom

Hardy Bowen, Australia

Locations of Share Registrars

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THOR IS A MINERAL EXPLORATION AND DEVELOPMENT COMPANY FOCUSED ON ADVANCING MOLYBDENUM, TUNGSTEN AND URANIUM PROJECTS IN THE NORTHERN TERRITORY OF AUSTRALIA.

The 2008 financial year has seen significant progress for Thor across a number of important activities during a period of strong pricing for products in the Thor portfolio, offset by difficult share market trading conditions around the world. Highlights for the year are summarised below.

Molyhil Project Development

An updated mining reserve was completed with 98% increase in overall tonnage to 2.21 million tonnes. The mining reserve contains a total of 4.8 million pounds of molybdenum metal at 0.21% MoS₂ and 700,000 mtu's of tungsten at 0.47% WO₃ which will be recovered over the expected 5.6 year mine life of the open pit design.

An engineering review was completed at a revised rate of 400,000 tpa with the life of mine extending to over 5 years. Since then the company has been intensively reviewing alternatives to enhance the

forecast financial outcomes of the project, prior to securing finance.

The company has signed a landmark Native Title Mining Agreement with the Eastern Arrente indigenous people and the Central Land Council. This has enabled the subsequent granting of the Molyhil Mining Leases.

We have secured an off-take agreement with CITIC Australia Commodity Trading Pty Ltd, a subsidiary of CITIC Australia Trading Limited (ASX:CAL) which commits CITIC to take 100% of the Molybdenum and Tungsten concentrates to be produced from the Molyhil Project.

The final review of the Mining Management Plan (MMP) by the Department of Primary Industries, Fishing and Mining (DPIFM) in the Northern Territory has been completed and official approval was given subject to the submission of a bond or bank guarantee for rehabilitation of the proposed ground disturbances.



◀ "Copper Show" workings
- Hatches Creek
Tungsten Field south end.

Corporate activities

During the year Mr John Barr and Mr Mark Smyth resigned as directors of the Company. Their contribution was significant and we wish them well in their future endeavours.

In April 2008 Western Desert Resources Limited ("WDR") (ASX: WDR), an exploration company operating in Australia, acquired a substantial shareholding in Thor.

The Company subsequently invited myself, along with Norman Gardner and Michael Ashton, to join the board. At this time, John Barr resigned as Executive Chairman and also as a director.

WDR acquired 16 million ordinary shares and Thor placed a further 9 million shares with WDR at 8 cents per share. This resulted in WDR shareholding accounting for 16.7% of the expanded issued capital.

Personnel

Mr Ian Sheffield-Parker has been appointed Chief Operating Officer. Mr Sheffield-Parker will initially be based in Perth before moving to Adelaide early in 2009. Mr Sheffield-Parker has a background in both mining engineering and process engineering with over 20 years experience in Australia and Southern Africa.

Mr Sheffield Parker has held senior positions as Project Manager-Frontier Project for TSX listed First Quantum Minerals in the Democratic Republic of Congo, executive director of Skardon River Kaolin Project and previously as General Manager of Eneabba Mineral Sands for Iluka Resources Ltd.

The directors and I gratefully acknowledge the efforts of our small band of employees, contractors and consultants who have assisted us during the past year and continue to assist in our next phase as we move towards development of mining operations at Molyhil.

While it is expected that difficult trading conditions on world stock markets may persist in the near term, the fundamentals of the Company's flagship project, Molyhil, remain sound. Demand for and pricing of tungsten and molybdenum products remain strong, and we are confident that construction activities will commence during the coming year. In addition, the board of Thor Mining is focussed on expanding the portfolio of projects in the speciality metals field, with the Hatches Creek multi-commodity project showing real promise and a renewed commitment to identify and acquire new projects to enhance shareholder value.

Michael Billing
Chairman

28 August 2008

THE MAIN OBJECTIVE OF THE PROPOSED DEVELOPMENT IS TO PRODUCE SCHEELITE AND MOLYBDENITE CONCENTRATE FOR SALE.

THOR PROJECTS

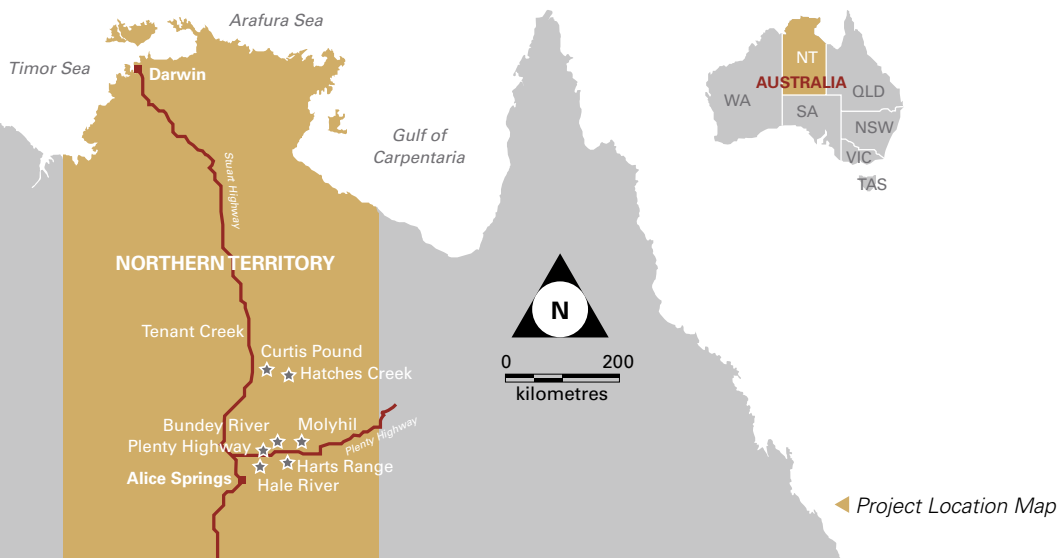
Molyhil Tungsten - Molybdenum Project (Molyhil)

Molyhil has a mining reserve containing a total of **4.8 million pounds of molybdenum metal and 700,000 mtu's of tungsten** where a proposed open cut mine and processing facility is planned. The main objective of the proposed development is to produce scheelite and molybdenite concentrate for sale.

It comprises an Exploration Licence and three granted Mining Leases situated east of Alice Springs in central Australia.

A number of milestones have been achieved during this financial year, including:

- > New mining reserve completed with 98% increase in overall tonnage to 2.21 million tonnes
- > Engineering review completed at a revised rate of 400,000 tpa, life of mine to extend over 5yrs
- > Landmark Native Title agreement signed with Eastern Arrente indigenous people and the Central Land Council.
- > Offtake agreement signed for life of mine with CITIC Australia
- > Granting of the three mining leases at Molyhil
- > Mining Management Plan approved





◀ Bunday River aircore drilling programme.

Reserve Upgrade

The Proven and Probable reserve is based on only the Measured and Indicated categories of the revised resource. Approximately 73% of these Measured and Indicated resource tonnages converted to reserve status.

This represents a reserve tonnage increase of 98%.

Open pit designs have now been completed in two stages. The initial pit has been designed for the first 3.7 years of operation to maximise cash flow with the subsequent pit design continuing for a further 1.9 years at current commodity prices.

The mining reserve contains a total of 4.8 million pounds of molybdenum metal and 700,000 mtu's of tungsten which will be recovered over the expected 5.6 year life of the open pit design.

Engineering

Perth-based consulting engineering group, GR Engineering Pty Ltd, has completed a review of the

capital cost estimate for the Molyhil Project. This included the previously announced, proposed upgrade in the processing capacity of the plant to 400,000 tonnes per annum.

Metallurgical

The Thor development team continues to review operating costs by looking at economies of scale and streamlining of process strategies. As part of this exercise a technical review of the process and the cost to remove the magnetite for use in the steel industry is in process. Fine magnetite products for the coal washing industry could also be produced as part of the flow sheet. Removal of the magnetite upfront reduces the amount of material to be processed downstream by 26%, and indicates that up to 100,000 tonnes of magnetite product can be produced annually. Revenue from sales of these products will translate to improvement in the economic model.

Nagrom, the specialist metallurgical group, particularly in gravity recovery of metals, has completed a gravity concentration trial to extract the magnetite and concentrate molybdenum and tungsten together as part of an alternate flow sheet that would reduce capital and operating costs. Preliminary assays indicate that a quality magnetite product with an iron purity of 69.2% can be produced with very little contamination from deleterious elements.

Mining Agreement

Thor signed a landmark Native Title Mining Agreement in October 2007 that enabled Molyhil Mining Leases to be granted. The Agreement was signed with representatives of the community of the Eastern Arrente people of the Central Northern Territory, one of the largest Indigenous groups in Central Australia.

The signing followed the completion of an Indigenous

Current mining reserve position

	Tonnes	Grade WO ₃	Grade MoS ₂
Proven	461,000	0.47%	0.30%
Probable	1,750,000	0.47%	0.19 %
Total	2.21 million tonnes	0.47%	0.21%

Land Use Agreement in 2002 for exploration in the area. Traditional Owners and the Central Land Council met with Thor representatives on site in March 2007 to finalise mine infrastructure approval.

Off-take Agreement

In March 2008 Thor signed an off-take agreement with CITIC Australia Commodity Trading Pty Ltd, a subsidiary of CITIC Australia Trading Limited (ASX:CAL). The CITIC Group is one of China's largest state-owned companies with assets in excess of US\$180 billion. The off-take agreement commits CITIC to take 100% of the Molybdenum and Tungsten concentrates to be produced from the Molyhil Project.

The CITIC Group in Australia has assets and annual sales of over A\$1.2 billion. Its operations include a 22.5% interest in the Portland Aluminium Smelter Joint Venture in Victoria, a 17.66% shareholding in Macarthur Coal Limited, a 7% direct interest in the Coppabella/Moorvale Coal Joint Venture, a 76.35% shareholding in the ASX-listed CITIC Australia Trading Limited, and interests in a series of exploration projects.

Mining Leases Granted

The three mining leases, ML 23825, ML 24429 and ML 25721 which cover a total area of 246ha were granted in April 2008. The grant of the three mining leases marked a further key milestone in the approvals process for the Molyhil Project.

Mining Management Plan

The final review of the MMP by the DPIFM in the Northern Territory has been completed and official approval was given subject to the submission of a bond or bank guarantee for rehabilitation of the proposed ground disturbances.

Molyhil Exploration

Oorabra Reefs – Barite - Fluorite

A total of 58 rock chip samples (A105771-A105828) were collected during the year 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% CaF₂ to 85% CaF₂ (Central Pacific Minerals).

Further check assaying for other elements will need to be carried out including F as CaF₂ (fluorite or fluorspar). In 1972 Central Pacific Minerals identified an inferred resource of 250,000 short tonnes at 37% CaF₂, this resource is excised from the Molyhil tenement EL23825.

The area in general seems to be under explored and has potential for REE's (rare earth elements), 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.

Hatches Creek Tungsten – Gold – Copper Project

Hatches Creek Project is made up of three granted Exploration Licences, which are located in the central portion of the Northern Territory. The Exploration Licences cover 63 km² which falls within the Arrente Aboriginal Land Trust under the provisions of the Aboriginal Land Right Act (NT) Act 1976. Mining activities were conducted from 1913 until 1957 and there are numerous reefs within 16 groups of lodes.

In May 2008 a rock chip and mapping program was conducted to assist with planning of the proposed RC drilling program. A total of 174 rock chip samples were taken over old workings and from abandoned stockpiles associated with the historic mining centre.

Exciting results have been received from the 5 main groups of workings. Significantly the average tungsten grade returned from 174 samples of wolfram – quartz veins was 2.19%, with a strong Cu, Ag and Bi association with average results of 1.92%, 5.36ppm and 0.22% respectively.

A strong gold association was noted at the Pioneer mine area with maximum gold results of up to 724 ppm Au and an average of 0.92ppm Au. At Hit And Miss group a number of samples also returned favourable Molybdenum assays peaking at 1.98%.

Significant potential for additional mineralisation under cover between the northern and southern areas of EL22912 exists. RC drilling is scheduled for this current financial year.



▲ Old Pioneer Mine and Battery - Hatches Creek Tungsten Field

Uranium Exploration

Hale River Uranium Project

An air core drilling program was completed in the September quarter at the Hale River Uranium Project with a total of 28 holes completed for 1,829 metres of drilling. Geological logging of the drill holes confirmed the presence of downward coarsening sandy sequences and carbonaceous horizons within the targeted channels. Results from the upper carbonaceous horizon returned values up to 100ppm U confirming the presence of weak redox style mineralisation. Existing anomalies need further

drill testing and work to date has confirmed the presence of suitable "trap sites" for roll front style Uranium mineralisation.

Plenty Highway Project

Late in 2007 a program of reconnaissance air core drilling was completed at the Plenty Highway Uranium Project with a total of 16 holes completed for 1,582m drilled.

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.

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 Licence area.

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. Other highly anomalous elements associated with these samples included assays up to 28.32% Nb and 25.52% Ta.

During October a total of 374-80 mesh soil samples were collected over a 100m x 50m contact zone covering the Daicos prospect area. A further 24 additional rock chip samples were collected from veining in the area. Drilling is being planned to determine the thickness and strike extent of the individual zones.

The gridded geochemical data, specifically Niobium plus

Exploration Manager (Stuart Till) ► with coal intersection in drill hole 08BRAC012

Tantalum mapped the main pegmatite vein and indicates that it extends north under surface cover. Three other subtle anomalies parallel and to the north-west, require investigation.

Uranium is also noted in soil anomalies corresponding with the interpolated extension of a number of the pegmatites. Further reconnaissance rock chip sampling has confirmed earlier high grade assays with a best of 7.7% U, 13.8% Ta and 8.54% Nb. Other anomalous elements included Dy, Er, Gd, Hf, Ho, Nd, Tb, Th, Y and Zr.

Vegetation sampling over the Daicos pegmatite was also conducted in conjunction with Genalysis Laboratory Services in Perth as part of a study to check the viability of REE geochemical sampling via vegetation in the area. Fifteen vegetation samples were collected from the area in December 2007. The most

abundant species in the area is known as Kurara bush.

REE response was high in two samples, the leaves giving a higher response than the twigs. The highest assay values came from sample A105767 which returned **416ppm Dy, 407ppm Gd and 1327ppm Nd**.

Anomalous rock chip sample assays were returned from Haddock Prospect from additional reconnaissance sampling over the base of the hill in epidote altered metamorphosed sediments. A best result of 904.5ppm U was returned from the sampling.

Further reconnaissance sampling at Indiana prospect has confirmed that anomalous uranium mineralisation associated with outcropping pegmatite in a shear zone extends in excess of 600 metres in strike length. Anomalous rock chip assays were returned up to 781.3 ppm U.



Bundey River

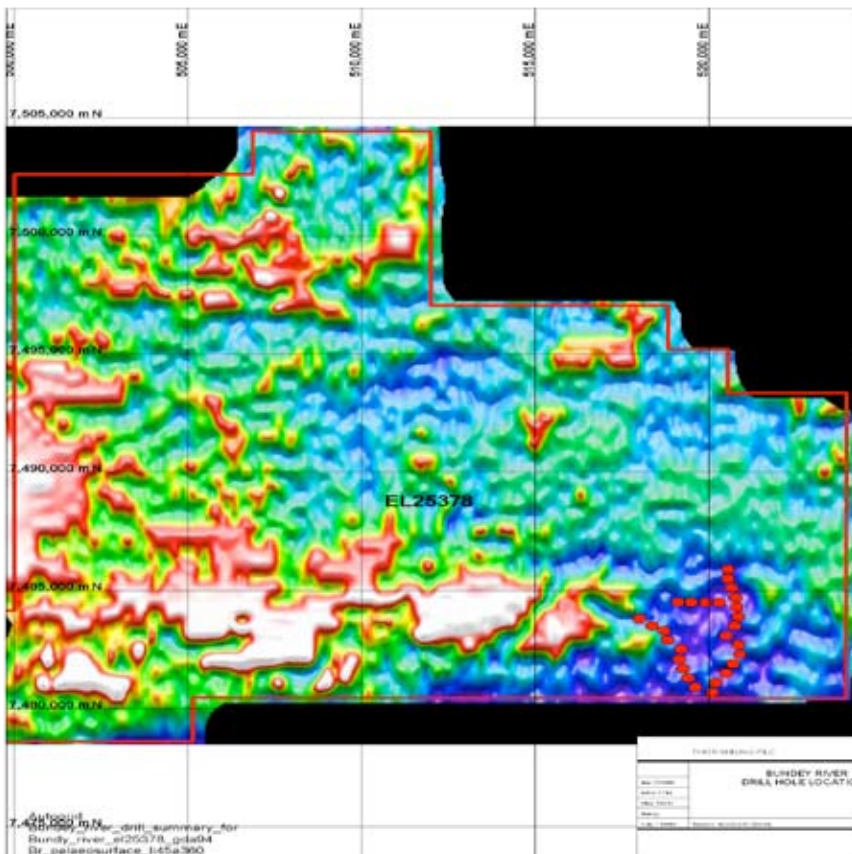
At Bundey a total of 27 air core holes 07BRAC001- 027 were drilled for 1,685m. Sampling was completed with composite samples taken every 3m. A total of 567 samples were sent to Amdel in Adelaide for multi element analysis. Results have not been received.

Average depth of the holes was 60m. Both sand and

carbonaceous clay units have been intersected in most holes, the latter returning the most anomalous scintillometer reading of up to **317cps**.

Basement lithology consisting of a pyritic quartz biotite garnet gneiss was intersected at the bottom of hole 08BRAC011 containing a significant amount of disseminated and massive pyrite bands that may also be the

source of some of the basement conductors interpreted from the SkyTEM data. A thick unit of carbonaceous sediments was intersected in 08BRAC012 from 103m to bottom of hole which coincides with both a strong paleo channel conductor and basement conductor.



▲ Bundey EM survey showing drill hole locations

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.

THOR

Site Environmental Policy

Thor Mining PLC is committed to protection and management of the environment in a responsible manner during the currency of its operation.

The objective of management at the site is to minimise adverse impacts on the environment from planning through development, mining, production and to decommissioning.

To achieve this, Molyhil Mine will:

- Comply with all Northern Territory laws, regulations and standards or other applicable Federal legislation;
- Develop, implement and maintain a comprehensive Environmental Management System;
- Promote environmental awareness among the workforce to increase understanding of environmental responsibilities and to develop a "stakeholder" interest in the work force for improved environmental protection and management;
- Utilise leading practice environmental management procedures in operating and rehabilitation programs;
- Monitor performance of site discharges at a frequency higher than required by regulations and licences and provide safeguards and contingency plans to detect and prevent any potential adverse impacts;
- Develop and train an environmental emergency response team for damage control and rehabilitation at sites where an inadvertent spillage of potentially polluting material has occurred;
- At the required frequency, report environmental performance to government;
- Regularly check environmental management performance of Company and contractor operations by internal and external auditing;
- Require the site employees, contractors and other third parties to exceed, or as a minimum, conform with the site standards and procedures for environmental management;
- Minimise waste and maximise the use of re-cycling programs to reduce exploitation of resources;
- Rehabilitate to current standards or exceed the standards required by government so that the site can be returned to rangelands grazing;
- At closure, leave the site in a clean, safe, stable and erosion-free condition.

THOR

Occupational Health and Safety Policy

Thor Mining PLC is fully committed to the establishment and maintenance of a safe and healthy work environment for all employees without compromising employee job productivity.

Thor Mining PLC recognises that the duty of care is the over arching principle for this Policy.

Thor Mining PLC is committed to providing a safe working environment for all employees.

Company and Employee Commitment

- Work environment and conditions for employees are above those prescribed by relevant laws and statutory regulations;
- The Company will educate all employees in best and safe work practices in their working environment to ensure that they are not exposed to any unnecessary health and safety risk;
- All employees will support, implement and adhere to the Company Occupational, Health and Safety Programme.



▲ Molyhil RC drilling

THOR

Corporate Environmental Policy

Thor Mining PLC identifies environmental management as essential to its own future. The company considers that sound environmental management benefits all stakeholders, including shareholders, employees, nearby residents and the broader community.

Thor Mining PLC regards environmental care as an integral part of its business, and is committed to excellence in the management of environmental matters. Thor Mining PLC aims to minimise environmental impacts at every stage of work, from planning through exploration, development, mining, production and decommissioning.

The objectives of the company's commitment to environmental management are to:

- Comply with all environmental legislation, licences and regulations;
- Develop, implement and maintain a comprehensive Environmental Management System;
- Recognise conservation and heritage values;
- Identify, manage and monitor potential environmental impacts, striving to comply with international leading practice;
- Rehabilitate disturbed land surfaces;
- Review and evaluate environmental performance;
- Seek continuous improvement in exploration, mining, waste management and the use of resources;
- Promote cross-cultural awareness, and wherever possible, protect sites of cultural significance;
- Have timely and effective communications with landowners, relevant indigenous people and others who may be directly affected by company operations;
- Communicate regularly with employees, suppliers, contractors and customers about the aims of the Corporate Environmental Policy and the responsibilities implied;
- Provide information to the community, share holders and government authorities about the company's environmental performance.

THOR

Indigenous People's Policy

Thor Mining PLC wishes to establish and maintain a good working relationship with Indigenous people who may be affected by the Company's operations.

To achieve this it is Thor's policy to:

- Respect the culture and heritage of Indigenous People affected by the Company's operations;
- Undertake appropriate heritage surveys to ensure that sites of cultural significance to Indigenous People are not inadvertently damaged by the Company's operations;
- Regularly consult with relevant Indigenous People to ensure that they are kept informed of the Company's activities and that their concerns are considered in the design and management of the Company's activities;
- Promote cross-cultural awareness.
- Whenever feasible, provide employment and training for Indigenous People affected by the Company's operations;
- The Company can not guarantee a successful exploration outcome that will benefit all stakeholders (Indigenous People, landowners, the Company and its shareholders and the community at large), but in the event of an economic discovery the Company will engage in open negotiations with Traditional Owners to complete an agreement on the development of the discovery to the satisfaction and benefit of all parties.



▲ Molyhil traditional owners meeting

THE MOLYBDENUM AND TUNGSTEN ASSETS INCLUDE THE MOLYHIL MOLYBDENUM-TUNGSTEN PROJECT ("MOLYHIL") WHICH HAS COMPLETED A DEFINITIVE FEASIBILITY STUDY (DFS) AND HATCHES CREEK WHICH IS IN THE EXPLORATION STAGE.

The Directors are pleased to present this year's annual report together with the consolidated financial statements for the year ended 30 June 2008.

Principal activities and review of the business

The principal activity of the Group is the exploration for and potential development of molybdenum, tungsten and uranium deposits in the Northern Territory of Australia. The molybdenum and tungsten assets include the Molyhil Molybdenum-Tungsten Project ("Molyhil") which has completed a Definitive Feasibility Study (DFS) and Hatches Creek which is in the exploration stage. The uranium assets include the Hale River Uranium project, the Plenty Highway project and the Harts Range project.

A detailed review of the Group's activities is set out in the Review of Operations.

Business Review and future developments

A review of the current and future development of the Group's business is given in the Chairman's Statement and Review of Operations on pages 4-13.

Results and dividends

The Group incurred a loss after taxation of £1,077,000 (2007: £1,387,000) and no dividends have been paid or are proposed.

Key Performance Indicators

Given the nature of the business and that the Group is on an exploration and development phase of operations, the directors are of the opinion that analysis using KPI's is not appropriate for an understanding of the development, performance or position of our businesses at this time.

Post Balance Sheet events

At the date these financial statements were approved, being 28 August 2008, the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements.



◀ Barrow Creek
Telegraph Station

Substantial Shareholdings

At 22 August 2008 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

	Ordinary shares	%
Western Desert Resources Limited ¹	24,973,076	16.71
Vidacos Nominees Ltd	10,610,032	7.10
ANZ Nominees Ltd	5,398,928	3.61
Credit Suisse Client Nominees (UK) Limited	4,450,000	2.98

¹Michael Billing, Michael Ashton and Norman Gardner are all directors of Western Desert Resources Limited.

Directors

The Directors who served during the period and their interests in the share capital of the Company at 30 June 2008 was as follows:

	Ordinary Shares		Warrants		Unlisted Options
	30 June 2008/Date of resignation	30 June 2007	30 June 2008/Date of resignation	30 June 2007	
Michael Billing ¹	48,000	-	-	-	-
John Young	74,466	33,678	38,039	16,839	5,000,000
Gregory Durack	91,153	75,000	45,900	8,400	1,500,000
Michael Ashton ¹	318,877	-	265,050	-	-
Norman Gardner ¹	263,980	-	7,790	-	-
John Barr ²	1,095,379	240,000	444,799	-	2,250,000
P Mark Smyth ³	1,383,333	1,383,333	691,666	691,666	-

¹ Appointed 30 April 2008

² Resigned 30 April 2008

³ Resigned 10 April 2008

Directors' Remuneration

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of the Director emoluments and payments made for professional services rendered are set out in Note 5 to the financial statements.

Corporate Governance

A statement on Corporate Governance is set out on pages 18 to 20.

Environmental Responsibility

The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company ensures that it, and its subsidiaries at a minimum comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

Employment Policies

The Group will be committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Health and Safety

The Group's aim will be to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group will provide training and support to employees and set demanding standards for workplace safety.

Payment to Suppliers

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. It is usual for suppliers to be paid within 30 days of receipt of invoice. At 30 June 2008, the Company's creditors were equivalent to 23 days costs.

Political Contributions and Charitable Donations

During the period the Group did not make any political contributions or charitable donations.

Annual General Meeting ("AGM")

This report and financial statements will be presented to shareholders for their approval at the AGM. The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Statement of disclosure of information to auditors

As at the date of this report the serving directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution to reappoint Chapman Davis LLP and to authorise the directors to fix their remuneration will be proposed at the next Annual General Meeting.

Going Concern

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 an ongoing concern basis is appropriate.

Statement of Directors' Responsibilities

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report includes information required by the AIM market of the London Stock Exchange.

Electronic communication

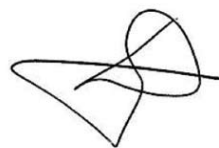
The maintenance and integrity of the Company's website is the responsibility of the Directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors

accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in accordance with AIM Rule 26.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

This report was approved by the board on 28 August 2008.



Damian P Delaney

Company Secretary

THE COMPANY'S CORPORATE GOVERNANCE PROCEDURES TAKE DUE REGARD OF THE PRINCIPLES OF GOOD GOVERNANCE SET OUT IN THE COMBINED CODE IN RELATION TO THE SIZE AND THE STAGE OF DEVELOPMENT OF THE COMPANY.

The Board is committed to maintaining high standards of corporate governance.

The Listing Rules of the Financial Services Authority incorporate the Combined Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the Combined Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the Combined Code in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors is currently comprised of one Executive Director who is the Chief Executive Officer and four Non-Executive Directors. The directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the Combined Code have been implemented to an appropriate level. The Board, through the Chairman and the Chief Financial Officer in particular, maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of

the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the period ending 30 June 2008 the Board met 7 times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Director who is charged with consulting the Board on all significant financial and operational matters.

All directors have access to the advice of the Company's solicitors and the Company Secretary and necessary information is supplied to the directors on a timely basis to enable them to discharge their duties effectively, and all directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee

The Audit Committee considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee comprises the full Board and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Directors' and Senior Executives' remuneration. It comprises the full Board. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. Financial packages for the Executive Director is established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.



◀ *Copper - Tungsten Mineralisation No.2 Lode at Pioneer Workings - Hatches Creek Tungsten Field.*

Internal controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. The Board is aware that no system can provide absolute assurance against material misstatement or loss, however, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management in comparison to forecasts. Project milestones and timelines are regularly reviewed.

Risks and uncertainties

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and economic risks

- Contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- Movements in the equity and share markets in the United Kingdom and throughout the world;
- Weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the resource industry;
- Currency exchange rate fluctuations and, in particular, the relative prices of Australian Dollar, and the UK Pound;
- Exposure to interest rate fluctuations; and
- Adverse changes in factors affecting the success of exploration and development operations, such as increases

in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding risk

The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity risk

Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.



Exploration and development risks

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Company operates have native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.

- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.

Market risk

The ability of the Group (and the companies it invests in) to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board. Refer Note 22.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, Senior Management and any employee who is in possession of 'inside

information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Independent Auditors Report to the Shareholders



◀ Junction Waterhole
north end of Hatches
Creek Tungsten Field.

We have audited the group and parent company financial statements of Thor Mining PLC for the year ended 30 June 2008, which comprise the Consolidated Income Statements, the Group and Parent Balance Sheets, Consolidated and Parent Cash Flow Statements, Group and Parent Statement of Changes in Equity, and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with

the Companies Act 1985, and as regards the group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report Corporate Governance Statement and Executive Chairman's Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and

Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' remuneration report to be audited.

Independent Auditors Report to the Shareholders



▲ Rock chip sampling at the Daicos prospect - Harts Ranges



▲ Air core drilling at the Hale River El.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRS's as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRS's as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 30 June 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the financial statements.

Chapman Davis LLP

Registered Auditors
London
28 August 2008

Income Statements for the year ended 30 June 2008

	Note	Consolidated		Company	
		2008 £'000	2007 £'000	2008 £'000	2007 £'000
Administrative expenses		(553)	(323)	(237)	(84)
Corporate expenses		(572)	(1,190)	(480)	(1,066)
Other expenses		(93)	-	-	-
Operating loss	3	(1,218)	(1,513)	(717)	(1,150)
Interest received	4	104	126	32	-
Other income	4	37	-	-	-
Loss before tax		(1,077)	(1,387)	(685)	(1,150)
Tax on loss on ordinary activities	6	-	-	-	-
Loss for the financial year		(1,077)	(1,387)	(685)	(1,150)
Loss per share – basic	7	(0.76)p	(1.27)p		
Loss per share – diluted	7	(0.76)p	(1.27)p		

Continuing operations

All items relate to continuing operations

	Note	Consolidated		Company	
		2008 £'000	2007 £'000	2008 £'000	2007 £'000
ASSETS					
Non-current assets					
Intangible assets	8	5,419	4,191	-	-
Investments in subsidiaries	9	-	-	1,977	1,977
Loan to subsidiaries	10	-	-	4,581	4,636
Exploration costs	11	1,171	726	-	-
Plant and equipment	12	113	95	2	1
Total non-current assets		6,703	5,012	6,560	6,614
Current assets					
Cash and cash equivalents		1,321	1,836	747	155
Trade and other receivables	13	29	96	3	8
Prepayments		14	10	12	9
Total current assets		1,364	1,942	762	172
Total assets		8,067	6,954	7,322	6,786
LIABILITIES					
Current liabilities					
Trade and other payables	14	(117)	(181)	(46)	(43)
Provisions	15	(5)	(9)	-	-
Interest bearing liabilities	16	(20)	(11)	-	-
Total current liabilities		(142)	(201)	(46)	(43)
Non-current liabilities					
Interest bearing liabilities	16	(79)	(60)	-	-
Total non-current liabilities		(79)	(60)	-	-
Total liabilities		(221)	(261)	(46)	(43)
Net assets		7,846	6,693	7,276	6,743
EQUITY					
Issued share capital	17	448	399	448	399
Share premium		6,706	5,616	6,706	5,616
Foreign exchange reserve		1,443	431	-	-
Merger reserve		1,634	1,634	1,634	1,634
Option revaluation reserve	18	862	783	862	783
Retained losses		(3,247)	(2,170)	(2,374)	(1,689)
Total equity		7,846	6,693	7,276	6,743

These Financial Statements were approved by the Board of Directors on 28 August 2008 and were signed on its behalf by:



Michael Billing
Non-Executive Chairman



John Young
CEO

Cash Flow Statements for the year ended 30 June 2008

	Consolidated		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Cash flows from operating activities				
Operating loss	(1,218)	(1,513)	(717)	(1,150)
Decrease/(increase) in trade and other receivables	63	(56)	2	13
Increase in trade and other payables	59	22	3	30
Depreciation	39	29	-	-
Share options expensed	79	683	79	683
Unrealised exchange gain	302	372	-	-
Sundry income	37	-	-	-
Net cash outflow from operating activities	(639)	(463)	(633)	(424)
Cash flows from investing activities				
Interest received	104	126	32	-
Purchase of property, plant and equipment	(64)	(38)	(1)	(1)
Payments for mine development expenditure	(702)	(727)	-	-
Payments for exploration expenditure	(342)	(1,389)	-	-
Loan to controlled entities	-	-	55	(3,536)
Net cash outflow from investing activities	(1,004)	(2,028)	86	(3,537)
Cash flows from financing activities				
Repayment of borrowings	(11)	(5)	-	-
Net issue of ordinary share capital	1,139	3,848	1,139	3,848
Net cash inflow from financing activities	1,128	3,843	1,139	3,848
Net decrease/(increase) in cash and cash equivalents	(515)	1,352	592	(113)
Cash and cash equivalents at beginning of period	1,836	484	155	268
Cash and cash equivalents at end of period	1,321	1,836	747	155

Statements of Changes in Equity for the year ended 30 June 2008

	Issued share capital	Share premium	Retained earnings	Foreign currency translation reserves	Merger reserve	Option reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated							
At 1 July 2006	192	1,928	(783)	59	405	100	1,901
Loss for the period	-	-	(1,387)	-	-	-	(1,387)
Foreign currency translation reserve	-	-	-	372	-	-	372
Total recognised income and expense	-	-	(1,387)	372	-	-	(1,015)
Share based payments expense	-	-	-	-	-	683	683
Share issued	207	3,688	-	-	1,229	-	5,124
At 30 June 2007	399	5,616	(2,170)	431	1,634	783	6,693
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
Company							
At 1 July 2006	192	1,928	(539)	-	405	100	2,086
Loss for the period	-	-	(1,150)	-	-	-	(1,150)
Total recognised income and expense	-	-	(1,150)	-	-	-	(1,150)
Share based payments expense	-	-	-	-	-	683	683
Share issued	207	3,688	-	-	1,229	-	5,124
At 30 June 2007	399	5,616	(1,689)	-	1,634	783	6,743
At 1 July 2007	399	5,616	(1,689)	-	1,634	783	6,743
Loss for the period	-	-	(685)	-	-	-	(685)
Total recognised income and expense	-	-	(685)	-	-	-	(685)
Share based payments expense	-	-	-	-	-	79	79
Share issued	49	1090	-	-	-	-	1,139
At 30 June 2008	448	6,706	(2,374)	-	1,634	862	7,276

1 Principal accounting policies

a) Authorisation of financial statements

The Group financial statements of Thor Mining PLC for the year ended 30 June 2008 were authorised for issue by the Board on 28 August 2008 and the balance sheets signed on the Board's behalf by Michael Billing and John Young. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange and the Australian Stock Exchange.

b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 1985. The principal accounting policies adopted by the Group and Company are set out below.

c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial report is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

d) 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 intercompany balances and transactions have been eliminated in full.

e) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against the income statement in the year in which the decision to abandon the area is made.

A review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

f) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the group and the revenue can be reliably measured.

Interest revenue

Interest revenue is recognised as it accrues using the effective interest rate method.

g) Deferred taxation

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- (i) Except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- (i) When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- (ii) When the deductible temporary difference is associated with investments in subsidiaries, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

h) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Notes to the accounts for the year ended 30 June 2008

1 Principal accounting policies (continued)

i) Foreign currencies

The Company's functional currency is Sterling (£). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Thor Mining PLC at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

j) Share based payments

The Group provides benefits to employees (including Senior Executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Thor Mining PLC (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 7).

1 Principal accounting policies (continued)

k) Leased assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Finance Leases

Assets funded through finance leases are capitalised as fixed assets and depreciated in accordance with the policy for the class of asset concerned.

Finance lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

(ii) Operating Leases

All operating lease payments are charged to the Income Statement on a straight line basis over the life of the lease.

l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

m) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

n) Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value, prior to their elimination on consolidation.

o) Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has overseas subsidiaries in Australia whose expenses are denominated in Sterling, and Australian Dollars respectively. Market price risk is inherent in the Group's activities and is accepted as such. There is no material difference between the book value and fair value of the Group's cash.

p) Merger reserve

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange have been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 1985 and accordingly no share premium for such transactions is set-up.

1 Principal accounting policies (continued)

q) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at fair value less any impairment losses recognised after the date of revaluation.

Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Land (including option costs) – Nil

Plant and equipment – between 5% and 25%

All assets are subject to annual impairment reviews.

r) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1 Principal accounting policies (continued)

s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

t) Loss per share

Basic loss per share is calculated as loss for the financial year attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as loss for the financial year attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

u) Merger reserve

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange have been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 1985 and accordingly no share premium for such transactions is set-up.

v) Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.

w) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

2 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 - 2008	UK £'000	Australia £'000	Total £'000
Result			
Operating loss	(423)	(795)	(1,218)
Investment revenue	31	73	104
Other income	-	37	37
Loss before and after tax			(1,077)
Other information			
Depreciation	-	39	39
Capital additions	1	1,769	1,770
Assets			
Segment assets	2	6,701	6,703
Financial assets	15	28	43
Cash			1,321
Consolidated total assets			8,067
Liabilities			
Segment liabilities	-	-	-
Financial liabilities	46	175	221
Consolidated total liabilities			221
By geographical area - 2007			
	UK £'000	Australia £'000	Total £'000
Result			
Operating loss	(1,150)	(363)	(1,513)
Investment revenue	-	126	126
Other income	-	-	-
Loss before and after tax	-	-	(1,387)
Other information			
Depreciation	-	29	29
Capital additions	1	3,586	3,587
Assets			
Segment assets	1	5,011	5,012
Financial assets	17	89	106
Cash	-	-	1,836
Consolidated total assets	-	-	6,954
Liabilities			
Segment liabilities	-	-	-
Financial liabilities	43	218	261
Consolidated total liabilities	-	-	261

3 Operating loss - Group

	2008 £'000	2007 £'000
This is stated after charging:		
Depreciation	39	29
Auditors' remuneration – audit services	22	27
Auditors' remuneration – non audit services	-	-
Options issued – Directors, staff and consultants	79	683
Directors emoluments – fees and salaries	321	218

Auditors remuneration for audit services above includes £7,389 (2007: £2,449) charged by Somes and Cooke Chartered Accountants (Australia), relating to audit of the subsidiaries.

4 Revenue - Group

	2008 £'000	2007 £'000
Interest received	104	126
Other income	37	-

5 Directors and executive disclosures - Group

All Directors are each appointed under the terms of a Directors letter of appointment. Each appointment provides for annual fees of Australian dollars \$40,000 for services as Directors.

The agreement allows for any services supplied by the Directors to the Company and any of its subsidiaries in excess of 2 days in any calendar month, can be invoiced to the Company at market rate, currently at \$1,000 per day.

a) Details of key management personnel

(i) Executive Directors

Executive

John Young Chief Executive Officer

(ii) Non-executive Directors

Michael Billing Non-executive Chairman
 Gregory Durack Non-executive Director
 Michael Ashton Non-executive Director
 Norman Gardner Non-executive Director

(iii) Executives

Stephen Ronaldson Company Secretary (UK)
 Damian Delaney CFO/Company Secretary (Australia)

5 Directors and executive disclosures - Group (continued)

b) Compensation of key management personnel

Compensation Policy

The compensation policy is to provide a fixed remuneration component and a specific equity related component. There is no separation of remuneration between short term incentives and long term incentives. The Board believes that this compensation policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director and Executive objectives with shareholder and businesses objectives.

The compensation policy, setting the terms and conditions for the Executive Directors and other executives has been developed by the Board after seeking professional advice and taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. Executive Directors and Executives receive either a salary or provide their services via a consultancy arrangement. Directors and executives do not receive any retirement benefits. All compensation paid to Directors and Executives is valued at cost to the Company and expensed.

The Board policy is to compensate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-executive Directors and reviews their compensation annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Directors is subject to approval by shareholders at a General Meeting. Fees for Non-executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may receive options.

5 Directors and executive disclosures - Group (continued)

b) Compensation of Key Management Personnel (continued)

Employment contracts

Mr. John Young is employed as the Chief Executive Officer under an Employment Contract with the Company, which requires 6 months notice of termination by either party.

	Salary and Fees £'000	Options £'000	Total £'000
30 June 2008			
Directors			
Michael Billing ¹	5	-	5
John Young	142	-	142
Gregory Durack	15	-	15
Michael Ashton ¹	3	-	3
Norman Gardner ¹	3	-	3
John Barr ²	142	-	142
P Mark Smyth ³	11	-	11
Other Personnel			
Damian Delaney	-	-	-
30 June 2007			
Directors			
John Barr	97	74	171
John Young	85	165	250
Gregory M Durack	24	50	74
P. Mark Smyth	12	-	12
Other Personnel			
Damian Delaney	-	50	50

¹ Appointed 30 April 2008

² Resigned 30 April 2008

³ Resigned 10 April 2008

(c) Compensation by category

	Consolidated		The Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Key Management Personnel				
Short-term	321	557	286	199
Post-employment	-	-	-	-
	321	557	286	199

d) Options and rights over equity instruments granted as remuneration

Details of options which were granted over ordinary shares as remuneration during the years ended 30 June 2008 and 30 June 2007 are detailed in Note 5(e).

Notes to the accounts for the year ended 30 June 2008

5 Directors and executive disclosures - Group (continued)

e) Options holdings of Key Management Personnel

The movement during the reporting period in the number of options over ordinary shares in Thor Mining PLC held, directly, indirectly or beneficially, by key management personnel, including their personally related entities, is as follows:

Key Management Personnel	Held at 1 July 2007	Granted as remuneration	Disposal	Exercised	Held at 30 June 2008/ or date of resignation	Vested and exercisable at 30 June 2008
Directors						
<i>Executive</i>						
John Barr	3,583,333	-	(1,333,333)	-	2,250,000	2,250,000 ¹
John Young	5,000,000	-	-	-	5,000,000	5,000,000 ¹
<i>Non-Executive</i>						
Michael Billing	-	-	-	-	-	-
Gregory Durack	1,500,000	-	-	-	1,500,000	1,500,000 ¹
Michael Ashton	-	-	-	-	-	-
Norman Gardner	-	-	-	-	-	-
P Mark Smyth	-	-	-	-	-	-
Other Personnel						
Stephen Ronaldson	455,000	-	-	-	455,000	455,000
Damian Delaney	1,500,000	-	-	-	1,500,000	1,500,000

No options held by Directors or specified executives are vested but not exercisable, except as set out below:

¹Held in escrow until 27 September 2008

Key Management Personnel	Held at 1 July 2006	Granted as remuneration	Consolidation	Exercised	Held at 30 June 2007	Vested and exercisable at 30 June 2007
Directors						
<i>Executive</i>						
John Barr	4,000,000	2,250,000	(2,666,667)	-	3,583,333	3,583,333 ¹
John Young	-	5,000,000	-	-	5,000,000	5,000,000 ²
<i>Non-Executive</i>						
Gregory Durack	-	1,500,000	-	-	1,500,000	1,500,000 ²
P Mark Smyth	-	-	-	-	-	-
Other Personnel						
Stephen Ronaldson	1,365,000	-	(910,000)	-	455,000	455,000
Damian Delaney	-	1,500,000	-	-	1,500,000	1,500,000

The options granted as remuneration during the year under review to the Directors are in escrow until 27 September 2008.

¹ 2,250,000 of these options are held in escrow until 27 September 2008

² Held in escrow until 27 September 2008

5 Directors and executive disclosures (continued)

f) Other transactions and balances with related parties

Specified Directors	Transaction	Note	2008 £'000	2007 £'000
John Barr	Consulting Fees	(i)	73	85
Gregory Durack	Consulting Fees	(ii)	-	12
John Young	Consulting Fees	(iii)	-	9
Michael Billing	Consulting Fees	(iv)	2	-

(i) The Company used the services of Kensington Consulting Pty Ltd, a company of which Mr. John Barr is a Director and employee.

(ii) The Company used the consulting services of Martineau Resources Pty Ltd a company of which Mr. Gregory Durack is a Director.

(iii) The Company used the consulting services of John A Young Geological Services a company of which Mr. John Young is a Director.

(iv) The Company used the consulting services of MBB Trading Pty Ltd company of which Mr. Michael Billing is a Director.

Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

6 Taxation - Group

	2008 £'000	2007 £'000
Analysis of charge in year	-	-
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2008 £'000	2007 £'000
Loss on ordinary activities before tax	(1,077)	(1,387)
Standard rate of corporation tax in the UK	28%/30%	30%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(318)	(416)
Effects of:		
Future tax benefit not brought to account	318	416
Current tax charge for year	-	-

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which they can be recovered.

7 Loss per share

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	2008	2007
	£'000	£'000
Loss for the year	(1,077)	(1,387)
Weighted average number of ordinary shares in issue	141,295,494	114,014,198
Loss per share – basic	(0.76)p	(1.27)p
Loss per share – dilutive	(0.76)p	(1.27)p

As the inclusions of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and as such not included.

8 Intangible fixed assets – Group

Deferred exploration costs	2008	2007
	£'000	£'000
Cost		
At 1 July	4,191	1,445
Additions	1,228	2,746
At 30 June	5,419	4,191
Amortisation		
At 1 July and 30 June	-	-
Net book value at 30 June	5,419	4,191

As at 30 June 2008 the Directors undertook an impairment review of the deferred exploration costs, as a result of which, no provisions were required.

9 Investments – Company

The Company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Molyhil Mining Pty Ltd	Australia	Ordinary	100
Hatches Creek Pty Ltd	Australia	Ordinary	100
Hale Energy Limited	Australia	Ordinary	100

9 Investments – Company (continued)

Carrying value of investments in subsidiaries

	2008 £'000	2007 £'000
Molyhil Mining Pty Ltd	700	700
Hatches Creek Pty Ltd	-	-
Hale Energy Limited	1,277	1,277
	1,977	1,977

The investments in subsidiaries are carried in the Company's balance sheet at the lower of cost and net realisable value.

10 Loan to subsidiaries

	2008 £'000	2007 £'000
Molyhil Mining Pty Ltd	2,487	2,542
Hatches Creek Pty Ltd	99	99
Hale Energy Limited	1,995	1,995
	4,581	4,636

The loans to subsidiaries are non-interest bearing, unsecured and are repayable upon reasonable notice having regard to the financial stability of the company.

11 Exploration costs – Group

	2008 £'000	2007 £'000
Cost		
At 1 July	726	-
Additions	445	726
At 30 June	1,171	726
Amortisation		
At 1 July and 30 June	-	-
Net book value at 30 June	1,171	726

As at 30 June 2008 the Directors undertook an impairment review of the exploration and development costs, as a result of which, no provisions were required.

12 Property, plant and equipment

	Group	Group	Company	Company
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Plant and equipment:				
At cost	192	124	2	1
Accumulated depreciation	(79)	(29)	-	-
Total property, plant and equipment	113	95	2	1

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	2008	2007
	£'000	£'000
Group:		
1 July	95	9
Additions	97	115
Disposals	-	-
Depreciation expense	(79)	(29)
30 June	113	95
Parent:		
1 July	1	-
Additions	1	1
Disposals	-	-
Depreciation expense	-	-
30 June	2	1

The carrying value of the plant and equipment includes finance leased assets of £76,470 (2007: £71,000)

13 Current trade and other receivables

	Group	Group	Company	Company
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade and other receivables	28	95	3	8
Security deposits	1	1	-	-
	29	96	3	8

14 Current trade and other payables

	Group	Group	Company	Company
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade payables	(76)	(66)	(46)	(18)
Other payables	(41)	(115)	-	(25)
	(117)	(181)	(46)	(43)

15 Provisions

	Group	Group	Company	Company
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Employee benefit provisions	(5)	(11)	-	-
	(5)	(11)	-	-

16 Interest bearing liabilities

	Group	Group	Company	Company
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Finance leases				
Current	(20)	(11)	-	-
Non-current	(79)	(60)	-	-
	(99)	(71)	-	-

17 Issued share capital – Company

	2008	2007
	£'000	£'000

Authorised:

3,333,333,333 ordinary shares of £0.003 each	10,000	10,000
--	--------	--------

Issued up and fully paid:

149,470,949 (2007: 132,859,508) ordinary shares of £0.003 each	448	399
--	-----	-----

Movement in share capital

	2008		2007	
	Number	£'000	Number	£'000
At 1 July	132,859,508	399	191,675,000	192
Share consolidation	-	-	(127,783,334)	-
Share issues	15,800,000	47	66,000,000	198
Exercise of warrants	811,441	2	2,967,842	9
At 30 June	149,470,949	448	132,859,508	399

Warrants and options on issue

The following warrants and options have been issued by the Company and have not been exercised at 30 June 2008:

Expires	Exercise price	Number at end of year	
		2008	2007
15 June 2009 (listed)	£0.0800	65,574,783	66,386,224
15 June 2009 (unlisted)	£0.1125	3,333,333	3,333,333
15 June 2009 (unlisted)*1	£0.0800	13,500,000	13,500,000
15 June 2010 (unlisted)*2	£0.0600	455,000	455,000
15 June 2009 (unlisted)	£0.1125	2,750,000	-

Share options carry no rights to dividends and no voting rights

*1 Mr J A Young holds 5,000,000 options and Mr J W Barr holds 2,250,000 options and Mr G M Durack holds 1,500,000 options held in escrow until 27 September 2008

*2 Mr S Ronaldson holds 455,000 options

18 Share option revaluation reserve

	Group	Group	Company	Company
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
At 1 July	783	100	783	100
Valuation of 12,500,000 options @ £0.033	-	413	-	413
Valuation of 2,000,000 options @ £0.1350	-	270	-	270
Valuation of 2,750,000 options @ £0.0289	79	-	79	-
At 30 June	862	783	862	783

The fair value of equity share options granted is estimated at the Balance Sheet dates using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. The following table lists the inputs to the model used for the years ended 30 June 2008 and 30 June 2007.

	November	April	September	
	2007	2007	2006	2006
Dividend yield	0.0%	0.0%	0.0%	0.0%
Underlying security spot price	£0.0913	£0.1969	£0.0700	£0.0265
Exercise price	£0.1125	£0.0800	£0.0800	£0.0375
Standard deviation of returns	70.00%	70.00%	70.00%	70.0%
Risk free rate	5.15%	4.9%	4.7%	4.6%
Expiration period	1.73 yrs	2.18 yrs	2.70 yrs	2.96 yrs
Black Scholes valuation	£0.0289	£0.1350	£0.0330	£0.0100

19 Analysis of changes in net debt

	At 1 July	Cash flows	Non-cash	30 June
	2007		changes	2008
	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,836	(515)	-	1,321

20 Post balance sheet events

There were no material events arising subsequent to 30 June 2008 to the date of this report which may significantly affect the operations of the Company, the results of those operations and the state of affairs of the Company in the future.

21 Contingent liabilities and commitments

a) Exploration commitments

Ongoing exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.

b) Claims of Native title

The Directors are aware of Native Title claims which cover certain tenement and tenement applications in the Northern Territory. The Group's policy is to operate in a mode that takes into account the interests of all stakeholders including traditional owners requirements and environmental requirements. At the present date no claims for Native Title have seriously affected exploration by the Company.

22 Financial instruments

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations.

The Group's exposure to currency and liquidity risk is not considered significant. The Group's cash balances are held in Pounds Sterling and in Australian Dollars, the latter being the currency in which the significant operating expenses are incurred.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation but controls over expenditure are carefully managed.

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency and interest rate profile of the financial assets is as follows:

Cash and short term deposits

	June 2008	June 2007
	£'000	£'000
Sterling	747	155
Australian Dollars	574	1,681
At 30 June	1,321	1,836

The financial assets comprise interest earning bank deposits.

On page 46 is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements, including those classified under discontinued operations.

The fair value of cash and cash equivalent, trade receivables and payables approximate to book value due to their short-term maturity.

The fair values of derivatives and borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates. The fair values of loan notes and other financial assets have been calculated using market interest rates.

22 Financial instruments (continued)

	Consolidated			
	2008		2007	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets				
Cash and cash equivalents	1,321	1,321	1,836	1,836
Trade and other receivables	29	29	96	96
Other	14	14	10	10
Financial liabilities				
Trade and other payables	117	117	181	181
Lease liability	99	99	71	71

Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

30 June 2008 CONSOLIDATED	Effective interest rate %	Maturing		Total £'000
		<1 year £'000	>1 to <2 years £'000	
		Financial assets		
<i>Fixed rate</i>				
Term deposit – GBP	5.06	747		747
Term deposit – AUD	7.10	574	-	574
		1,321		1,321
Financial liabilities				
<i>Fixed rate</i>				
Interest bearing liabilities	7.09	20	79	99

30 June 2007 CONSOLIDATED	Effective interest rate %	Maturing		Total £'000
		<1 year £'000	>1 to <2 years £'000	
		Financial assets		
<i>Floating Rate</i>				
Cash	6.10	1,836	-	1,836
Financial liabilities				
<i>Fixed Rate</i>				
Interest bearing liabilities	7.09	11	60	71

23 Related parties

There is no ultimate controlling party.

Thor has lent funds to its wholly owned subsidiaries, Molyhil Mining Pty Ltd, Hale Energy Ltd and Hatches Creek Pty Ltd to enable it to carry out its operations in Australia. At 30 June 2008 the amount outstanding converted to £4,581,455.

The Group is related to Ronaldson Solicitors, a company in which Mr Stephen Ronaldson is a Senior Partner. During the period £19,585 was paid to Ronaldson Solicitors.

There are no other amounts outstanding to/from related parties at the balance sheet date.

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings (as at 22 August 2008)

Class of shares and voting rights

- (a) at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and
- (b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

On-market buy-back

There is no current on-market buy-back.

Distribution of equity securities

Category (number of shares/warrants)	Number of shareholders	Number of warrant holders
1 – 1,000	839	1,133
1,001 – 5,000	605	393
5,001 – 10,000	476	230
10,001 – 100,000	1,101	390
100,001 and over	186	105
	3,207	2,251

The number of shareholders holding less than a marketable parcel is 1,459.

ASX additional information

Twenty largest shareholders as at 22 August 2008

Name	Number of shares held	Percentage of shares held
WESTERN DESERT RESOURCES LIMITED	24,973,076	16.71%
VIDACOS NOMINEES LIMITED	10,610,032	7.10%
ANZ NOMINEES LIMITED (CASH INCOME A/C)	5,403,985	3.62%
CREDIT SUISSE CLIENT NOMINEES (UK) LIMITED	4,450,000	2.98%
L R NOMINEES LIMITED	3,129,437	2.09%
BARCLAYSHARE NOMINEES	1,612,234	1.08%
DR GJ SPROLES + DR E Y WAH SPROLES	1,533,653	1.03%
PENFOLD LIMITED	1,500,000	1.00%
MR S SHEHADIE	1,462,000	0.98%
SMITH & WILLIAMSON NOMINEES LIMITED	1,300,000	0.87%
TD WATERHOUSE NOMINEES (EUROPE) LIMITED	1,202,057	0.80%
NATIONAL NOMINEES LIMITED	1,185,548	0.79%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,051,581	0.70%
HSBC MARKING NAME NOMINEE (UK) LIMITED	1,000,000	0.67%
MR PC HARDCASTLE	1,000,000	0.67%
PONITE PTY LIMITED	1,000,000	0.67%
JB TORO PTY LTD	926,000	0.62%
MR S IRVINE	833,333	0.56%
HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED	827,998	0.55%
MR RA BUCHANAN	800,000	0.54%
	65,800,934	44.03%

Twenty largest warrant holders as at 22 August 2008

Name	Number of Warrants held	Percentage of shares held
CREDIT SUISSE CLIENT NOMINEES (UK) LIMITED	5,250,000	8.01%
BATAVIA MINING LIMITED	2,615,110	3.99%
VIDACOS NOMINEES LIMITED	2,470,867	3.77%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	1,810,813	2.76%
MR J & MRS E PILAKIS	1,580,007	2.41%
MR RJ CAPEL & MS FM CAMERON	1,400,000	2.13%
MR RJ & MRS EA SIMPSON	1,320,000	2.01%
FORTIS CLEARING NOMINEES P/L	1,290,630	1.97%
MRT ARTHURS	1,250,001	1.91%
NATIONAL NOMINEES LIMITED	1,044,560	1.59%
T. HOARE NOMINEES LIMITED	854,445	1.30%
J ARONOV COMPUTER SERVICES PTY LTD	815,878	1.24%
MR R B & MRS E WOODLAND	773,187	1.18%
PENFOLD LIMITED	750,000	1.14%
MR SIMON BURDETT PHILLIPS	748,054	1.14%
MR CM HARRIS	734,465	1.12%
MRT KROPELIEN	700,000	1.07%
PM & JL SMYTH AS TRUSTEES FOR THE SMYTH SUPER FUND	691,666	1.05%
MR AL STIVEN	667,900	1.02%
HSBC CLIENT HOLDINGS NOMINEE (UK) LIMITED	624,999	0.95%
	27,392,582	41.77%

The consolidated entity holds an interest in the following tenements:

Prospect	Tenements	Equity
Bundey River	EL25378	100%
Curtis Pound	EL24823	100%
Hale River	EL24809	100%
Harts Range	EL24734, EL24735, EL24736, EL24765, EL24827, AN A24766	100%
Hatches Creek	EL22913, EL22912, EL23463	100%
Molyhil	EL22349, EL24392, ML23825, ML24429, ML25721	100%
Plenty Highway	EL24810	100%

Stock Exchanges

Thor Mining PLC shares and warrants are dual listed on the AIM market and the Australian Stock Exchange. On the ASX they are traded as CDIs.

ASX CORPORATE GOVERNANCE DISCLOSURE

The ASX Code on Corporate Governance requires that every public company disclose its compliance with each principle of the Code. During the financial year 2007/08 ("Reporting Period") the Company has complied with each of the Ten Essential Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council, other than in relation to the matters specified below.

Recommendation 2.1, 2.2

2.1 Majority of the Board should be Independent Directors

The Board considers that Mr G Durack is an independent Director in accordance with Recommendation 2.1. Whilst the remainder of the Board are not independent, the Board believes that all the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.

The Board considers that its structure has been, and continues to be, appropriate in the context of the Company's history and the size and scale of operations. The Company considers that each of the Non-independent Directors possess skills and experience suitable for building the Company. The Board intends to reconsider its composition as the Company's operations evolve, and appoint further independent Directors as appropriate.

2.2 The Chairman should be an independent Director

Mr Michael Billing is the Chairman and is not considered to be independent in respect of the ASX Corporate governance Council's definition of independence. The Board considers that the expertise and dedication of Mr Michael Billing gives constructiveness and organisation to the Board and its functions.

Recommendation 2.4

A separate Nomination Committee has not been formed

The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent contractors are engaged to identify possible new candidates for the Board.

Recommendation 4.3

The role of the Audit Committee is carried out by the full Board and does not comprise only Non-executive Directors and a majority of independent Directors. The Board considers this appropriate given its size and stage of development. As the Company grows, the Board intends to move towards an Audit Committee comprising primarily independent Directors.

Recommendation 8.1

Non-disclosure of the process of evaluating the Board

The process for evaluation of the Board, individual Directors and key Executives was not disclosed. However, an evaluation of the Board, Directors and key Executives does occur on an informal basis at least annually.

Recommendation 9.2

The full Board carried out the functions of the Remuneration Committee. All matters of remuneration were determined by the Board in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, no Directors participated in any deliberation regarding their own remuneration or related issues.

Skills, experience, expertise and term of office of each Director

A profile of each Director containing the applicable information is set out on the Company website.

Identification of Independent Directors

Mr G Durack is independent in accordance with the criteria set out in Box 2.1 of the ASX Principles and Recommendations.

Statement concerning availability of independent professional advice

Subject to the approval of the chairman, an individual Director may engage an outside adviser at the expense of Thor Mining PLC for the purposes of seeking independent advice in appropriate circumstances.

Names of nomination committee members and their attendance at committee meetings

The full Board carries out the functions of the Nomination Committee. The Board did not convene formally as the Nomination Committee during the Reporting Period, but rather, discussed relevant issues on an as-required basis.

Names and qualifications of audit committee members

The full Board performs the functions of the Audit Committee. Mr Michael Billing is financially literate.

Number of audit committee meetings and names of attendees

During the Reporting Period the audit committee met with the external auditors in respect of the half year and full year financial reports.

During the Reporting Period an evaluation of the Board was conducted as an informal review during regular meetings of the Board. The Executive Directors were reviewed on an individual basis by the Chairman.

Notice is hereby given that the third Annual General Meeting of THOR MINING PLC will be held at 55 Gower Street, London WC1E 6HQ on Tuesday 28th October 2008 at 10am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions.

Ordinary Business

1. To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2008.
2. To re-appoint Michael Billing appointed during the year and retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.
3. To re-appoint Michael Ashton appointed during the year and retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.
4. To re-appoint Norman Gardner appointed during the year and retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.
5. To re-elect John Young as a director who retires by rotation and being eligible, offers himself for re-election.
6. To re-appoint Chapman Davis LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.

Special Business

Ordinary Resolution

7. That to the exclusion of and in substitution for any such authority previously conferred upon them and subsisting at the date of this Resolution (save to the extent that the same may already have been exercised and save for any such authority granted by statute), the Directors be and are hereby authorised, generally and unconditionally for the purpose of section 80 of the Companies Act 1985 to allot relevant securities (as defined in Section 80(2) of that Act) up to a maximum aggregate nominal amount of £225,000 PROVIDED THAT:
 - (a) this authority shall expire on the later of the first anniversary of the date of the passing of this Resolution and the next annual general meeting of the Company; and
 - (b) the Company may before such expiry date make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer, agreement or arrangement as if the authority hereby conferred had not so expired.

Special Resolutions

8. That the Directors be and are hereby empowered, pursuant to Section 95 of the Companies Act 1985, until the later of the first anniversary of the passing of this Resolution or the next annual general meeting and at any time thereafter pursuant to any offer, agreement or other arrangement made by the Company before the expiry of this power to the exclusion of and in substitution for any other power granted to them and subsisting at the date of this Resolution (save to the extent that the same may already have been exercised and for any such power granted by statute), to allot, out of any relevant securities (as defined in Section 80(2) of the Companies Act 1985) which they are from time to time authorised to allot, and as if Section 89(1) of that Act and Articles within the Company's Articles of Association did not apply to such allotment any number of equity securities up to a maximum aggregate nominal amount of £100,000.

9. That the existing Articles of Association of the Company shall no longer apply and that in the place of those, the Articles of Association attached to these resolutions and marked 'A' for identification purposes shall be adopted by the Company, and that the Company Secretary be instructed to file them with the Registrar of Companies.

This Notice of Meeting includes resolution 9 to amend the Company's Articles of Association.

The amended articles include amendments to ensure that they comply with the provisions of the Companies Act 2006 (the "2006 Act") which have, or will in the near future, come into force. The provisions of the 2006 Act are in the process of being brought into force. All provisions are anticipated to be in force by 1 October 2009. It is, therefore, proposed that the Company adopts new Articles of Association to incorporate key changes introduced by the 2006 Act which are currently in force and to generally update the articles.

By way of a brief summary, the principal changes to be made to the current articles include:

1. provisions to make it easier for the Company to communicate with shareholders by electronic means or to allow documents to be communicated electronically or by publishing documents on the Company's website communications;
2. the minimum notice period for calling a general meeting other than an annual general meeting called for the passing of a special resolution has been reduced from 21 days to 14 days in line with the provisions of the 2006 Act;
3. the provision giving the chairman a casting vote in the event of an equality of votes on a shareholder resolution has been removed as it is incompatible with the provisions of the 2006 Act;
4. the articles have been updated to reflect the fact that under the 2006 Act proxies have the right to attend, vote (on a poll or a show of hands) and speak at any general meeting as well as dealing with the appointment of multiple proxies and time limits for the appointment and termination of a proxy appointment;
5. the regulations relating to the disclosure of interests have been updated;
6. the obligation on directors reaching the age of 70 to retire from office at every annual general meeting has been removed;
7. to allow the directors to authorise conflicts or potential conflicts of interest, where appropriate;
8. the provisions relating to indemnifying directors and officers have been updated and clarified;
9. references to extraordinary general meetings have been removed from the articles in line with the 2006 Act; and
10. references to extraordinary resolutions have been replaced with references to special resolutions in line with the 2006 Act.

It is expected that further amendments will be required at next year's annual general meeting to reflect further changes under the 2006 Act which will be implemented over the course of the next year.

The new articles will, subject to the passing of resolution 9, come into effect at the conclusion of the AGM. A full copy of the amended articles of association are available from the Company's website at www.thormining.com or alternatively a hard copy can be requested by telephoning Stephen Ronaldson, the company secretary, on 020 7580 6075.

Resolutions for Corporations Act 2001 (Australia) and ASX Listing Rule Requirements

The following resolutions are required under the Corporations Act 2001 (Australia).

10. To consider, and if thought fit, pass with or without amendment as an ordinary resolution the following:

“That the remuneration report of the directors of the Company for the financial year ended 30 June 2008 be adopted by the shareholders of the Company.”

Information to assist with voting on Resolution 10:

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the remuneration report to the vote of Shareholders for the financial year ended 30 June 2008 (**Remuneration Report**). The Financial Report for the year ended 30 June 2008 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director, specified executives and non-executive Directors.

The provisions of the Corporations Act provide that Resolution 10 need only be an advisory vote of Shareholders.

Therefore, Resolution 10 is advisory only and does not bind the Directors. Of itself, a failure of Shareholders to pass Resolution 10 will not require the Directors to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

The chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

11. To consider, and if thought fit, pass with or without amendment as an ordinary resolution the following:

“That, in accordance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 9,000,000 Shares each at AUS\$0.08 to Western Desert Resources Ltd.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and obtained a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or any associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 11 is included in this Notice as it is a requirement of the listing rules of the Australian Securities Exchange (ASX). Resolution 11 seeks shareholder approval for the ratification of the prior issue of shares by the Company.

ASX listing rule 7.1 provides that a listed company may only issue a maximum of 15% of the share capital of the company without shareholder approval. The effect of shareholders passing Resolution 11 will be to restore the Company’s ability to issue securities within the 15% limit to the extent of the issue of securities in Resolution 11.

Information to assist with voting on Resolution 11

The listing rules require that the Notice include the information below to assist shareholders with voting on Resolution 11:

- (a) the Shares were issued to Western Desert Resources Limited (who is not a related party of the Company);
- (b) 9,000,000 Shares have been issued each at AUS\$0.08 to raise AUS\$720,000 (prior to costs);
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company;
- (d) a voting exclusion statement is included in Resolution 11; and
- (e) funds raised by the placement will be used to partially fund the ongoing development of the Molyhil Project and for working capital purposes.

Resolution 12 – Approve Director Options

To consider, and if it thought fit, pass as an ordinary resolution with or without amendment the following:

“That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the issue of 1,000,000 Director Options each to Mr Michael Billing, Mr Michael Ashton, Mr Norman Gardner, Mr John Young and Mr Gregory Durack (“Participating Directors”) or their nominees on the terms and conditions below.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Participating Directors or any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Information to assist with voting on Resolution 12

General

Resolution 12 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of a total of 5,000,000 Director Options as follows:

Mr Michael Billing (or his nominee)	1,000,000 Director Options
Mr Michael Ashton (or his nominee)	1,000,000 Director Options
Mr Norman Gardner (or his nominee)	1,000,000 Director Options
Mr John Young (or his nominee)	1,000,000 Director Options
Mr Gregory Durack (or his nominee)	1,000,000 Director Options

Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because the Participating Directors are related parties of the Company.

Furthermore, Shareholder approval of the issue of Director Options means that this issue will not reduce the Company’s 15% placement capacity under ASX Listing Rule 7.1.

The Director Options are transferable but currently the Company will not make an application for quotation of the Director Options. If subsequently the Company makes an application for quotation of a class of options with the same terms and conditions as the Director Options then it may also make an application for quotation of the Director Options.

Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act ASX Listing Rule 10.13 and section 219 of the Corporations Act requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue:

(a) 5,000,000 Director Options will be issued as follows:

Name of Director	Maximum number of Director Options to be issued
Mr Michael Billing	1,000,000
Mr Michael Ashton	1,000,000
Mr Norman Gardner	1,000,000
Mr John Young	1,000,000
Mr Gregory Durack	1,000,000

- (b) The Company will issue the Director Options no later than one month after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 10.13.3).
- (c) Each Director Option will be issued for nil consideration. Each Director Option entitles the holder to subscribe for one (1) Share at an exercise price of \$0.18, exercisable on or before 15 September 2011. The Director Options are transferable and will not be quoted on AIM or ASX. Further terms and conditions of the Director Options are in schedule 1.
- (d) The Participating Directors each have an interest in the Resolution under which the Director Options will be granted and therefore believe it inappropriate to make a recommendation.
- (e) A voting exclusion statement is included in the Notice.
- (f) No funds will be raised by the issue of the Director Options as they are being issued for nil consideration.
- (g) On the basis of the assumptions below, independent accountants BDO Corporate Finance WA Pty Ltd have determined the technical value of one Director Option approximates \$0.03. This valuation imputes a total value of \$150,000 to the Director Options. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
- interest rate set at the Commonwealth Government 2 year bond rate of 5.68%;
 - the date of the valuation, for the purposes of settling the current market value of a Director Option, is 2 September 2008;
 - at 2 September 2008 the Share price was \$0.062 which is the price used in the valuation;
 - the volatility factor is set as 110% which is based on the history of the Share trading on ASX over the past 12 months and in particular the movement in Share prices over the past 6 months; and
 - the Director Options will not be exercised any earlier than 28 November 2008.
- (h) If the Shareholders approve the issue of the Director Options, the exercise of those Director Options will result in a dilution of all other Shareholders' holdings in the Company of 3.3% based on issued Shares as at the date of this Notice and a dilution of 2.1% on a fully diluted basis.
- (i) The market price of Shares would normally determine whether the Directors will exercise, or not, the Director Options. If the Director Options are exercised at a price that is lower than the price at which Shares are trading on AIM or ASX, there may be a perceived cost to the Company.

- (j) The Directors have resolved that each Director shall receive the amount of \$40,000 per annum as Directors' fees based on 2 days per month and \$1,000 per day thereafter.

In addition to the Directors' fees some of the Directors have other remuneration arrangements with the Company as follows:

- a. John Young has a consultancy agreement with the Company based on \$1,200 per day for those days worked on behalf of the Company.

Refer to the Company's 2008 Annual Report for further details of the Directors' remuneration for the years ending 30 June 2008.

The current Share and other security holdings of the Directors as at 19 September 2008 are as follows:

Name of Director	Shares	Warrants¹	Options²
Mr Michael Billing	150,000		
Mr Michael Ashton ³	511,184	365,050	
Mr Norman Gardner	733,941	7,790	
Mr John Young			5,000,000
Mr Gregory Durack			1,500,000

Notes:

1. The Warrants are listed warrants exercisable on or before 15 June 2009 at an exercise price of £0.08.
2. The Options are unlisted options exercisable on or before 15 June 2009 at an exercise price of £0.08.
3. Mr Michael Ashton is the registered holder of 318,877 Shares and 265,050 Warrants. Further, Ashton Drilling Services Pty Ltd, a company of which Mr Michael Ashton is a director and sole shareholder is the registered holder of 192,307 Shares and 100,000 Warrants.

- (k) Historical Share price information for the last three months is as follows:

	Price	Date
Highest	\$0.135	9, 10 & 11 June 2008
Lowest	\$0.060	19, 20 & 22 August 2008
Last	\$0.065	5 September 2008

- (l) To attract and retain Directors in this competitive market the Company has a remuneration policy to provide a moderate fixed remuneration component and a specific equity related component. There is no separation of remuneration between short term incentives and long term incentives. The Board believes that this remuneration policy is appropriate given the nature of the Company, the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director objectives with Shareholder and businesses objectives.

- (m) Directors do not receive any retirement benefits.

- (n) Fees for Directors are not linked to the performance of the economic entity. However, to align all Directors' interests with Shareholder interests, the Directors are encouraged to hold Shares in the Company and may be issued Options.

- (o) The Company believes that the issue of Options conserves cash in the short term and acts as an incentive to grow the Share price in the long term. This effectively links Directors' performance to the Share value and therefore to the interests of all Shareholders. For this reason there are no performance conditions prior to a grant or exercise of Options, but instead an incentive to increase the value to all Shareholders.
- (p) The purpose of the issue of the Director Options is for the Company to retain directors of high calibre. The Company acknowledges that the issue of options to non-executive Directors is contrary to the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of Incentive Options in Resolution 12 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre while still maintaining a cash reserve.
- (q) Other than the information above, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 12.
- (r) Shareholder approval is sought under Listing Rule 10.11 and as such approval under Listing Rule 7.1 is not required.

Resolution 13 – Section 195 Approval

To consider, and if it thought fit, pass as an ordinary resolution with or without amendment the following:

“That, for the purposes of section 195(4) of the Corporations Act (Australia) and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice of Annual General Meeting.”

Information to assist with voting on Resolution 13

Section 195 of the Corporations Act (Australia) essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolution 12. In the absence of this Resolution 13, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolution 12.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act (Australia) to put the issue to Shareholders to resolve upon.

Proxy Form

If you are a registered holder of Ordinary Shares or CDI's in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by to:

The Company Secretary
Thor Mining PLC
55 Gower Street
London WC1E 6HQ

Or

By facsimile transfer on fax number +44 (0)207 580 7429.

For convenience to shareholders on the Australian CDI register the form can be returned to:

Molyhil Mining Pty Ltd
PO Box 1126
Subiaco
Western Australia 6904

Or

By facsimile transfer on fax number +61 (0)8 9327 0901.

The signed proxy must be received by 10am on 26 October 2008.

By Order of the Board

Stephen F Ronaldson
Company Secretary

19 September 2008

Notes to the Notice of General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company Secretary, Stephen Ronaldson, on +44 (0)207 580 6075.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company Secretary at 55 Gower Street, London WC1E 6HQ or by facsimile transmission to +44 (0)207 580 7429; and
- received by the Company Secretary no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company Secretary on +44 (0)207 580 6075.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company Secretary at 55 Gower Street, London WC1E 6HQ or by facsimile transmission to +44 (0)207 580 7429. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by the Company Secretary no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

10. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:

- (i) if a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
- (ii) if more than one corporate representative for the same corporate member attends the Meeting but the corporate member has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (i) above.

Issued shares and total voting rights

11. As at 28 August 2008, the Company's issued share capital comprised 149,470,949 ordinary shares of £0.003 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 28 August 2008 is 149,470,949.

Form of Proxy

for use at an Annual General Meeting

I, a Member of **THOR MINING PLC** (hereinafter referred to as 'the Company') and entitled to vote, hereby appoint the Chairman of the meeting, or _____ as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held on 28 October 2008 at 10.00am and at any adjournment thereof.

If the chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolution 12 please tick this box. By marking this box you acknowledge that the chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 12 and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the chairman of the Meeting will not cast your votes on Resolution 12 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

The chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

(Please indicate below how you wish your votes to be cast. If the form of proxy is returned without any indication as to how the proxy should vote on any particular matter, the proxy will vote as they think fit.)

ORDINARY BUSINESS	Please indicate your vote by placing an (x) in the appropriate box		
	For	Against	Vote withheld
Resolution 1 To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2008.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 To re-appoint Michael Billing as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 To re-appoint Michael Ashton as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 To re-appoint Norman Gardner as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 To re-elect John Young as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 To re-appoint Chapman Davis LLP as auditors of the Company and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPECIAL BUSINESS			
Resolution 7 To authorise the Directors to allot relevant securities up to a maximum aggregate nominal amount of £225,000.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 To dis-apply pre-emption rights over the allotment of any number of equity securities up to a maximum aggregate nominal amount of £100,000.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 To amend the articles of association.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**CORPORATIONS ACT (AUSTRALIA)
AND ASX LISTING RULE REQUIREMENTS**

	For	Against	Vote withheld
Resolution 10 Approve remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Approve issue of 9,000,000 Shares each at an issue price of \$0.08 to Western Desert Resources Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Approve the issue of 1,000,000 Director Options to each of Mr Michael Billing, Mr Michael Ashton, Mr Gregory Durack, Mr Norman Gardner and Mr John Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature
Date
Full name
Address

NOTES

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend and vote at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend and vote on his/her behalf.
2. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please insert his/her name and delete "the Chairman of the Meeting or".
3. Please indicate how you wish your proxy to vote by marking either for or against. Unless otherwise instructed the person appointed a proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on any particular resolution as he/she thinks fit.
4. A corporation must seal this form of proxy or have it signed by an officer or attorney or other person authorised to sign.
5. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjournment thereof.
7. To be valid this form of proxy must reach the Company Secretary, 55 Gower Street, London WC1E 6HQ not later than 48 hours before the time of the Meeting. Lodgement of a form of proxy does not preclude a member from attending the Meeting and voting in person.

Schedule 1 – Terms and conditions of Director Options

1. Entitlement

The Director Options entitle the holder to subscribe for one Share upon exercise of each Director Option.

2. Exercise Price

The exercise price of each Director Option is \$0.18 ("**Exercise Price**").

3. Expiry Date

Each Director Option has an expiry date of 15 September 2011. ("**Expiry Date**").

4. Exercise Period

Director Options are exercisable at any time on or prior to the Expiry Date.

5. Notice of Exercise

The Director Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Director Option being exercised. Any notice of exercise of a Director Option received by the Company will be deemed to be a notice of the exercise of that Director Option as at the date of receipt.

6. Timing of issue of Shares

After a Director Option is validly exercised the Company must as soon as possible:

- (a) issue the Share; and
- (b) do all such acts matters and things to obtain:
 - (i) the grant of quotation for the Share on AIM and ASX no later than 5 days from the date of exercise of the Director Option; and
 - (ii) receipt of cleared funds equal to the sum payable on the exercise of the Director Options.

7. Shares issued on exercise

Shares issued on exercise of the Director Options rank equally with the then shares of the Company.

8. Quotation of Shares on exercise

Application will be made by the Company to AIM and ASX for official quotation of the Shares issued upon the exercise of the Director Options.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give Director Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Director Option will be increased by the number of Shares which the Director Optionholder would have received if the Director Optionholder had exercised the Director Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Director Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E[P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Director Option.
- E = the number of underlying Shares into which one Director Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Director Optionholders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Quotation of Director Options

The Director Options will be unlisted options and no application for quotation of the Director Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for a quotation of the Director Options and ASX accepts the application for quotation of the Director Options then the Director Options will be listed Director Options from the time that AIM and ASX accepts such application.

14. Director Options transferable

The Director Options are transferable.

15. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Registry Services Limited, Level 2, 45 St Georges Terrace, Perth 6000.



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