

THOR MINING

THOR

MINING PLC

ANNUAL
REPORT
2007

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Directors

John W Barr (Executive Chairman)
John A Young (Chief Executive Officer)
Gregory M Durack (Non-executive Director)
P Mark Smyth (Non-executive Director)

Company Secretary

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

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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.

Operating and financial review

The 2007 financial year has seen progress for Thor across a number of important activities. Highlights for the year included;

- In July securing the services of John A Young, a geologist of some 20 years standing, in the role of Chief Executive Officer. John has quickly built up a professional team.
- In September an A\$10.0 million (£4.0 million) fund raising and dual listing on the Australian Stock Exchange.
- As part of the fund raising and dual listing, Thor completed the purchase of Hale Energy Limited, thus securing over 3,000 sq kms of uranium exploration ground.
- During the year in excess of £300,000 was spent on exploration of the uranium tenements.
- In addition to the fund raising and dual listing, in excess of £200,000 was raised by placings and exercising of warrants during the year.
- As a consequence, at June Thor had in excess of £1,800,000 in cash, which was supplemented by the recent £748,000 post balance date placing.

Molyhil Project Highlights

- At the Molyhil Project in excess of £900,000 was spent on exploration, including drilling and associated work.
- Thor also completed a Definitive Feasibility Study (DFS) confirming that the project is technically and economically viable.
- Since that time additional metallurgical studies have been completed, selected plant items have been secured and environmental and native title aspects of the project are near completion.

- In excess of £680,000 was spent on development work during the year.
- Since year end a new resource statement has been completed and Thor is now vigorously pursuing an off-take agreement and financing of the project.

The team continues to focus on the twin strategies of developing the Molyhil Tungsten - Molybdenum Project, by securing an off-take agreement and financing for the project, and exploration of the extensive uranium tenements.



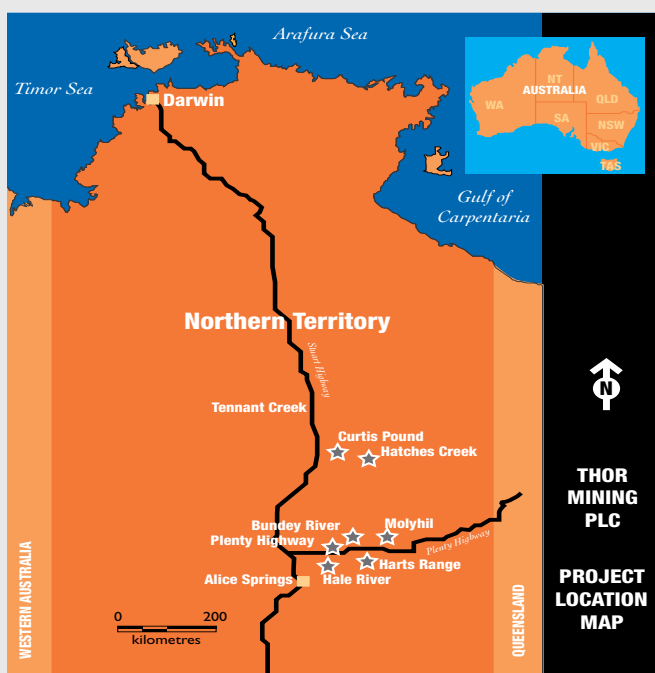
John W Barr
Executive Chairman

21 August 2007



MOLYHIL IS A PROVEN RESOURCE 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.

Thor Projects



Molyhil Tungsten - Molybdenum Project (Molyhil)

Molyhil is a proven resource 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; Mining Lease Applications, and is situated east of Alice Springs in central Australia.

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

- Completion of the Definitive Feasibility Study
- Engineering work advanced
- Marketing of product progressing
- Upgrading of Metallurgical recovery results
- Purchase of selected plant
- Completion of Notice of Intent to Mine and Public Environmental Review
- Mining agreement with traditional owners ready to be signed
- Updated resource completed with 55% increase in overall tonnage to 3.73 million tonnes
- Significant increase in Measured and Indicated categories to 530,000t at 0.42% WO₃ and 0.27% MoS₂ and 2,400,000t at 0.39% WO₃ and 0.17% MoS₂ respectively

Definitive Feasibility Study

This Definitive feasibility study report was prepared by consultants and confirmed the technical and economic feasibility of developing the Molyhil Project.

The study included preliminary design, engineering and cost estimates for the mining, process plant and associated facilities based on a 300,000 tpa operation.

The Ore Reserve estimate used in the study was completed in 2006 and was established through a series of mine optimisations and designs. The pit model used proved and probable reserves of 1.094Mt at 0.21% (Mo) and 0.62% (W).

Recently it was decided to revise the pit model to take into account the updated 2007 resource. When this is completed revised feasibility numbers will be published shortly.



Engineering

Detailed engineering work was awarded to contractors, but is currently suspended subject to financing of the project and the sale of product. The contractor has completed work on detailed layouts and requests for tenders for equipment and long lead items, particularly for the supply of the grinding mill. Recommendations on the grinding mill and wet screens have been received, along with an assessment of responses from reagent suppliers.

Mill procurement is the primary item on the critical path for the project schedule. A master control schedule and project execution plan has been established. These systems will allow an efficient and orderly ramp up to full construction in due course.

Marketing

Consultants were retained to promote and market the products which lead to a Memorandum of Understanding (MOU) being signed with a Chinese group. Unfortunately in April that group advised that they did not wish to proceed further.

Several other parties have now expressed interest in the product, and as a result of the new resource, negotiations are proceeding.

Thor expects to be able to complete off-take negotiations shortly.

Purchase of selected plant

During the year Thor secured key items of plant and equipment for the proposed development which, when incorporated into the design of the processing plant, should result in savings in construction time and cost.

The revised feasibility numbers will take into account the savings.

Metallurgical

As part of the feasibility, metallurgical test work was undertaken and a resultant process flow sheet was incorporated into the economic

and technical assessment. The studies indicated that a saleable concentrate could be produced.

Subsequently additional metallurgical tests to further optimise the flotation conditions and concentrate grade and recoveries has been completed by independent consultants.

Primary Molybdenum Concentrate assayed 51.4% Mo with a recovery of 77.8% and Primary Tungsten Concentrate assayed 72.9% WO₃ with a recovery of 65.4% and these have now been established as the base to produce a saleable concentrate.

Notice of Intent

The Notice of Intent has been submitted to the relevant authorities for review and comment. The subsequent Public Environmental Review (PER) period has now concluded and a positive decision from the Northern Territories Minister for Mines is expected shortly.

No environmental or heritage concerns have been identified that cannot be managed within an Environmental Management Plan.

Negotiation of Mining Agreement

A development review committee was formed for the negotiations with the Central Land Council (CLC) with the aim of completing a mining agreement. A final meeting with the Traditional Owners was held on site during March, resulting in agreement on the proposed mining infrastructure.

The Native Title Mining agreement has now been finalised.

Resource Update

Final results from the recently completed resource drilling program at Molyhil were received in July 2007 and incorporated into the new resource model, which was completed by independent geological consultants.



THIS IS A POSITIVE
RESULT WHICH SHOULD
TRANSLATE TO INCREASED
CONFIDENCE IN THE
MINING RESERVE.

The updated resource represents a 55% increase in overall tonnage to **3.73 million tonnes at 0.51% combined tungsten (WO₃) and molybdenum (MoS₂)** with a substantial tonnage upgrade to the Measured and Indicated categories – increasing the overall level of confidence in the resource. The revised resource now comprises:

- **Measured Resource of 530,000 tonnes at 0.42% WO₃ and 0.27% MoS₂**, a 43% tonnage increase over the previous Measured resource;
- **Indicated Resource of 2.4 million tonnes at 0.39% WO₃ and 0.17% MoS₂**, a 37% tonnage increase over the previous Indicated resource; and
- **Inferred Resource of 800,000 tonnes at 0.15% WO₃ and 0.1% MoS₂**, more than three times higher than the previous resource.

The resource model now contains **8.4 million pounds of molybdenum metal and 1.3 million mtu's of tungsten trioxide**, representing a similar metal content to the previous resource but at a higher JORC resource category following the conversion of a significant tonnage from the Indicated to Measured category. This increases the overall confidence in the upper parts of the block model. This is a positive result which should translate to increased confidence in the mining reserve.

During the year two programs of Reverse Circulation drilling were successful in identifying extensions to the Southern and Yacht Club ore zones as well as increasing the overall confidence of the existing resource. Three extra holes were completed beneath the Yacht Club and Southern ore bodies as a result of encouraging geology. A total of 35 holes were completed for 4,624m. The first program also included geotechnical and hydro geological studies over areas designated for future mine development infrastructure.

All of these results have now been incorporated into the revised resource model.

Hatches Creek

Hatches Creek Project is made up of three Exploration Licences, one of which is granted and two still under application, which are located in the central portion of the Northern Territory. The Exploration Licence Applications cover 63 km² which falls within the Anurrote Aboriginal Land Trust under the provisions of the Aboriginal Land Right Act (NT) Act 1976.

After lengthy negotiations an agreement was signed for Exploration Licence Applications with the traditional owners and Thor is now waiting on the granting of these tenements before initiating ground exploration.

Uranium Exploration

Uranium exploration has begun with reconnaissance work at Harts Range and a major Hoist EM survey at Hale River and Plenty Highway Projects completed. Reverse circulation drilling was also completed at Hale River.

Initial reconnaissance work at Harts Range returned assays as high as 31% U, whilst interpretation of the survey is well advanced.

Harts Range Reconnaissance

The Harts Range Project is located about 150kms east-northeast of Alice Springs. Reconnaissance sampling of the Harts Range tenement area was completed during October and November 2006, with several areas traversed. The main objective of the sampling program was to identify known prospects and determine optimal access routes and logistics for follow-up exploration. The project includes six tenements.

In the October program eleven rock chips were taken on two out of the six granted tenements. Analysis was completed for 39 elements.

Five samples were taken at the Ryoma and Casper prospects, with results confirming the prospectivity of this area returning elevated



uranium values ranging from 121ppm to 227ppm U. Results were also elevated in rare earth elements (REE) such as Yttrium and Zirconium. Sample HR8 also returned up to 1.62% Pb.

The results included a single sample result of 31.6% U. This hand-picked sample contained a significant portion of visible uraninite. Significantly, a number of large pegmatite bodies are located within the Harts Range project.

Work to date in the Harts Range Project indicates that sporadic high uranium grades occur along NW trending structural corridors, suggesting a vein-type model for mineralisation such as that at Schwartzwald in Colorado (USA). Mineralisation here occurs in numerous lenses associated with a major shear fault network and along contacts between mica schist and gneissic rocks.

Harts Range – Scintillometer Survey

In late November, a scintillometer orientation survey and ground reconnaissance work was completed over three tenements, with scintillometer readings taken at various locations including several prospects with historic uranium exploration results. In total, fourteen samples were collected.

A number of samples returned significant results of **>0.10% U**, all of which have a very strong REE association. One particular sample from an area near the Haddock Prospect was high in **uranium (8.87% U)**, tantalum (19%) and niobium (18%), suggesting that the sample contained coarse tantalite crystals. Two significant results of **0.17% U** and **0.26% U** were also returned from the Garnet prospect. Previous mapping in this area in 1993 determined that the strongest radioactivity occurs where the pegmatite has been more extensively altered to garnet. Historic PNC assays at this prospect ranged between 18ppm to 2,900ppm U, 100ppm to 4,000ppm Y and 100ppm to 2,600ppm Nb.

Further reconnaissance rock chip sampling and mapping was completed on the Daicos, Haddock, Mount Mary (Snaf & Indiana)

and Starlight prospects in early July. A total of 39 rock chip samples were collected, all assays are still outstanding. Approximately 12 km of prospective strike length has been identified representing potential host extensions or repetitions of epidosite-pegmatoid layers.

Regional exploration resulted in the identification of a single pegmatite some 6.3km in length and 50m wide at Mt Mary. Two rock chips taken from 'hot spots' in this area returned elevated uranium values ranging from 107ppm to 246ppm. A second pegmatite, which also has an extensive strike of 2km and an average width of 63m has been identified to the north-east. This requires further investigation.

Ongoing exploration will also cover the Snaf and Kelly Prospects, located to the north and south of Mt Mary. Historic rock chip sampling by PNC at these prospects returned very high-grade uranium assays ranging from 550ppm to 1,580 ppm U.

Bundey River Project

Three radiometric anomalies have been identified in the eastern part of the Bundey River Project area from airborne radiometric survey.

Reconnaissance exploration was completed along the eastern portion of the Bundey River tenement; two samples were taken from this area with disappointing uranium results. While no calcrete samples were able to be taken, a consistently high scintillometer count was taken over the main drainage channel. Sampling returned an anomalous thorium value in exposed lateritic remnants, confirming the potential for tertiary basin and drainage hosted uranium.

Hale River Project

The first and second phases of a comprehensive uranium exploration program at Hale River have been completed.

The first phase of the program comprised a helicopter borne Hoist EM survey covering the Company's Hale River and Plenty Highway

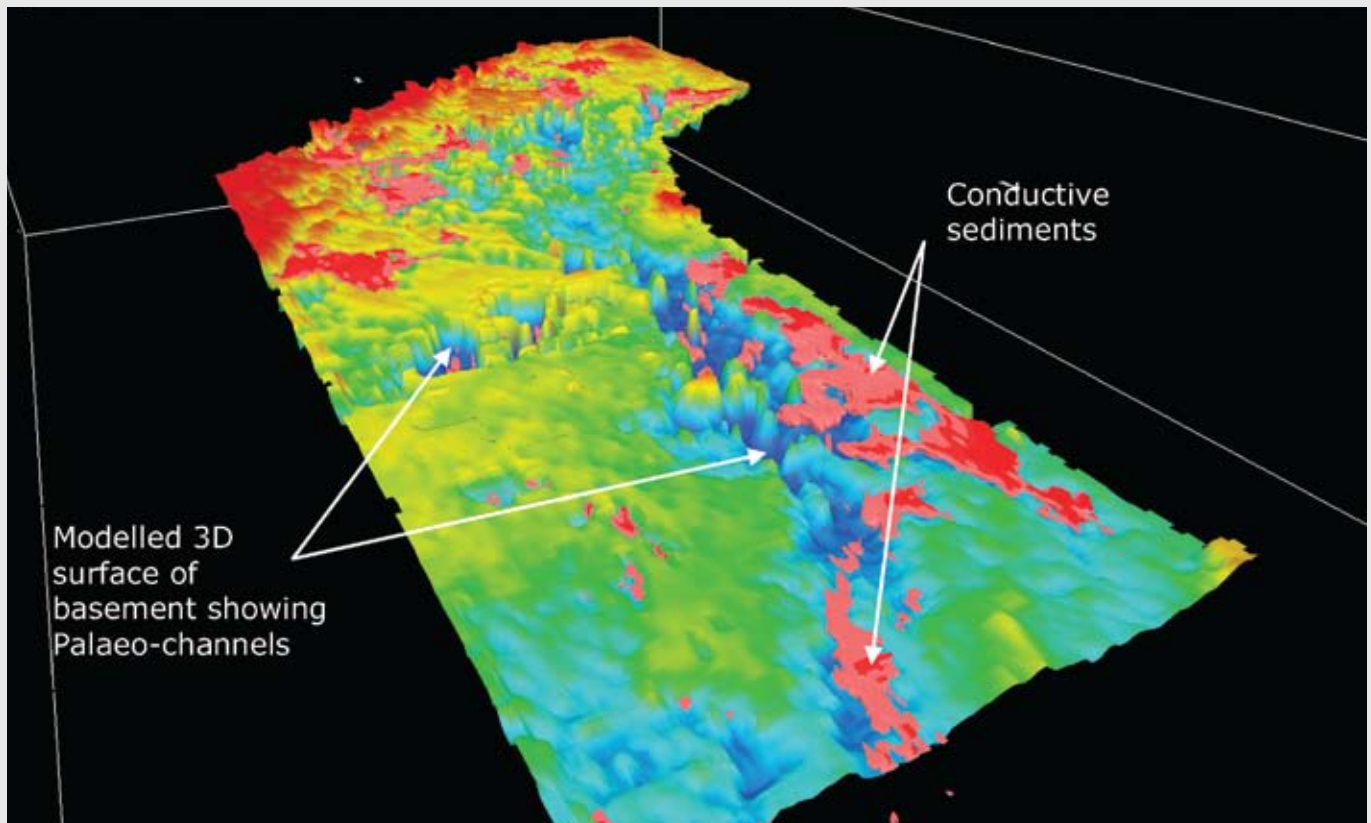


tenements, which cover some 1,200 sq km of tertiary basin sediments.

The Hale River data has indicated a complex south easterly striking channel structure. Zones of conductive and resistive sediments (indicating reducing and oxidizing environments) have been interpreted within the main and subsidiary palaeo-channels within the model. The revised modelling has also incorporated previous exploration drilling that has already identified anomalous areas of 'roll front style' uranium mineralisation.

Reconnaissance aircore drilling at the Hale River Uranium Project has been completed with a total of 28 holes completed to date for 1,549m.

The Hoist EM survey was a technical success and identified numerous potential "trap sites" or conductive sediments within the Hale River palaeo drainage system. Drilling indicated that the modelled depth to basement was essentially correct and that the conductive horizons identified in the Hoist EM survey were associated with carbonaceous sediments, pyritic sands and lignite



Modelled HOISTEM data for the Hale River project.



THE SUCCESSFUL COMPLETION OF THE FUND RAISING AND DUAL LISTING MARKED AN IMPORTANT MILESTONE FOR THOR.

horizons and was not due to saline/hyper saline ground water. The drilling was difficult due to running sands and clay layers and high water flows.

Five of the six priority anomalies identified were tested with at least one hole to check the ground conditions however the most prospective Hoist EM trap site with coincident surface radiometric anomaly on the eastern side of the tenement could not be drilled due to access restrictions imposed by the CLC.

Anomalous scintillometer readings several times background were associated with pyritic sands, carbonaceous clays and lignite. A number of samples returned assays between 20ppm and 100ppm U, these are considered anomalous and correlated well when compared to results from similar lignite horizons identified in the Hale River Basin by Alcoa in the 1980's.

Existing anomalies need further drill testing and work to date has confirmed the presence of suitable "trap sites" for roll front style uranium mineralization.

Plenty Highway Project

A final report and interpretation of the Hoist EM data has been provided by Thor's consultants. Two highly prospective areas have been identified at junctions within a large palaeo - channel drainage system containing abundant conductive sedimentary units.

Drilling can begin pending CLC approvals. Approximately 5,000m of drilling will be required. Minimal previous exploration has been carried out on the tenement.

Corporate

In 2006 Thor received shareholder approval to proceed with the acquisition of Hale Energy Ltd. Shareholder approval was also received for a 1-for-3 capital consolidation and an issue to existing shareholders of one warrant for every two post-consolidation shares

held ahead of the dual listing of Thor's shares on the Australian Stock Exchange (ASX).

The consideration for the acquisition of Hale Energy was the issue of 16 million fully-paid shares and 8.5 million warrants.

Thor closed its A\$10.0 million fund raising fully subscribed ahead of the dual listing of its shares on the ASX in September 2006.

The successful completion of the fund raising and dual listing marked an important milestone for Thor.

During July 2007 a placement of 6,800,000 shares at 11 pence per share was completed on the AIM Market of the London Stock Exchange.

The funds raised, approximating A\$1.7m after costs, will be used to supplement short term working capital requirements and to provide additional finance for the development of Molyhil.

Site Environmental Policy

Molyhil Mine Site 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

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.

- 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.



Molyhil RC Drilling

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.

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.

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 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 Directors present their report and accounts for the year ended 30 June 2007.

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.

During the year, Thor completed the acquisition of Hale Energy Limited which owns uranium exploration projects in the Northern Territory, including the Hale River, Plenty Highway, Bunday River, Harts Range and Curtis Pound projects.

A detailed review of the Group's activities is set out in the Executive Chairman's operating and financial review.

Results and dividends

The Group incurred a loss after taxation of £1,387,000 (2006: £684,000) and no dividends have been paid or are proposed.

Events since the balance sheet date

A detailed review of events since the balance sheet date is included in note 20 to the accounts.

Directors

The Directors who served during the period and their interests in the share capital of the Company at 30 June 2007 was as follows:

	Ordinary Shares		Warrants		Unlisted Options
	30 June 2007	Date of this report	30 June 2007	Date of this report	
John W Barr	240,000	1,095,379	-	444,799	3,583,333
John A Young	33,678	74,466	16,839	38,039	5,000,000
Gregory M Durack	75,000	91,153	8,400	45,900	1,500,000
P Mark Smyth	1,383,333	1,383,333	691,666	-	-

THE GROUP IS COMMITTED TO PROMOTING POLICIES WHICH ENSURE THAT HIGH CALIBRE EMPLOYEES ARE ATTRACTED, RETAINED AND MOTIVATED, TO ENSURE THE ONGOING SUCCESS OF THE BUSINESS

Since 30 June 2007 a major shareholder, TNG Limited, has distributed the majority of its Thor Mining PLC securities to TNG Limited shareholders. The movement in the Directors holdings on the previous page between 30 June 2007 and the date of this report are all due to this distribution by TNG Limited.

The Directors interests and indirect interests are held in the following:

John W Barr	Kensington Consulting Pty Ltd
	Kensington Capital Pty Ltd
	Farbarr Nominees Pty Ltd
	Cavendish Corporation Ltd
	Alfriston Australia Pty Ltd
John A Young	Forever Young Family Trust
Gregory M Durack	Martineau Resources Pty Ltd
P Mark Smyth	Smyth Superannuation Fund

Statement of Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- the group has applied the accounting standards in accordance with IFRSs and as adopted by the European Union and Australia, and subject to any material departures which are disclosed with an explanation in the notes to the financial statements.

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors 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 is aware of that information.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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



Substantial share interests

As at 31 July 2007 the Company was aware of the following substantial share interests:

	Ordinary Shares	%
ANZ Nominees Ltd	13,828,140	9.90
Batavia Mining Limited	13,000,000	9.31
Vidacos Nominees Ltd	10,146,562	7.27
Credit Suisse First Boston Client Nominees Limited	5,500,000	3.94

Creditor payment policy

It is the Group's policy to settle all amounts due to creditors in accordance with agreed terms of supply and market practice in the relevant country.

Corporate governance

Corporate governance is conducted in accordance with the Combined Code where relevant to smaller companies. The Board has established an Audit Committee comprising of Mr. J W Barr, Mr. J A Young, Mr. P Mark Smyth (Chairman) and Mr. Gregory M Durack. The primary role of the Audit Committee is to review the accounts of the Group and liaise with the Group's auditors. Meetings are held in accordance with financial reporting procedures.

In addition a Remuneration Committee has been established to review executive remuneration. This comprises Mr. P Mark Smyth (Chairman), Mr. J W Barr, Mr. J A Young and Mr. Gregory M Durack.

Going concern

The Directors confirm that, after making enquiries, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing these accounts.

Political contributions and charitable donations

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

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 as a minimum comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.



Employment Policies

The Group is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success of 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.

Subsequent events

In July 2007 a placing was completed of 6,800,000 new ordinary shares at 11 pence, raising £748,000 before expenses. These new ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 27 July 2007. The ordinary shares have been placed with Professional Investors based in the UK. Following the placing, the total issued ordinary share capital of the company is 139,659,508 shares. The funds have been raised to supplement short term working capital requirements and for additional finance of the Molyhil Project.

On 7 August 2007 Thor Mining PLC announced an updated resource on Molyhil. This resulted in a 55% increase in overall tonnage to 3.73 million tonnes and significant increases in Measured and Indicated categories to 530,000t at 0.42% WO₃ and 0.27% MoS₂ and 2,400,000t at 0.39% WO₃ and 0.17% MoS₂ respectively.

Auditors

A resolution to reappoint Chapman Davis LLP as auditors will be put to the members at the Annual General Meeting, to be held on 20 November 2007.

This report was approved by the board on 21 August 2007.

Damian P Delaney
Company Secretary

Independent Auditors Report to the Shareholders

We have audited the group and parent company financial statements of Thor Mining PLC for the year ended 30 June 2007, which comprise the Consolidated Income Statement, the Group and Parent Balance Sheets, Consolidated Cash Flow Statement, Group and Parent Statement of Changes in Equity, and the related notes 1 to 24. 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, the Directors' Remuneration 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 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.

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 2007 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 2007;
- 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

21 August 2007

	Note	Consolidated		Company	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
Administrative expenses		(323)	(137)	(84)	(10)
Corporate expenses		(1,190)	(568)	(1,066)	(432)
Other expenses		-	(19)	-	-
Operating loss	3	(1,513)	(724)	(1,150)	(442)
Interest received	4	126	33	-	-
Other income	4	-	7	-	-
Loss before tax		(1,387)	(684)	(1,150)	(442)
Tax on loss on ordinary activities	6	-	-	-	-
Loss for the financial year		(1,387)	(684)	(1,150)	(442)
Loss per share – basic	7	(1.27)p	(1.13)p		

Continuing operations

All items relate to continuing operations

Balance Sheets at 30 June 2007

	Note	Consolidated		Company	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
Assets					
Non-current assets					
Intangible assets	8	4,191	1,445	-	-
Investments	9	-	-	1,977	700
Loan to subsidiaries	10	-	-	4,636	1,100
Exploration costs	11	726	-	-	-
Plant and equipment	12	95	9	1	-
Total non-current assets		5,012	1,454	6,614	1,800
Current assets					
Cash and cash equivalents		1,836	484	155	268
Trade & other receivables	13	96	32	8	12
Prepayments		10	19	9	19
Total current assets		1,942	535	172	299
Total assets		6,954	1,989	6,786	2,099
Liabilities					
Current liabilities					
Trade and other payables	14	(181)	(88)	(43)	(13)
Provisions	15	(9)	-	-	-
Interest bearing liabilities	16	(11)	-	-	-
Total current liabilities		(201)	(88)	(43)	(13)
Non-current liabilities					
Interest bearing liabilities	16	(60)	-	-	-
Total non-current liabilities		(60)	-	-	-
Total liabilities		(261)	(88)	(43)	(13)
Net assets		6,693	1,901	6,743	2,086
Equity					
Issued share capital	17	399	192	399	192
Share premium		5,616	1,928	5,616	1,928
Foreign exchange reserve		431	59	-	-
Merger reserve		1,634	405	1,634	405
Option revaluation reserve	18	783	100	783	100
Retained losses		(2,170)	(783)	(1,689)	(539)
Total equity		6,693	1,901	6,743	2,086

These Financial Statements were approved by the Board of Directors on 21 August 2007 and were signed on its behalf by:



John W Barr
Executive Chairman



John A Young
CEO

	2007 £'000	2006 £'000
Cash flows from operating activities		
Operating Loss	(1,387)	(684)
(Increase)/decrease in trade and other receivables	(56)	28
Increase in trade and other payables	22	81
Depreciation	29	3
Share options expensed	683	100
Unrealised exchange gain	372	36
Net cash outflow from operating activities	(337)	(436)
Cash flows from investing activities		
Purchase of property, plant and equipment	(38)	(12)
Payments for mine development expenditure	(727)	-
Payments for exploration expenditure	(1,389)	(760)
Net cash outflow from investing activities	(2,154)	(772)
Cash flows from financing activities		
Repayment of borrowings	(5)	-
Issue of ordinary share capital	4,209	300
Share issue costs	(361)	(112)
Net cash inflow from financing activities	3,843	188
Net increase/(decrease) in cash and cash equivalents	1,352	(1,020)
Cash and cash equivalents at beginning of period	484	1,504
Cash and cash equivalents at end of period	1,836	484

The accompanying notes form part of these financial statements

Statements of Changes in Equity for the year ended 30 June 2007

	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 2005	182	1,750	(99)	23	405	-	2,261
Loss for the period	-	-	(684)	-	-	-	(684)
Foreign currency translation reserve	-	-	-	36	-	-	36
Total recognised income and expense	-	-	(684)	36	-	-	(648)
Share based payments expense	-	-	-	-	-	100	100
Share issued	10	178	-	-	-	-	188
At 30 June 2006	192	1,928	(783)	59	405	100	1,901
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	-	-	(956)
Share based payments expense	-	-	-	-	-	683	683
Shares issued	207	3,688	-	-	1,229	-	5,124
At 30 June 2007	399	5,616	(2,170)	431	1,634	783	6,693
Company At 1 July 2005	182	1,750	(97)	-	405	-	2,240
Loss for the period	-	-	(442)	-	-	-	(442)
Total recognised income and expense	-	-	(442)	-	-	-	(442)
Share based payments expense	-	-	-	-	-	100	100
Share issued	10	178	-	-	-	-	188
At 30 June 2006	192	1,928	(539)	-	405	100	2,086
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

1 Principal accounting policies

a) Authorisation of financial statements

The Group financial statements of Thor Mining PLC for the year ended 30 June 2007 were authorised for issue by the Board on 21 August 2007 and the balance sheets signed on the Board's behalf by John W Barr and John A 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:

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

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:

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

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 payables 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.

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).

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.

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.

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 are 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.

2 Turnover and segmental analysis

The Group had no turnover during the year.

Loss before taxation period ended 30 June		
By geographical area	2007 £'000	2006 £'000
UK	1,150	442
Australia	237	242
	1,387	684

Segment assets		
	2007 £'000	2006 £'000
UK	1,296	985
Australia	5,658	1,004
	6,954	1,989

3 Operating loss

	2007 £'000	2006 £'000
This is stated after charging:		
Depreciation	29	3
Auditors' remuneration	27	18
Options issued – directors and consultants	683	-
Directors fees	48	45
Directors remuneration	170	76

4 Revenue

	2007 £'000	2006 £'000
Interest received	126	33
Other income	-	7
	126	40

5 Directors and executive disclosures

Mr. John W Barr, Mr. John A Young, Mr. Gregory M Durack and Mr. P Mark Smyth are each appointed under the terms of a Directors letter of appointment. Each appointment provides for annual fees of £12,000 for services as directors.

(a) Details of Key Management Personnel

(i) Executive Directors	
<i>Executive</i>	
John W Barr	Executive Chairman
John A Young	Chief Executive Officer
(ii) Non-Executive Directors	
Gregory M Durack	Non-executive Director
P. Mark Smyth	Non-executive Director
(iii) Executives	
Stephen F Ronaldson	Company Secretary (UK)
Damian P Delaney	CFO/Company Secretary (Australia)

(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.

Employment contracts

Mr. John W Barr as the Executive Chairman is retained by a consultants contract with Kensington Consulting Pty Ltd. This contract is for a 12 month period until 20 May 2008 with option for extension. The contract may be terminated by either party on a 3 month notice. There are no termination payments under this consultant's contract.

Mr. John A 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 & Fees	Options	Total
	£'000	£'000	£'000
30 June 2007			
<i>Directors</i>			
John W Barr	97	74	171
John A Young	85	165	250
Gregory M Durack	24	50	74
P Mark Smyth	12	-	12
<i>Other Personnel</i>			
Damian P Delaney	-	50	50
30 June 2006			
<i>Directors</i>			
John W Barr	80	40	120
John A Young	6	-	6
Gregory M Durack	23	-	23
P. Mark Smyth	12	-	12
Andrew R M Bell	10	-	10

(c) Compensation by category

	Consolidated		The Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Key Management Personnel				
Short-term	557	171	199	148
Post-employment	-	-	-	-
	557	171	199	148

(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 2007 or 30 June 2006, are set out in Note 5(e).

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

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

² Held in escrow until 27 September 2008

Key Management Personnel	Held at 1 July 2005	Granted as remuneration	Consolidation	Exercised	Held at 30 June 2006	Vested and exercisable at 30 June 2006
Directors						
<i>Executive</i>						
John W Barr	-	4,000,000		-	4,000,000	4,000,000
John A Young	-	-		-	-	-
<i>Non-Executive</i>						
Gregory M Durack	-	-		-	-	-
P Mark Smyth	-	-		-	-	-
Andrew R M Bell	-	-		-	-	-
Other Personnel						
Stephen F Ronaldson	1,365,000	-		-	1,365,000	1,365,000
Damian P Delaney	-	-		-	-	-

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

(f) Other transactions and balances with related parties

Specified Directors	Transaction	Note	2007 £'000	2006 £'000
John W Barr	Consulting Fees	(i)	85	68
Gregory M Durack	Consulting Fees	(ii)	12	11
John A Young	Consulting Fees	(iii)	9	6

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

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

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

	2007 £'000	2006 £'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:

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	(1,387)	(684)
Standard rate of corporation tax in the UK	30%	30%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(416)	(205)
Effects of:		
Future tax benefit not brought to account	416	205
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. Prior period comparatives have been restated to reflect the impact of the current period 1:3 share consolidation.

	2007 £'000	2006 £'000
Loss for the year	(1,387)	(684)
Weighted average number of Ordinary shares in issue	114,014,198	60,795,776
Loss per share – basic	(1.27)p	(1.13)p

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

8 Intangible fixed assets – Group

Deferred exploration costs

Cost	£'000
At 1 July 2006	1,445
Additions	2,746
At 30 June 2007	4,191
Amortisation	
At 1 July 2006 and 30 June 2007	-
Net book value	
At 30 June 2007	4,191

As at 30 June 2007 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 (formerly Sunsphere Pty Ltd)	Australia	Ordinary	100
Hatches Creek Pty Ltd (i)	Australia	Ordinary	100
Hale Energy Limited (ii)	Australia	Ordinary	100

(i) Hatches Creek Pty Ltd was incorporated on 17 March 2007.

(ii) In September 2006, Thor Mining PLC acquired 100% of the voting shares of Hale Energy Limited. Hale Energy Limited operates in mineral exploration and owns over 3,000 sq km of uranium exploration tenements, located in central Australia.

The total cost of the combination was £1,277,120 and comprised of an issue of equity instruments. The group issued 16,000,000 ordinary shares with a fair value of £0.0798 each, based on the quoted price of the shares of Thor Mining PLC at the date of the exchange, and 8,500,000 warrants, exercisable at 8 pence on or before 15 June 2009. The fair value of the identifiable assets and liabilities of Hale Energy Limited as at the date of acquisition were:

	Recognised on acquisition £'000	Carrying value £'000
Deferred exploration costs	1,339	238
Trade and other payables	(62)	(62)
Fair value of identifiable net assets	1,277	176

<i>Cost of acquisition:</i>		
Shares issued, at fair value	1,277	

<i>Cash in/(out)flow on acquisition:</i>		
Net cash acquired with the subsidiary	-	
Cash Paid	-	
Net cash in/(out)flow	-	

Carrying value of investments in subsidiaries	2007 £'000	2006 £'000
Molyhil Mining Pty Ltd	700	700
Hatches Creek Pty Ltd	-	-
Hale Energy Limited	1,277	-
	1,977	700

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

	2007 £'000	2006 £'000
Molyhil Mining Pty Ltd	2,541	1,100
Hatches Creek Pty Ltd	99	-
Hale Energy Limited	1,996	-
	4,636	1,100

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

	£'000
Cost	
At 1 July 2006	-
Additions	726
At 30 June 2007	726
Amortisation	
At 1 July 2006 and 30 June 2007	-
Net book value	
At 30 June 2007	726

As at 30 June 2007 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 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Plant and Equipment:				
At cost	124	12	1	-
Accumulated depreciation	(29)	(3)	-	-
Total Property, Plant and Equipment	95	9	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.

	Plant and Equipment £'000	Total £'000
Group:		
1 July 2006	9	9
Additions	115	115
Disposals		
Depreciation expense	(29)	(29)
30 June 2007	95	95

Parent:		
1 July 2006	-	-
Additions	1	1
Disposals	-	-
Depreciation expense	-	-
30 June 2007	1	1

The carrying value of the plant and equipment includes finance leased assets of £71,000 (2006:nil)

13 Trade and other receivables

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Current				
Trade and other receivables	96	32	8	12
At 30 June	96	32	8	12

14 Trade and other payables

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Current				
Trade and other payables	(181)	(88)	(43)	(13)
At 30 June	(181)	(88)	(43)	(13)

15 Provisions

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Employee benefit provisions	(9)	-	-	-
	(9)	-	-	-

16 Interest bearing liabilities

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Finance leases				
Current	(11)	-	-	-
Non-current	(60)	-	-	-
	(71)	-	-	-

17 Issued share capital – Company

	2007 £'000	2006 £'000
Authorised:		
3,333,333,333 ordinary shares of £0.003 each	10,000	10,000
Issued up and fully paid:		
132,859,508 (2006: 63,891,666) ordinary shares of £0.003 each	399	192

In September 2006, prior to listing on the Australian Stock Exchange, there was a 1:3 consolidation of the existing shares on issue. Prior period comparatives above have been restated to reflect the impact of the consolidation.

Movement in share capital	2007		2006	
	Number	£'000	Number	£'000
At 1 July	191,675,000	192	181,675,000	182
Share consolidation	(127,783,334)	-	-	-
Share issues	66,000,000	198	10,000,000	10
Exercise of warrants and options	2,967,842	9	-	-
At 30 June	132,859,508	399	191,675,000	192

Share issues

On 27 September 2006, Thor Mining PLC closed its A\$10,000,000 (50,000,000 shares) initial public offering fully subscribed, ahead of its dual listing on the Australian Stock Exchange. On this date, Thor Mining PLC also issued 16,000,000 shares Batavia Mining Ltd (ASX:BTM) to acquire 100% of the voting shares in Hale Energy Limited as detailed in note 9.

Warrants and Options on issue

The following warrants and options have been issued by the Company and have not been exercised at 30 June 2007:

Expires	Exercise Price	Number at end of year	
		2007	2006
15 June 2009 (listed)	£0.0800	66,386,224	-
15 June 2009 (unlisted)* 1	£0.1125	3,333,333	3,333,333
15 June 2009 (unlisted)* 2	£0.0800	13,500,000	-
29 June 2010 (unlisted)* 3	£0.0600	455,000	1,363,333

Share options carry no rights to dividends and no voting rights

*1 Mr J W Barr holds 1,333,333 options

*2 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

*3 Mr S Ronaldson holds 455,000 options

Prior period comparatives have been restated to reflect the impact of the 1:3 share consolidation discussed above.

18 Share option revaluation reserve

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
At 1 July	100	-	100	-
Valuation of 12,500,000 warrants @ £0.033	413	100	413	100
Valuation of 2,000,000 warrants @ £0.135	270	-	270	-
At 30 June	783	100	783	100

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 2007 and 30 June 2006.

	April 2007	September 2006	2006
Dividend yield	0.0%	0.0%	0.0%
Underlying Security spot price	£0.1969	£0.0700	£0.0265
Exercise price	£0.0800	£0.0800	£0.0375
Standard deviation of returns	70.00%	70.00%	70.0%
Risk free rate	4.9%	4.7%	4.6%
Expiration period	2.18 yrs	2.70 yrs	2.96 yrs
Black Scholes valuation	£0.135	£0.033	£0.010

19 Analysis of changes in net debt

	At 1 July 2006 £'000	Cash flows £'000	Non-cash changes £'000	30 June 2007 £'000
Cash at bank and in hand	484	1,352	-	1,836

20 Post balance sheet events

In July 2007 a placing was completed of 6,800,000 new ordinary shares at 11 pence, raising funds to the value £748,000 before expenses. These new ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 27 July 2007. The ordinary shares have been placed with Professional Investors based in the UK. Following the placing the total issued ordinary share capital of the company was 139,659,508 shares. The funds have been raised to supplement short term working capital requirements and for additional finance of the Molyhil.

On 7 August 2007 Thor Mining PLC announced an updated resource on Molyhil. This resulted in a 55% increase in overall tonnage to 3.73 million tonnes and significant increase in Measured and Indicated categories to 530,000t at 0.42% WO₃ and 0.27% MoS₂ and 2,400,000t at 0.39% WO₃ and 0.17% MoS₂ respectively.

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 2007 £'000	June 2006 £'000
Sterling	155	268
Australian Dollars	1,681	216
At 30 June	1,836	484

The financial assets comprise interest earning bank deposits.

Set out below 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.

	Consolidated			
	2007		2006	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
<i>Financial assets</i>				
Cash and cash equivalents	1,836	1,836	484	484
Trade and other receivables	96	96	32	32
Other	10	10	19	19
<i>Financial liabilities</i>				
Trade and other payables	189	189	88	88
Lease liability	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 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	71	-	71

30 June 2006 Consolidated	Effective Interest Rate %	Maturing		Total £'000
		< 1 year £'000	>1 to <2 Years £'000	
Financial Assets				
<i>Floating Rate</i>				
Cash	5.40	484	-	484
Financial Liabilities				
Interest bearing liabilities	-	-	-	-

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 Hatched Creek Pty Ltd to enable it to carry out its operations in Australia. At 30 June 2007 this converted to £4,635,758.

The Group is related to Kensington Consulting Pty Ltd, a Company in which Mr John W Barr is a Director and employee. The Company entered into a consultancy agreement in 2006 which provides Kensington Consulting with maximum monthly fees of £8,000. During the year £85,000 was paid to Mr. John W Barr for services provided. This agreement was extended for a further twelve months until 20 May 2008.

The Group is also related to Martineau Resources Pty Ltd a company in which Mr. Gregory M Durack is a Director. During the period £11,507 was paid to Martineau Resources Pty Ltd.

Mr. John A Young is a director of John A Young Geological Services which is related to the Group. During the period £9,000 was paid to John A Young Geological Services.

The Group is related to Ronaldsons a company which Mr Stephen Ronaldson is a Senior Partner. During the period £33,628 was paid to Ronaldsons.

The Group paid TNG Ltd £168,000 for the reimbursement of office and administration costs including the services of Mr Damian P Delaney. Mr. John W Barr is a Director of TNG Ltd. Services are reimbursed at cost.

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

24 Material non-cash transactions

On 27 September 2006, the company issued 16 million Ordinary shares at £0.08 (nominal value £0.003) to the vendors in consideration for the acquisition of 100% of the voting shares in Hale Energy Limited.

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 31 July 2007)

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 Warrantholders
1 – 1,000	969	1,278
1,001 – 5,000	793	495
5,001 – 10,000	541	274
10,001 – 100,000	1,061	476
100,001 and over	156	87
	3,520	2,610

The number of shareholders holding less than a marketable parcel is 1,588.

Twenty largest shareholders as at 31 July 2007

Name	Number of shares held	Percentage of shares held
ANZ Nominees Limited Cash Income A/C	13,828,140	9.90%
Batavia Mining Limited	13,000,000	9.31%
Vidacos Nominees Ltd	10,146,562	7.27%
City Equities Limited	6,800,000	4.87%
Credit Suisse First Boston Client Nominees Limited	5,500,000	3.94%
L R Nominees Limited	2,120,017	1.52%
Penfold Limited	1,500,000	1.07%
PM&JL Smyth ATF The Smyth Superannuation Fund	1,383,333	0.99%
HSBC Custody Nominees (Australia) Limited	1,350,781	0.97%
Mr S Shehadie	1,262,000	0.90%
Smith & Williamson Nominees Limited	1,150,000	0.82%
Barclayshare Nominees Limited	1,096,818	0.79%
TNG Limited	1,093,817	0.78%
HSBC Marking Name Nominee (UK) Limited	1,734,664	1.24%
National Nominees Limited	976,736	0.70%
MR S Kings	833,333	0.60%
CBH Resources Limited	769,230	0.55%
Forty Traders Limited	719,312	0.52%
TD Waterhouse Nominees (Europe) Limited	710,787	0.51%
Pershing Keen Nominees Limited	708,333	0.51%
	66,683,863	48%

Twenty largest warrant holders as at 31 July 2007

Name	Number of Warrants held	Percentage of shares held
Batavia Mining Limited	7,400,000	5.30%
Credit Suisse First Boston Client Nominees Limited	6,458,332	4.62%
ANZ Nominees Limited Cash Income A/C	3,490,528	2.50%
Vidacos Nominees Ltd	2,710,366	1.94%
HSBC Custody Nominees (Australia) Limited	1,810,613	1.30%
T Hoare Nominees Limited	844,445	0.60%
Penfold Limited	750,000	0.54%
MR S B Phillips	748,054	0.54%
Tricom Nominees Pty Ltd	743,016	0.53%
J Aronov Computer Services Pty Ltd	700,000	0.50%
PM & JL Smyth ATF Smyth Superannuation Fund	691,666	0.50%
N Y Nominees Limited	608,333	0.44%
Mr J Peacock	544,034	0.39%
Mr PA Amos	506,400	0.36%
MR AA Gaiswinkler	500,000	0.36%
Nohuni Pty Ltd	500,000	0.36%
HSBC Marking Name Nominee (UK) Limited	500,000	0.36%
Aquatreat Services Pty Ltd	480,000	0.34%
National Nominees Limited	444,560	0.32%
HSBC Global Custody Nominees (UK) Limited	430,998	0.31%
	30,861,345	22.10%

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, ELA22912, ELA23463	100%
Molyhil	EL22349, EL24392, MLA23825, MLA24429, MLA25721	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 CDI's.

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 2006/07 ("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 P M Smyth and Mr G Durack are independent directors 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 John W Barr 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 John W Barr gives constructiveness and organization 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 in the Directors' Report.

Identification of Independent Directors

Mr P M Smyth and Mr G Durack are 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 John W Barr 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.

First Annual Report Post Listing

The Company was listed on the Australian Stock Exchange on 29 Sept 2006 following the successful capital raising under the prospectus dated 8 August 2006. Under the terms of the prospectus, an amount of A\$10,000,000 was raised and to 30 June 2007 the funds have been spent as follows:

Description	Prospectus Application of Funds A\$'000	Funds spent to 30 June 2007 A\$'000
Molyhil Definitive Feasibility Study	1,364	2,322
Project Exploration	4,594	2,543
Expenses of the Offer	865	865
Corporate Overheads	1,821	1,972
General Working Capital	1,356	203
Total	10,000	7,905

Unlisted Options

The Company has on issue the following unlisted options as at 30 June 2007:

	Options exercisable on or before 15 Jun 09	Options exercisable on or before 29 Jun 10	Options exercisable on or before 15 Jun 09
Number of options	13,500,000	455,000	3,333,333
Number of holders	6	1	4
Exercise Price per option	8 pence	6 pence	11.25 pence
Names of Holders with 20% or more			
Mr J Young	5,000,000		
Mr S Ronaldson		455,000	
Mr J W Barr			1,333,333
Mr N Biddle			1,333,333

Notice of Annual General Meeting

Notice is hereby given that the third Annual General Meeting of THOR MINING PLC will be held at the Wyndham Hotel, Chelsea Harbour, London on Tuesday 20th November 2007 at 11am 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 2007.
2. To re-elect Greg Durack as a director who retires by rotation and being eligible, offers himself for re-election.
3. 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

4. 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 £139,500 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 Resolution

5. 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 £60,000.

Resolutions for ASX Listing Rule Requirements

Resolutions 6 and 7 are included in this Notice as they are requirements of the listing rules of the Australian Securities Exchange (ASX). Resolutions 6 and 7 seek shareholder approval for the ratification of the prior issue of shares and options 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 Resolutions 6 and 7 will be to restore the Company's ability to issue securities within the 15% limit to the extent of the issue of securities in Resolutions 6 and 7.

Ordinary Resolutions

6. 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 6,800,000 Shares each at £0.11 to City Equity Nominees Limited (6,000,000 shares) and Pershing Keen Nominees Limited (800,000 shares)."

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.

Information to assist with voting on Resolution 6

The listing rules require that the Notice include the information below to assist shareholders with voting on Resolution 6:

- (a) the Shares were issued to City Equity Nominees Limited (6,000,000 shares) and Pershing Keen Nominees Limited (800,000 shares) (who are not related parties of the Company);
- (b) 6,800,000 Shares have been issued each at £0.11 to raise £748,000 (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 above; and
- (e) funds raised by the placement will be used to partially fund the next drilling program at the Molyhil Project.

7. 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 2,750,000 options to Staff Members and Consultants exercisable at £0.11 (AU\$0.28) per share on or before 15 June 2009 (Incentive Options)."

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.

Information to assist with voting on Resolution 7

The listing rules require that the Notice include the information below to assist shareholders with voting on Resolution 7:

- (a) The Incentive Options were issued to the following Staff Members Mr S Till, Mr P Tribbick, Mr S MacLean, Ms A Riley, Ms L Paini and Mr G Taylor and Promotional and Marketing Consultants Ballyhoo Marketing & Communications Pty Ltd;
- (b) The number of Incentive Options the Company issued to Consultants and staff was 2,750,000 Incentive Options.
- (c) The Incentive Options were issued for nil consideration;
- (d) Each Incentive Option entitles the holder to subscribe for one (1) Share at an exercise price of £0.11 (AU\$0.28), exercisable on or before 15 June 2009. The Incentive Options are transferable and will not be quoted.
- (e) No funds will be raised by the issue of the Incentive Options as they will be issued for nil consideration.
- (f) A voting exclusion statement is included in the Notice of Annual General Meeting;

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 11am on 18th November 2007.

By Order of the Board

Stephen F Ronaldson
Company Secretary

5 September 2007

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,
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 20 November 2007 at 11.00am and at any adjournment thereof.

(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		
Resolution 1. To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2007.	For	Against	Abstain
Resolution 2. To re-elect Greg Durack as a director who retired by rotation and being eligible, offering himself for re-election.	For	Against	Abstain
Resolution 3. 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.	For	Against	Abstain
Special Business			
Resolution 4. 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 £139,500.	For	Against	Abstain
Resolution 5. 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 £60,000.	For	Against	Abstain
ASX Listing Rule Requirements			
Resolution 6. That, in accordance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 6,800,000 Shares each at £0.11 to City Equity Nominees Limited (6,000,000 shares) and Pershing Keen Nominees Limited (800,000 shares).	For	Against	Abstain
Resolution 7. That, in accordance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 2,750,000 Incentive Options exercisable at £0.11 per share to Staff Members and Consultants, on or before 15 June 2009.	For	Against	Abstain

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 deleting 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.



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