

THOR

MINING PLC

MANDATE FOR FINANCE OF MOLYHIL PROJECT

5th January 2007

Thor Mining PLC (ASX and AIM: THR) ("Thor") announces that it has granted an exclusive mandate for financing of its 100%-owned **Molyhil Tungsten-Molybdenum Project** in the Northern Territory of Australia to Penfold Marketing Pty Ltd, a subsidiary of the specialist Australian-based metals marketing and investment company, Penfold Limited.

The finance mandate enables Penfold to identify and approach parties interested in financing the development and construction of the Project as well as secure an off-take agreement for concentrates produced from the current life-of-mine reserve.

The signing of the mandate represents another important step towards development of the Molyhil Project during 2007. Thor completed a Definitive Feasibility Study in December 2006 which concluded that the Molyhil Project is technically and economically viable with a rapid capital payback and strong financial returns. The study was based on a 300,000tpa mining and processing operation at Molyhil with an initial 4-year mine life and an estimated capital cost of A\$44.5 million.

Penfold Limited (www.penfoldlimited.com) is a specialist metals marketing and business investment company based in Australia with offices in Adelaide and Shanghai. Over the last decade, Penfold has developed many new China business opportunities sourced from its global customer base. Penfold has also established strong relationships with mining and metals operations located throughout Asia, including Japan, South Korea, Malaysia and India.

Under the mandate, Penfold must procure a binding term sheet for project financing for consideration by Thor's Board by 15 March 2007.

Commenting on the signing of the mandate, Thor's Chief Executive Officer, Mr John Young, said: "We look forward to a fruitful association with Penfold in this important financing and development stage of the project. The conclusion of a suitable financing package and concentrate off-take agreement will lay the foundation for commencement of project development during the second quarter of 2007."

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Yours faithfully
THOR MINING PLC



John A Young
Chief Executive Officer

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by John Young, who is a Member of The Australasian Institute of Mining and Metallurgy. John Young has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'

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