

THOR
MINING PLC

Annual Report

30 June 2006

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Company Information

Directors	John W Barr (<i>Executive Chairman</i>) John A Young (<i>Chief Executive Director</i>) P Mark Smyth (<i>Non-executive Director</i>) Gregory M Durack (<i>Non-executive Director</i>)
Secretary	Stephen F Ronaldson (<i>United Kingdom</i>) Damian P Delaney (<i>Australia</i>)
Registered office	3rd Floor 55 Gower Street London WC1E 6HQ
Australian Office	C/- Sunsphere Pty Ltd Level 2 282 Rokeby Road Subiaco Western Australia 6008 Telephone: +61 (0) 8 9327 0900 Fax: +61 (0) 8 9327 0901
Shareholder Enquires	Damian Delaney dpd@thormining.com Shareholders are encouraged to register on the Company's website to receive updates by e-mail.
Web site:	www.thormining.com
Nominated Adviser and Broker	ARM Corporate Finance Limited London Telephone: + 44 (0) 20 7512 0191 Fax: + 44 (0) 20 7512 0747
Auditors	Chapman Davis LLP London
Solicitors	Ronaldsons Solicitors London Hardy Bowen Australia
Registrar	Computershare Investor Services plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH Telephone: + 44 (0) 870 702 0002 Fax: + 44 (0) 870 703 6116
Registered number:	05276414

Executive Chairman's Operating and Financial Review

Thor is a mineral exploration and development company focused on advancing its speciality metals projects. Thor assets include projects situated in the southern section of Australia's Northern Territory. The most developed, the Molyhil Project, contains the Molyhil tungsten-molybdenum deposit.

Thor is seeking to acquire uranium exploration projects in the central region of Australia's Northern Territory, the Hale River, the Plenty Highway, the Bunday River, the Harts Range, and the Curtis Pound Projects. Thor's other project, the Hatches Creek Project, is prospective for both tungsten and gold.

Thor will then have two groups of projects, tungsten - molybdenum and uranium.

Tungsten – molybdenum

The Molyhil deposit occurs in two adjacent skarn bodies that contain outcropping molybdenite and scheelite mineralisation. The deposit was mined by a shallow open cut between 1975 and 1981. Since mid 2004 it has been the subject of systematic test-work: comprised of geophysical exploration, diamond and RC drilling programmes, surface and underground bulk sampling, metallurgical test-work and geotechnical studies. Subsequent to the 2005/6 bulk sampling programme, Continental Resource Management Pty Ltd estimated resources for the deposit.

The updated 2006 Global Uncut Mineral Resource is presented below:

	<i>Tonnes</i>	<i>WO³ %</i>	<i>MoS² %</i>	<i>Combined %</i>
Measured	370,000	0.52	0.32	0.85
Indicated	1,750,000	0.52	0.26	0.77
Inferred	250,000	0.70	0.20	0.90
Total	2,380,000	0.54	0.26	0.80

Note: Totals may differ from sum of individual items due to rounding.

This resource was used as the foundation of the Scoping Study. That was completed during the year.

Thor has now commissioned a Definitive Feasibility Study which is due for completion in the last quarter of 2006 and proposes to begin exploration for tungsten and gold within its Hatches Creek Project.

Uranium

Thor will shortly hold a shareholders meeting to consider the acquisition of Hale Energy Limited which owns uranium projects as detailed below.

The Hale River Project covers 620 km² of Tertiary basin sediments. These sediments are prospective for palaeochannel roll-front type uranium deposits. Previous exploration of the project area, undertaken between 1979 and 1981, delineated a redox front within sands containing anomalous uranium.

The Plenty Highway and Bunday River Projects contain about 1,200km² of Tertiary sediments, which cover an internally drained area within the Proterozoic Arunta Block. The sediments have the potential to host palaeochannel uranium mineralisation.

Executive Chairman's Operating and Financial Review

The Harts Range Project covers 362km² of the Proterozoic Harts Range and Strangways Metamorphic Complexes. The tenements were explored for uranium between 1992 and 1995 following the flying of airborne radiometric and magnetic surveys. Numerous occurrences of uranium mineralisation were found, many of which were associated with alteration along structural breaks or contacts.

Further north, the Curtis Pound Project, situated over Proterozoic rocks of the Tennant Inlier, contains a number of identified radiometric anomalies.

Operating review

During the year approximately £760,281 was spent on Molyhil being £647,819 on exploration and £112,462 on the Scoping Study. This compares with the respective budgets of £410,000 and £200,000.

The exploration program included sinking three shafts and crosscuts to enable bulk samples to be extracted to evaluate the true head grade and mineralogical characteristics of the Molyhil deposit. The results were utilised to generate a new JORC Code compliant resource and provide the final resource for the Scoping Study.

The results of the Scoping Study were released in early 2006. The highlights of the outcomes for the Molyhil Project Scoping Study included:

- 300,000 tonne per annum open pit mining operation for the initial 4 years production.
- Forecasted cash operating cost of A\$80 per tonne.
- Estimated capital cost of A\$20M.

Based on the above and other outcomes and assumptions the Scoping Study indicates that the Molyhil Project could have a positive pre tax operational cash flow of up to A\$140m over a 4 year mine life.

As a result of the completion of the Scoping Study, the Directors of Thor decided to proceed immediately with the Definitive Feasibility Study.

As part of this study, additional drilling will be undertaken. The objectives if this drilling include:

- Selected deep drilling to test below the proposed open pit.
- Geotechnical holes, for the proposed tailings dam and open pit.
- Borefield set up.

The Definitive Feasibility Study is being undertaken to complete further studies and drilling and do a sensitivity analysis to verify all of the outcomes and assumptions identified during the Scoping Study. Until the Definitive Feasibility Study has been completed Thor cannot make any representation or warranty (express or implied) as to the accuracy, reliability, reasonableness or completeness of the Scoping Study outcomes and assumptions.

In addition to the work at Molyhil, low level airborne photography and magnetic surveys have been flown at Hatches Creek to enable an exploration program for 2006/07 to be finalised. This program will be submitted to the traditional owners for approval and is anticipated to result in an agreement being executed and thereafter the grant of title.

At Thring Creek a detailed ground magnetic survey was undertaken. The agreement with the Traditional Owners was executed, and drilling was undertaken. No significant mineralisation was located.

Finally, the Board welcomes Mr John Young to the position of Chief Executive Officer. John will be primarily responsible for driving the Company forward and we welcome his involvement.

A handwritten signature in black ink, appearing to read 'J. Barr', with a large, sweeping loop on the left side.

John W Barr
Executive Chairman

• August 2006

Directors' Report

The Directors present their report and accounts for the year ended 30 June 2006.

Principal activities and review of the business

The principal activity of the Group is the exploration for and development of molybdenum and tungsten deposits in the Northern Territory of Australia, including the Molyhil and Hatches Creek Projects.

Thor is in the process of acquiring uranium exploration projects in the central region of Australia's Northern Territory, the Hale River, the Plenty Highway, the Bundey River, the Harts Range and the Curtis Pound Projects.

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

Results and dividends

The Group incurred a loss after taxation of £684,000 (2005: £99,000) 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 24 to the accounts.

Directors

The Directors who served during the period and their interests in the share capital of the Company were as follows:

	<i>Ordinary Shares</i> <i>30 June 2006</i>	<i>Ordinary Shares</i> <i>30 June 2005</i>
John W Barr	45,000,000	45,000,000
P Mark Smyth	4,150,000	4,150,000
G Durack (appointed 18 July 2005)	—	—
J Young (appointed 30 June 2006)	—	—
Andrew R M Bell	—	8,200,000

The Directors interests were indirect interests held in the following:

John W Barr	Tennant Creek Gold Limited
P Mark Smyth	Smyth Superannuation Fund
Andrew R M Bell	Regency Mines PLC

The other Directors had no beneficial interests in either the share capital or options at the date of this report.

John W Barr has an interest in 4,000,000 share options granted on 25 July 2005.

Gregory Durack is Managing Director and a shareholder of Batavia Mining Ltd and as such will have an interest in 16,000,000 shares and 8,500,000 warrants that may be issued as a result of the acquisition of Hale Energy Ltd which owns the uranium assets referred to above. This acquisition is subject to shareholder approval, a capital raising, and listing on the ASX.

A Director and shareholder of Batavia Mining Ltd, Neil Biddle, has an interest in 4,000,000 share options granted on 25 July 2005 and as a Director of Batavia Mining Ltd will have an interest in 16,000,000 shares and 8,500,000 warrants that may be issued as a result of the acquisition of Hale Energy Ltd which owns the uranium assets referred to above.

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.

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 are 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 to 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.

Substantial share interests

As at 31 July 2006 the Company was aware of the following substantial share interests:

	<i>Ordinary shares</i>	<i>%</i>
Tennant Creek Gold Limited	45,000,000	23.48
Credit Suisse First Boston Client Nominees Limited	38,750,000	20.22
Vidacos Nominees Limited	20,364,680	10.62
Pershing Keen Nominees Limited	15,015,000	7.83

Creditor payment policy

It is the Groups 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 P Mark Smyth (Chairman) and Gregory Durack. The primary role of the Audit Committee is to review the accounts of the Group and liaise with the Group's auditors. In addition a Remuneration Committee has been established to review executive remuneration. This comprises P Mark Smyth (Chairman) and Gregory Durack. Meetings are held in accordance with financial reporting procedures.

Directors' Report

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.

Subsequent events

The Directors have resolved to call a meeting of shareholders to consider a number of matters including:

- (i) a consolidation of share capital
- (ii) the issue of Warrants to shareholders
- (iii) acquiring Hale Energy Ltd
- (iv) an IPO and capital raising to facilitate listing on the Australian Stock Exchange.
- (v) the issue of options
- (vi) changes to the articles

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 5 September 2006.

This report was approved by the board on 4 August 2006.

Damian Delaney
Company Secretary

• August 2006

Independent Auditors' Report

to the Shareholders of Thor Mining PLC

We have audited the accounts for the period ended 30th June 2006 which comprise Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Recognised Income and Expense, Consolidated Cash Flow Statement together with the related notes 1 to 27. These Group financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union.

Our responsibility is to audit the Group 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 Group financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you if, in our opinion, the Directors' Report is not consistent with the Group financial statements, if 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 transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. This other information comprises only the Directors Report and the Executive Chairman's Operating and Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group 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 Group financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

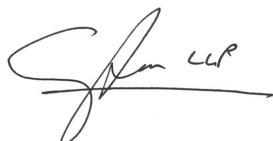
Independent Auditors' Report

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 Group 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 Group financial statements.

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 and Company's affairs as at 30th June 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

A handwritten signature in black ink, appearing to read 'Chapman LLP', with a long horizontal line extending to the right.

Chapman Davis LLP
Registered Auditors
No.2 Chapel Court
London SE1 1HH

• August 2006

Consolidated Income Statement

for the year ended 30 June 2006

	Note	Consolidated		Company	
		2006 £'000	2005 £'000	2006 £'000	2005 £'000
Administrative expenses		(137)	(99)	(10)	(97)
Corporate expenses		(568)	–	(432)	–
Other expenses		(19)	–	–	–
Operating loss	3	(724)	(99)	(442)	(97)
Interest receivable	4	33	–	–	–
Other income	4	7	–	–	–
Loss before tax		(684)	(99)	(442)	–
Tax on loss on ordinary activities	6	–	–	–	–
Loss for the financial year		(684)	(99)	(442)	–
Loss per share - basic	7	(0.36)p	(0.15)p		

Continuing operations

All items relate to continuing operations.

Group Statement of Recognised Income and Expense

for the year ended 30 June 2006

	Consolidated		Company	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Loss for the period	(684)	(99)	(442)	(97)
Unrealised surplus on foreign exchange	59	23	–	–
Total recognised gains and losses related to the year	(625)	(76)	(442)	(97)

Balance Sheets

at 30 June 2006

	Note	Consolidated 2006 £'000	Consolidated 2005 £'000	Company 2006 £'000	Company 2005 £'000
ASSETS					
Non-current assets					
Intangible assets	8	1,445	685	–	–
Investments	9	–	–	700	700
Loan Sunsphere Pty Ltd		–	–	1,100	1,368
Plant and equipment	10	9	–	–	–
Total non-current assets		1,454	685	1,800	2,068
Current assets					
Cash and cash equivalents		484	1,504	268	179
Trade & other receivables	11	32	79	12	–
Other		19	–	19	–
Total current assets		535	1,583	299	179
Total assets		1,989	2,268	2,099	2,247
LIABILITIES					
Current liabilities					
Trade and other payables	12	(88)	(7)	(13)	(7)
Total liabilities		(88)	(7)	(13)	(7)
Net assets		1,901	2,261	2,086	2,240
Equity					
Issued share capital	13	192	182	192	182
Share premium	14	1,928	1,750	1,928	1,750
Foreign exchange reserve	15	59	23	–	–
Merger reserve	16	405	405	405	405
Option revaluation reserve	17	100	–	100	–
Retained losses	18	(783)	(99)	(539)	(97)
Total equity		1,901	2,261	2,086	2,240

These Financial Statements were approved by the Board of Directors on 4 August 2006 and were signed on its behalf by:



John W Barr
Executive Chairman



John Young
CEO

Consolidated Cash Flow Statement

for the year ended 30 June 2006

	Notes	2006 £'000	2005 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash from Operating activities		(476)	(90)
Interest received		33	–
Sundry income		7	–
Net cash (used in) operating activities	21	(436)	(90)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12)	–
Payments for Exploration & Development Expenditure		(760)	(293)
Net cash (used in) investing activities	20	(772)	(293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on share issue		300	1,887
Share issue expenses		(112)	–
Net cash received financing activities	20	188	1,887
Net increase/(decrease) in cash held		(1,020)	1,504
Cash at beginning of financial year		1,504	–
Cash at end of financial year	22	484	1,504

The accompanying notes form part of these financial statements.

Notes to the Accounts

for the year ended 30 June 2006

1 Principal accounting policies

a) Accounting convention

These accounts have been prepared under the historical cost convention in accordance with International Financial Reporting Standards and IFRIS interpretations and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS.

b) Basis of consolidation

The consolidated accounts combine the accounts of the Company and its sole subsidiary, Sunsphere Pty Ltd, using the purchase method of accounting.

In the Company's balance sheet the investment in Sunsphere Pty Ltd includes the nominal value of shares issued together with the cash element of the consideration. As required by sections 131 and 133 of the Companies Act 1985 no premium was recognised on the share issue. The difference between nominal and fair value of the shares issued was credited to the merger reserve.

c) Goodwill

Goodwill on acquisition is capitalised and shown within non-current. Positive goodwill is subject to annual impairment review with movements charged in the income statement.

Negative goodwill is reassessed by the Directors and attributed to the relevant assets to which it relates.

d) Fixed asset investments

Investments in subsidiary companies are classified as fixed assets and included in the balance sheet of the Company at cost at the date of acquisition irrespective of the application of merger relief under the Companies Act.

e) Deferred taxation

Full provision is made for deferred taxation resulting from timing differences which have arisen but not reversed at the balance sheet date.

f) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

On consolidation of a foreign operation, assets and liabilities are translated at the balance sheet rates, income and expenses are translated at rates ruling at the transaction date. Exchange differences on consolidation are taken to the foreign exchange reserve account.

g) 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.

Notes to the Accounts

for the year ended 30 June 2006

1 Principal accounting policies *(continued)*

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 regular 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.

h) Share based payments

The share option programme allows the consolidated entity's employees and consultants to acquire shares of the Company. The fair value of options granted is recognised as an employee/consultants expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees/consultants become unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

2 Turnover and Segmental analysis

The Group had no turnover during the year.

Loss before taxation period ended

	2006 £'000	2005 £'000
By geographical area		
UK	442	97
Australia	242	2
	684	99

3 Operating loss

	2006 £'000	2005 £'000
This is stated after charging:		
Depreciation	3	—
Auditors' remuneration	18	6
Other services	—	1

4 Revenue

	2006 £'000	2005 £'000
Interest received	33	—
Other income	7	—
	40	—

5 Directors and Executive Disclosures

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

(a) Details of Key Management Personnel

(i) Directors

Executive

John W Barr	Executive Chairman
John Young	Chief Executive Officer (appointed 30 June 2006)

(ii) Non-Executive

Gregory M.Durack	Non-executive Director (appointed 18 July 2005)
P. Mark Smyth	Non-executive Director
Andrew Bell	Non-executive Director (resigned 26 October 2005)

(iii) Executives

Stephen Ronaldson	Company Secretary (UK)
Damian Delaney	Company Secretary (Aust) (appointed 8 November 2005)
Chris Bath	Company Secretary (Aust) (appointed 18 July 2005, resigned 1 October 2005)

(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.

Directors receive a base fee of £12,000 per annum.

Notes to the Accounts

for the year ended 30 June 2006

5 Directors and Executive Disclosures *(continued)*

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 17 May 2006 with option for extension. The contract may be terminated by either party on a 3 month notice.

Mr John Young has been employed as the Chief Executive Officer under a short term consultant contract till 1 August 2006 at which time he will then have an Employment Contract with the Company, which requires 6 months notice of termination by either party.

There are no termination payments under any of the consultant's contract.

	Salary and Fees £'000	Options £'000	Total £'000
30 June 2006			
<i>Directors</i>			
John W Barr	80	40	120
John Young	6	–	6
Gregory Durack	23	–	23
P. Mark Smyth	12	–	12
Andrew Bell	10	–	10

5 Directors and Executive Disclosures *(continued)*

	Salary and Fees £'000	Options £'000	Total £'000
30 June 2005			
<i>Directors</i>			
John W Barr	–	–	–
Gregory Durack	–	–	–
P. Mark Smyth	–	–	–
Andrew Bell	–	–	–
<i>Executives</i>			
Stephen Ronaldson	–	–	–
Damian Delaney	–	–	–
Chris Bath	–	–	–

(c) Compensation by category

	Note	Consolidated		Company	
		2006 £'000	2005 £'000	2006 £'000	2005 £'000
Key Management Personnel					
Short-term		171	–	148	–
Post-employment		–	–	–	–
		171	–	148	–

(d) Options and rights over equity instruments granted as remuneration

Options which were granted over ordinary shares as remuneration during the years ended 30 June 2006 or 30 June 2005, details 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:

Notes to the Accounts

for the year ended 30 June 2006

5 Directors and Executive Disclosures *(continued)*

Key Management Personnel	Held at 1 July 2005	Granted as remuneration	Exercised	Held at 30 June 2005	Vested and exercisable at 30 June 2005
Directors					
<i>Executive</i>					
John W Barr	–	4,000,000	–	4,000,000	4,000,000
John Young	–	–	–	–	–
<i>Non-Executive</i>					
Gregory Durack	–	–	–	–	–
P. Mark Smyth	–	–	–	–	–
Andrew Bell	–	–	–	–	–
<i>Executives</i>					
Stephen Ronaldson	1,365,000	–	–	1,365,000	1,365,000
Damian Delaney	–	–	–	–	–
Chris Bath	–	–	–	–	–

No options held by specified directors or specified executives are vested but not exercisable.

Key Management Personnel	Held at 1 July 2004	Granted as remuneration	Exercised	Held at 30 June 2005	Vested and exercisable at 30 June 2005
Directors					
John W Barr	–	–	–	–	–
John Young	–	–	–	–	–
<i>Non-Executive</i>					
Gregory Durack	–	–	–	–	–
P. Mark Smyth	–	–	–	–	–
Andrew Bell	–	–	–	–	–
<i>Executives</i>					
Stephen Ronaldson	–	1,365,000	–	1,365,000	–
Damian Delaney	–	–	–	–	–
Chris Bath	–	–	–	–	–

(f) Equity holdings and transactions of Key Management Personnel

Key management personnel of Thor Mining PLC, including their personally-related entities, did not hold shares in Thor Mining PLC reporting period (including the prior year) nor at the date of this report.

5 Directors and Executive Disclosures *(continued)***(g) Other transactions and balances with related parties**

Specified Directors	Transaction	Note	2006 £'000	2005 £'000
John W Barr	Consulting Fees	(i)	68	—
Gregory Durack	Consulting Fees	(ii)	11	—
John Young	Consulting Fees	(iii)	6	—

(i) The Company used the management consulting services of Kensington Consulting Pty Ltd, a company of which Mr John W Barr is a director.

(ii) The Company used the consulting services of Mr Gregory Durack.

(iii) The Company used the consulting services of John Young Geological Service, a company of which Mr John 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

	2006 £'000	2005 £'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:

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	(684)	(99)
Standard rate of corporation tax in the UK	30%	30%
	£'000	£'000
Loss on ordinary activities multiplied by the standard rate of corporation tax	(205)	(30)
Effects of:		
Future tax benefit not brought to account	205	30
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.

Notes to the Accounts

for the year ended 30 June 2006

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.

	2006 £'000	2005 £'000
Loss for the period	(684)	(99)
Weighted average number of Ordinary shares of £0.001 in issue	182,387,329	64,360,000
Loss per share – basic	(0.36)p	(0.15)p

The basic earnings per share has been calculated on a loss on ordinary activities after taxation of £684,000 (2005: £99,000 loss) and on 182,387,329 (2005: 64,360,000) ordinary shares being the weighted average number of shares in issue and ranking for dividend during the period.

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

	£'000
Deferred exploration costs	
Cost	
At 1 July 2005	685
Additions	760
At 30 June 2006	1,445
Amortisation	
At 30 June 2006	–
Net book value	
At 30 June 2006	1,445

As at 30 June 2006 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 company:

Company	Country of registration or incorporation	Shares held Class	%
Sunsphere Pty Ltd	Australia	Ordinary	100
		2006 £'000	2005 £'000
Carrying value of investment in subsidiary		700	700

The investment in Sunsphere Pty Ltd is carried in the Group's annual report at the lower of cost and net realisable value.

	£'0000
Operating loss after taxation for the year ended 30 June 2006	242

10 Property, Plant and Equipment – Group

	2006 £'000	2005 £'000
Plant and Equipment:		
At cost	12	–
Accumulated depreciation	(3)	–
Total Property, Plant and Equipment	9	–

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
Economic Entity:		
1 July 2005		
Additions	12	12
Disposals	–	–
Revaluation increments/(decrements)	–	–
Depreciation expense	(3)	(3)
30 June 2006	9	9

Notes to the Accounts

for the year ended 30 June 2006

11 Trade and Other Receivables

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Current				
Trade and other receivables	32	79	12	—
	32	79	12	—

The subsidiary debtor has no formal terms of repayment and is unlikely to be repaid within the next twelve months.

12 Current liabilities: trade and other payables

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Current				
Trade and other payables	88	7	13	7
At 30 June	88	7	13	7

13 Issued Share Capital – Company

	2006 £'000	2005 £'000
Authorised:		
10,000,000,000 ordinary shares of £0.001 each	10,000	10,000
Issued up and fully paid:		
191,675,000 (2005: 181,675,000) ordinary shares of £0.001 each	192	182

Share issues

On 19 May 2006, 10,000,000 ordinary shares were issued at a premium of £0.03 each, raising £300,000.

Share options

The following options have been issued by the Company and have not been exercised at 30 June 2006:

Exercise Price	Expires	Issued	
		2006	2005
£0.0200	29 June 2010	4,090,000	4,090,000
£0.0375	15 June 2009	10,000,000¹	—

¹Issued on 25 July 2005

Movement in share capital

	2006 £'000	2005 £'000
At 1 July	182	—
Shares issued	10	182
At 30 June	192	182

14 Share premium – Company

	2006 £'000	2005 £'000
At 1 July	1,750	–
Shares issued	290	1,934
Expenses of issue	(112)	(184)
At 30 June	1,928	1,750

15 Foreign exchange reserve

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
At 1 July	23	–	–	–
Arising on consolidation	36	23	–	–
At 30 June	59	23	–	–

16 Merger reserve

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
At 1 July	405	–	405	–
On acquisition of subsidiary	–	405	–	405
At 30 June	405	405	–	405

Upon the acquisition of the Company's sole subsidiary, a merger reserve was created to deal with the excess of the fair value of shares acquired over the nominal value of shares allotted, in accordance with the merger relief provisions in the Companies Act 1985.

Notes to the Accounts

for the year ended 30 June 2006

17 Option revaluation reserve

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
At 1 July	–	–	–	–
Valuation of 10,000,000 options @ £0.01	100	–	100	–
At 30 June	100	–	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 2006 and 30 June 2005.

	2006	2005
Dividend yield	0.0%	–
Underlying Security spot price	£0.0265	–
Exercise price	£0.0375	–
Standard deviation of returns	70.0%	–
Risk free rate	4.6%	–
Expiration period	2.96 years	–
Black Scholes valuation	£0.01	–

18 Retained loss

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
At 1 July	(99)	–	(97)	–
Retained loss for year	(684)	(99)	(442)	(97)
At 30 June	(783)	(99)	(539)	(97)

19 Reconciliation of movement in shareholders' funds

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Other reserves account £'000	Total £'000
At 1 July 2005	182	1,750	(99)	428	2,261
Share issue	10	178	–	–	188
Unrealised foreign exchange gain	–	–	–	36	36
Option revaluation reserve	–	–	–	100	100
(Loss) for the period	–	–	(684)	–	(684)
At 30 June 2006	192	1,928	(783)	564	1901

20 Gross cash flows

	2006 £'000	2005 £'000
Capital expenditure		
Payments to acquire intangible fixed assets	(760)	(43)
Payments to acquire plant and equipment	(12)	–
Payments to acquire subsidiary shares	–	(250)
	(772)	(293)
Financing		
Issue of share capital	300	2,071
Expenses paid in connection with share issue	(112)	(184)
	188	1,887

21 Cash Flow**Reconciliation of operating loss to net cash inflow from operating activities**

	2006 £'000	2005 £'000
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Loss after income tax	(684)	(99)
Non-cash flows in profit		
Depreciation	3	–
Option issue revaluation	100	–
Net cash provided by operating activities before changes in assets and liabilities	(581)	(99)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/Decrease in trade and other receivables	48	(3)
Increase/(Decrease) in trade and other payables	81	(11)
Unrealised exchange gain	16	23
Net cash (used in) operating activities	(436)	(90)

22 Reconciliation of net cash flow to movement in net debt

	2006 £'000	2005 £'000
(Decrease)/Increase in cash in the year	(1,020)	1,504
Cash at beginning of financial year	1,504	–
Cash at end of financial year	484	1,504

Notes to the Accounts

for the year ended 30 June 2006

23 Analysis of changes in net debt

	At 1 July 2005 £'000	Cash flows £'000	Non-cash changes £'000	At 30 June 2006 £'000
Cash at bank and in hand	1,504	(1,020)	–	484

24 Post balance sheet events

As announced on 13 June 2006, Thor is seeking to acquire uranium exploration projects in the central region of Australia's Northern Territory. Thor will shortly hold a shareholders meeting to consider the acquisition of Hale Energy Limited from Batavia Mining Limited and a number of other proposals.

Hale Energy Limited tenements are prospective for Uranium Deposits. The acquisition will be satisfied by the issue of 16,000,000 Company shares and 8,500,000 warrants. It is proposed that these securities will be offered after a consideration of the current equity securities on a 1 for 3 basis.

It is also proposed to issue new shares and warrants via an initial public offer (IPO) in Australia and to list on the Australian Stock Exchange (ASX).

25 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.

26 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 majority of the Group's cash balances are held in Australian dollars 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.

26 Financial instruments *(continued)*

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 2006 £'000	June 2005 £'000
Sterling	268	1,179
Australian Dollars	216	1,325
At 30 June	484	1,504

The financial assets comprise interest earning bank deposits.

27 Related parties

There is no ultimate controlling party.

Thor has lent funds to its wholly owned subsidiary, Sunsphere, to enable it to carry out its operations in Australia. At 30 June 2006 this converted to £1,100,000.

The Group is related to Kensington Consulting Pty Ltd, a Company in which John W Barr is a Director and employee. The Company entered into a consultancy agreement in 2005 which provides Kensington Consulting with maximum monthly fees of £8,000. During the year £22,176 was paid by Thor and £45,850 paid by Sunsphere to Kensington Consulting for services provided by Mr Barr. This agreement was extended for a further twelve months until 19 May 2007.

The Group is also related to Martineau Resources Pty Ltd a company which Mr Gregory Durack is a Director. During the period £11,297 was paid to Martineau Resources Pty Ltd.

As of 30 June 2006 John Young was appointed to the Chief Executive Officer and is a director of John Young Geoclinal Services which is related to the Group.

The Group paid Tennant Creek Gold Ltd £110,000 for the reimbursement of office and administration costs. Mr Barr is a Director of that Tennant Creek Gold Ltd. Services was reimbursed at cost.

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

Notice of Annual General Meeting

Notice is hereby given that the second Annual General Meeting of THOR MINING PLC will be held at The Conrad Hotel, Chelsea Harbour, London SW10 0XG on 5 September 2006 at 9.30am 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 2006.
- 2 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.
- 3 To re-appoint Peter Mark Smyth appointed during the year and retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.
- 4 To re-appoint John Young appointed during the year and retiring as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offering himself for re-election as a director of the Company.

If you are a registered holder of Ordinary Shares 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 a 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 facsimile transfer to Computershare Investor Services plc, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3ZZ on fax number +0870 703 6116, or by mail using the reply paid response tear-out sheet to:

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

In either case, the signed proxy must be received by 5 am on 5 September 2006.

By Order of the Board

Stephen Ronaldson
Company Secretary

5 August 2006

Form of Proxy

for use at an Annual General Meeting

Third Floor
55 Gower Street
London WC1E 6HQ
• September 2006

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 second Annual General Meeting of the Company to be held on • September 2006 at 10.00am 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 delete
as appropriate*

Resolution 1	To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2006.	For	Against
Resolution 2	To re-appoint Chapman Davis LLP as auditors of the Company and to authorise the Directors to determine their remuneration.	For	Against
Resolution 3	To re-appoint Peter Mark Smyth as a Director.	For	Against
Resolution 4	To re-appoint John Young as a Director.	For	Against

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.
7. To be valid this form of proxy must reach **Computershare Investor Services plc, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3ZZ** not later than 48 hours before the time of the Meeting. Lodgement of a form of proxy does not preclude a member from attending the Meeting and voting in person.

Third Fold and Tuck in



Computershare Services PLC
PO Box 1075
The Pavilions
Bridgwater Road
Bristol BS99 3FA

Second Fold

First Fold

Registered Office
3rd Floor, 55 Gower Street, London WC1E 6HQ

Registered Number 05276414