THOR

MINING PLC

ANNUAL REPORT 2010

TUNGSTEN

MOLYBDENUM

GOLD

Company Information

Registered Number
United Kingdom 05 276 414
Australia 121 117 673

Directors

Michael Billing	(Executive Chairman)
Gregory Durack	(Non-Executive Director)
Michael Ashton	(Non-Executive Director)
Norman Gardner	(Non-Executive Director)
Trevor Ireland	(Non-Executive Director)

Company Secretary

Stephen Ronaldson	(United Kingdom)
Laurie Ackroyd	(Australia)

Chief Financial Officer
Laurie Ackroyd

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Shareholder Enquiries
corporate@thormining.com

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

Website
www.thormining.com

Nominated Adviser and Broker
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2 Chapel Court
London SE1 1HH

Solicitors

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Watsons Lawyers
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THOR
MINING PLC

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CHAIRMAN'S STATEMENT

Michael Billing
Chairman and
Chief Executive Officer
Thor Mining PLC

The 2010 financial year was another challenging period for your company, with market conditions for Molyhil commodities remaining, on balance, at levels below threshold for economic development. At the time of writing this report, the ATP price of tungsten as quoted in *"Metal Pages"* is sitting at US$258/mtu, close to the record highs of 2008, while molybdenum is priced at US$16/lb, less than 50% of the levels of two years ago.

In response to this market, the company was forced to take serious measures to conserve funds, including but not restricted to terminating the services of the Chief Executive Officer. At the same time the Directors commenced a critical appraisal of the Company's projects, and concluded that while the fundamentals of the Company's flagship project, Molyhil, remain sound, the uranium exploration portfolio was struggling to deliver on the promise expected when acquired in 2006. Your directors took a decision to add gold exploration to the portfolio and subsequently acquired an interest in the Dundas Gold project in Western Australia.

Early stage (calcrete sampling) exploration activities at Dundas have yielded very promising results and a follow up drilling program is scheduled as soon as the necessary approvals are secured.

CORPORATE ACTIVITIES

In July 2009 the Company raised approximately UK£450,000 before costs by way of a placement to sophisticated investors in the UK. Following this, in January 2010 the Company raised approximately UK£140,000 before costs by way of a placement to sophisticated investors in Australia, followed in May 2010 by a placement of UK£90,000 to Western Desert Resources Limited, the Company's largest shareholder.

Subsequently the Company raised UK£630,000 before costs from an offer to sophisticated investors and to shareholders which concluded in July 2010. All junior resource companies are required to replenish cash reserves on a regular basis until production revenues begin to flow, following the development of a project. The Directors believe that further capital raisings will be necessary in the coming financial year.

During the year Mr Trevor Ireland joined the board of Thor Mining PLC. Mr Ireland is a geologist with more than 40 years experience in minerals exploration and corporate management. His contribution to the company has been significant.

PERSONNEL

The Directors and I gratefully acknowledge the efforts of our very small team including contractors and consultants who have assisted us during the past year and continue to assist as we explore our projects and move towards development of mining operations at Molyhil.

Michael Billing
Chairman and Chief Executive Officer

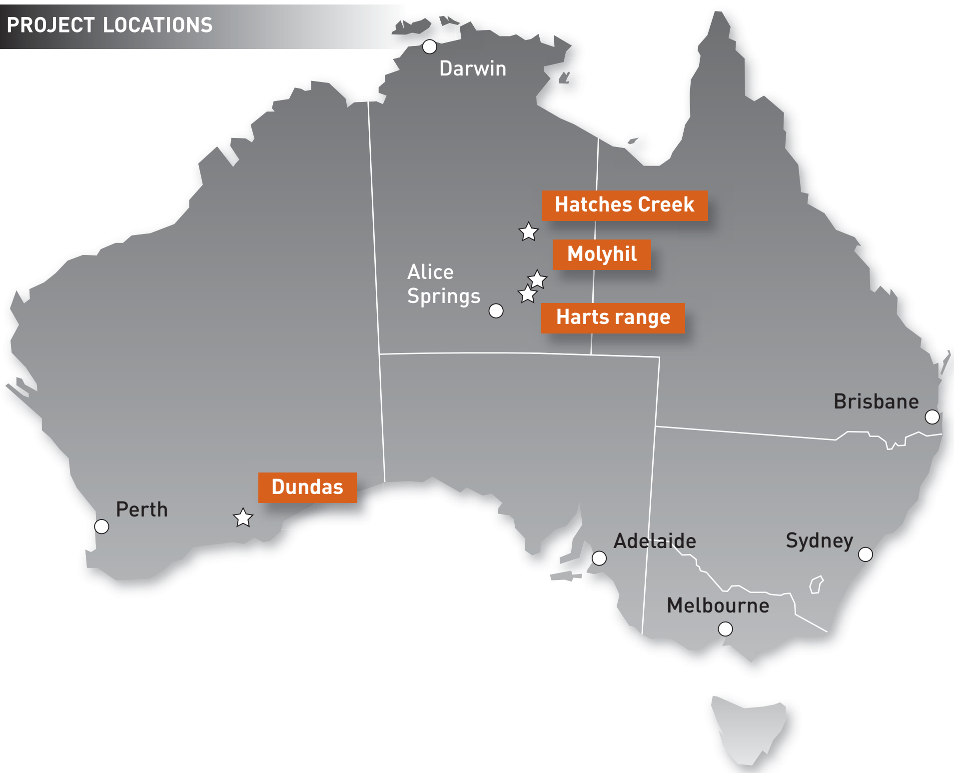
21 September 2010

CHIEF EXECUTIVE OFFICER'S REVIEW

REVIEW OF OPERATIONS – THOR PROJECTS

The locations of Thor Mining's current projects are identified on the map of Australia as shown below.

PROJECT LOCATIONS



MOLYHIL TUNGSTEN – MOLYBDENUM PROJECT (MOLYHIL) (NT)

The Molyhil Tungsten – Molybdenum Project occurs as scheelite and molybdenite mineralisation within a magnetite skarn.

Molyhil is a proposed open cut mine and processing facility which is planned to produce scheelite and molybdenite concentrates for sale with a potential by-product of fine high quality magnetite.

The project comprises an Exploration Licence (EL22349) and three granted Mining Leases (ML23825, ML24429 and ML25721) situated 310km by road north east of Alice Springs in central Australia.

Molyhil Resource estimate

The estimate of the resource at Molyhil is tabulated below.

Figure 1: **Summary of Rounded Resource Estimates – 15.25% Fe_2O_3 Lower Cut**

Classification	Resource (t)	MoS_2 (%)	WO_3 (%)	Fe_2O_3 (%)
Measured	540,000	0.24	0.33	29.4
Indicated	2,300,000	0.18	0.38	27.9
Inferred	900,000	0.20	0.15	27.0
Total	**3,750,000**	**0.19**	**0.32**	**28.0**

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

This table summarises a resource estimate published in detail in a release to the Australian Securities Exchange dated 17 June 2009.

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr. J.J.G. Doepel, B.Sc (Hons), Grad Dip For Sc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr. Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration 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". Mr. Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

REVIEW OF OPERATIONS – THOR PROJECTS
MOLYHIL TUNGSTEN

Molyhil Resource estimate CONTINUED

The magnetite content of a range of samples from the mineralised skarns was determined by Amdel. CRM estimated that the skarns contain an Inferred Resource of 500,000t of magnetite (3.8Mt @ 13% Fe_3O_4).

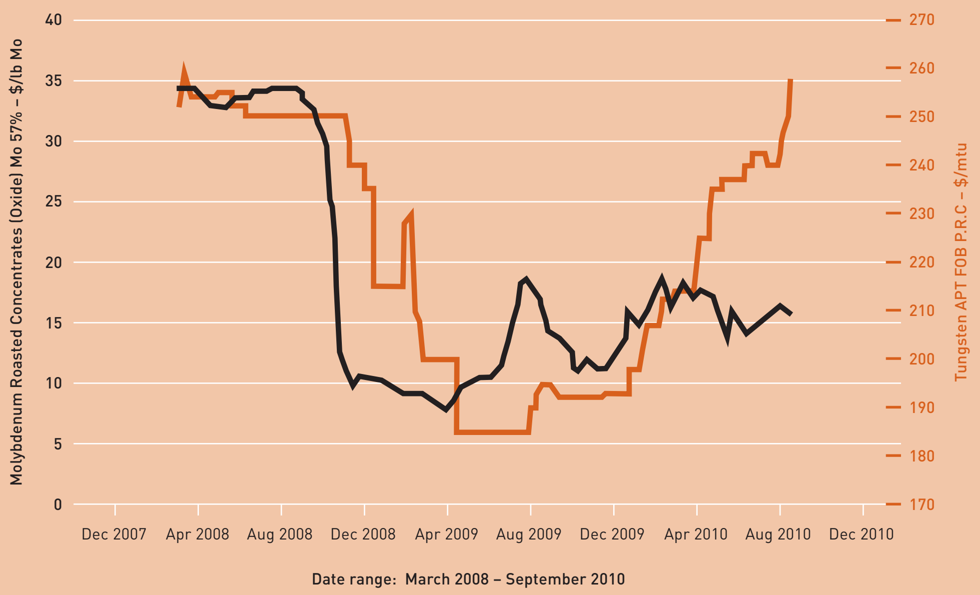
Preliminary marketing and metallurgical testing, as completed by the Australian Coal Institute Research Laboratories (ACIRL), has shown the magnetite to be of premium quality for use in the coal washing markets in Australia.

Current World pricing situation

International pricing of the projects principal commodities, tungsten and molybdenum have recovered during the year, however further improvement will be required prior to commitment to project development. The graph below demonstrates current pricing levels for the principal commodities compared to 2007/2008.

Figure 2: **Tungsten and Molybdenum pricing**

Molybdenum Roasted Concentrates (Oxide) Mo 57% – Tungsten APT FOB P.R.C



Source: Metal-pages.com

For personal use only

DUNDAS GOLD PROJECT (WA)

Figure 3: **LOCATION OF DUNDAS PROJECT IN WESTERN AUSTRALIA**

The Thor Dundas Project is comprised of 3 tenements EL 63/872, EL 63/1101, and EL 63/1102 and is situated in Western Australia within the Albany-Fraser Province. The project tenements lie on the general strike-extension of the most prolific gold-bearing belt of the Yilgarn Province – the 700km Wiluna-Kalgoorlie-Norseman greenstone belt *(Figure 5)*, in an area where the trend of the Albany-Fraser belt is displaced south eastwards by about 50km *(Figures 4 and 5)*.

The Albany-Fraser belt hosts a number of recent gold discoveries including the +5 million ounce Tropicana gold deposit, and other discoveries including Beachcomber, Socrates, Corvette, and Corona.

REVIEW OF OPERATIONS – THOR PROJECTS

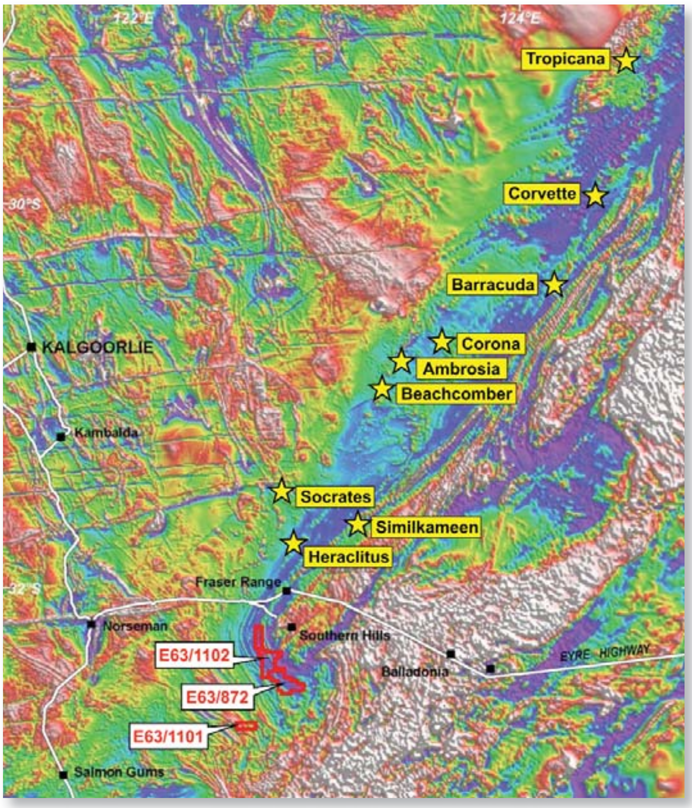
DUNDAS GOLD PROJECT (WA)

Figure 4: **REGIONAL MAGNETIC IMAGE – YILGARN/ALBANY FRASER PROVINCE**

LEGEND

- Tropicana Belt gold discoveries
- Dundas tenement boundary

0 25 50 75 100
kilometers
GCS GDA 1994



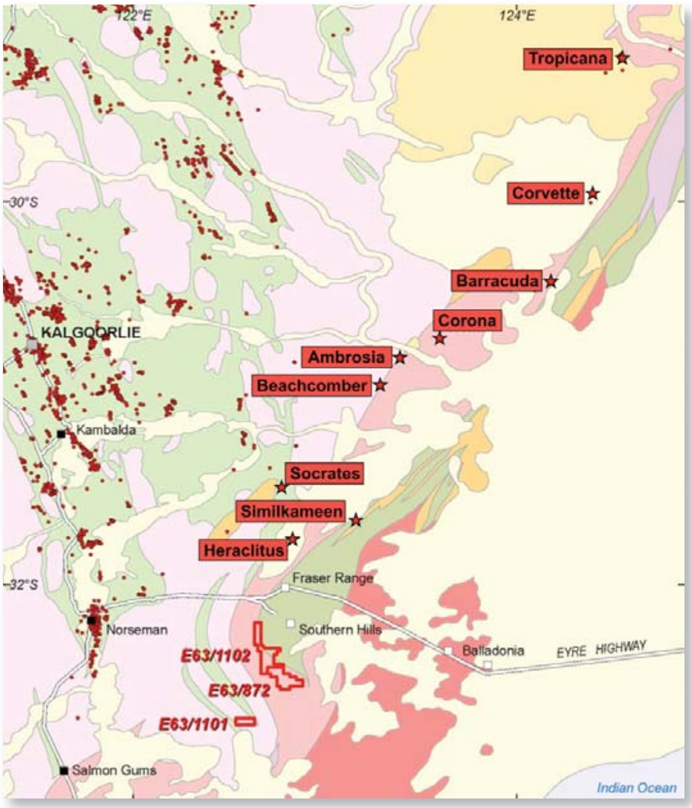
Source Geophysics: Department of Industry and Resources, WA.

Figure 5: **GEOLOGICAL RELATIONSHIPS AND GOLD DEPOSITS – YILGARN/ALBANY FRASER PROVINCE**

LEGEND

- Cainozoic sediments
- Mesozoic sediments
- Palaeozoic sediments
- Mesoproterozoic sediments
- Mesoproterozoic basic igneous
- Mesoproterozoic granite
- Mesoproterozoic gneiss
- Palaeoproterozoic granitoids
- Archaean greenstones
- Archaean granitoids + gneiss
- Tropicana Belt gold discoveries
- Gold occurrences
- Dundas tenement boundary

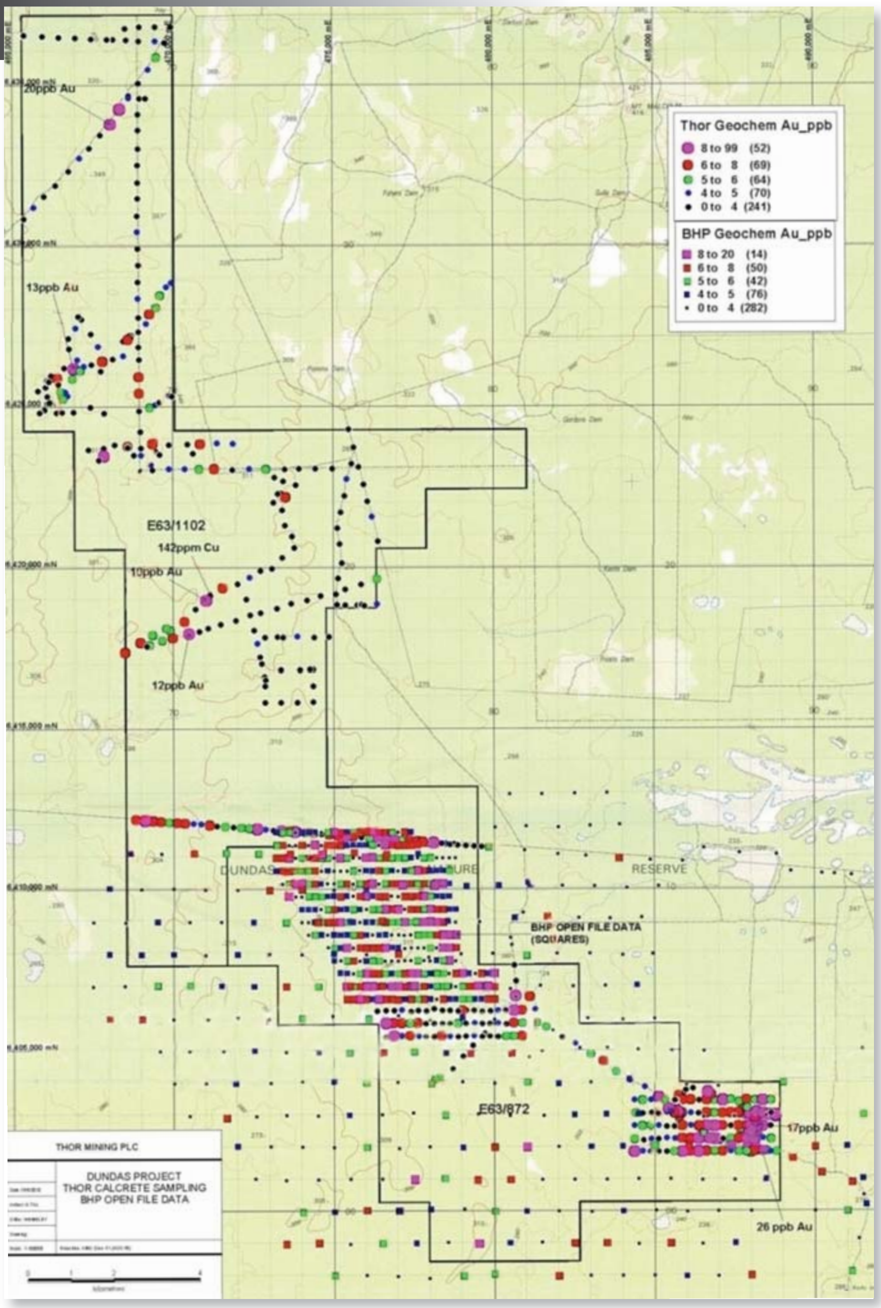
0 25 50 75 100
kilometres
GCS GDA 1994



Source Geology: Department of Industry and Resources, WA.

Results from Thor's initial calcrete survey at the Dundas project show clusters of elevated gold values which have identified five previously unknown areas of gold anomaly in addition to the target area identified by previous exploration *(Figure 6)*. Each of these warrants systematic follow-up sampling.

Figure 6: **CALCRETE SAMPLING RESULTS**



A further calcrete sampling program will commence as soon as practicable, both to broaden the coverage and to add detail around newly identified anomalies. Concurrently, Thor is preparing permitting for an initial rotary air blast drilling program, also to be scheduled as soon as practicable.

REVIEW OF OPERATIONS – THOR PROJECTS

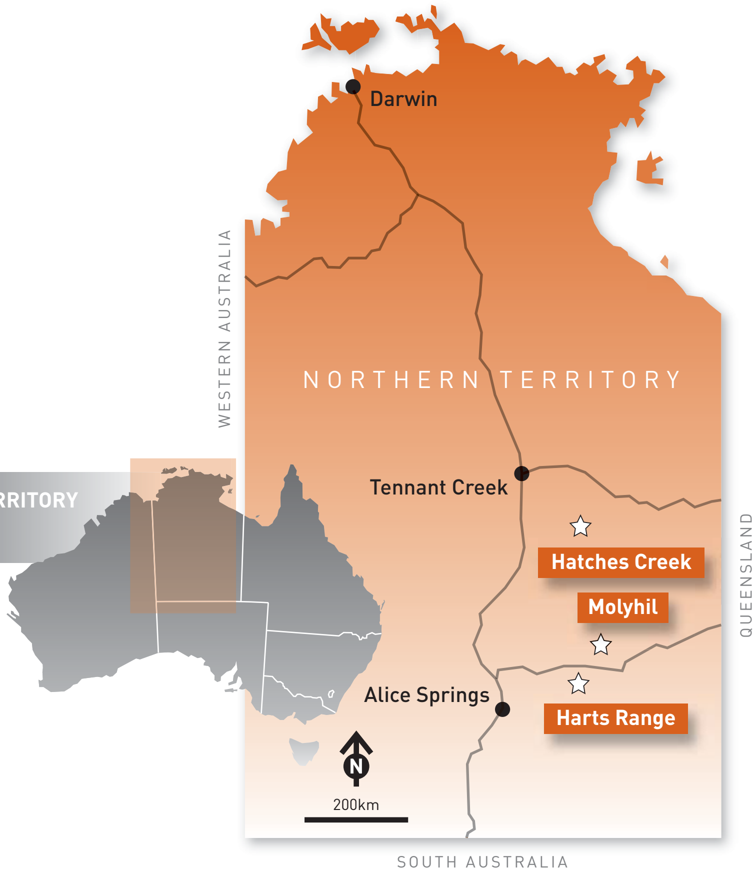


Figure 7: **NORTHERN TERRITORY PROJECT LOCATIONS**

OORABRA REEFS – BARITE – FLOURITE PROJECT (NT)

Previous sampling has confirmed significant barite mineralisation with assays up to 9.37% Ba returned. Significant fluorite mineralisation is also evident in the area and historically values range from 5.7% CaF_2 to 85% CaF_2 (Central Pacific Minerals). The ten ML's are surrounded by the Molyhil EL22349.

The proximity to the proposed infrastructure at Molyhil will allow the Oorabra Reefs mineralisation to be explored thoroughly and developed in the future.

HATCHES CREEK PROJECT (NT)

The Hatches Creek Project is comprised of two contiguous Exploration Licences, EL22912 and EL23463 which are located south east of Tennant Creek *(Figure 7)* in the central portion of the Northern Territory.

Previous sampling from old workings and abandoned stockpiles associated with historic mining covering the "Hatches Creek Wolfram Field" have returned significant tungsten and copper assays. Mining in the area occurred between 1913 and 1957 over multiple parallel quartz reefs within 16 distinct mineralised areas.

HARTS RANGE PROJECT (NT)

The Harts Range Project is comprised of four separate Exploration Licences, EL24734, EL24735, EL24736 and EL24765, which are located in the central part of the Northern Territory, south of the Plenty Highway *(Figure 7)*.

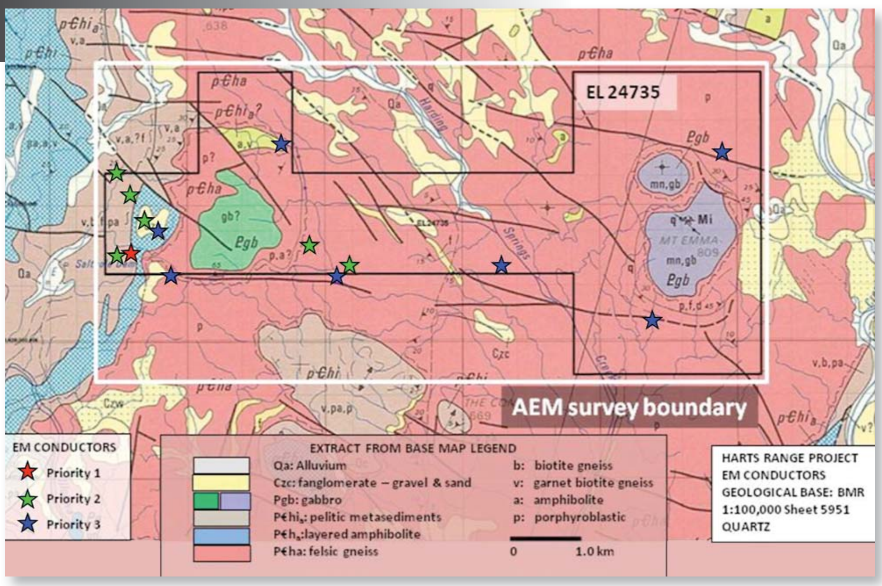
During the year a helicopter-borne Airborne Electromagnetic Survey ("AEM") was conducted over the Harts Range exploration licence EL24735. The survey consisted of 49 flight line traverses flown in a north south direction for a total of 314 line kilometres.

At least seven Electro-magnetic ("EM") anomalies with potential for future drilling have been identified *(Figure 8)*. Modelling and interpretation of the data has resulted in one priority 1 anomaly and six priority 2 anomalies sourced by potential bedrock conductors. The conductors are detected at depth of less than 100m below surface. The cluster of anomalies at the western end of the EL and in particular the priority 1 anomaly are associated with layered amphibolitic rocks and are considered prospective for nickel, copper, gold and platinum group element mineralisation.

Further work

It is proposed that a follow up ground EM survey be undertaken to better characterise and delineate the selected anomalies thus enabling the design of a drilling program in early 2011 to optimally target their sources.

Figure 8: **EL 24735 REGIONAL GEOLOGY AND LOCATION OF EM ANOMOLIES**

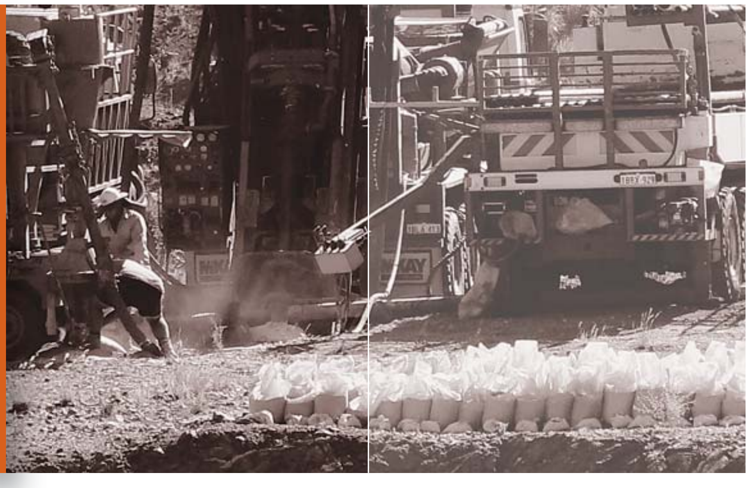


The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Stuart Till, who is a Member of The Australasian Institute of Mining and Metallurgy. The services of Mr Till are engaged by Thor Mining PLC on a contractual basis. Stuart Till 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'. Stuart Till consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

At 30 June 2010 the consolidated entity holds an interest in the following tenements:

Project	Tenement	Area kms²	Area ha.	Registered Holder	Company Interest
Bundey River	EL25378	313.75		Hale Energy Limited	100%
Curtis Pound	EL24823	361.90		Hale Energy Limited	100%
Hale River	EL24809	180.00		Hale Energy Limited	100%
Harts Range	EL24734	56.12		Hale Energy Limited	100%
Harts Range	EL24735	37.80		Hale Energy Limited	100%
Harts Range	EL24736	59.17		Hale Energy Limited	100%
Harts Range	EL24765	53.55		Hale Energy Limited	100%
Hatches Creek	EL22912	54.05		Hatches Creek Pty Ltd	100%
Hatches Creek	EL23463	9.36		Hatches Creek Pty Ltd	100%
Molyhil	EL22349	374.00		Molyhil Mining Pty Ltd	100%
Molyhil	EL24392	50.70		Molyhil Mining Pty Ltd	100%
Molyhil	ML23825		95.92	Molyhil Mining Pty Ltd	100%
Molyhil	ML24429		91.12	Molyhil Mining Pty Ltd	100%
Molyhil	ML25721		56.20	Molyhil Mining Pty Ltd	100%
Molyhil	MLS77		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS78		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS79		8.09	Molyhil Mining Pty Ltd	100%
Molyhil	MLS80		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS81		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS82		8.09	Molyhil Mining Pty Ltd	100%
Molyhil	MLS83		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS84		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS85		16.18	Molyhil Mining Pty Ltd	100%
Molyhil	MLS86		8.05	Molyhil Mining Pty Ltd	100%
Plenty Highway	EL24810	363.30		Hale Energy Limited	100%
Dundas Gold	EL63/872	41 blocks		TM Gold Pty Ltd	51%
Dundas Gold	EL63/1101	12 blocks		TM Gold Pty Ltd	51%
Dundas Gold	EL63/1102	51 blocks		TM Gold Pty Ltd	51%

DIRECTORS' REPORT



The Directors are pleased to present this year's annual report together with the consolidated financial statements for the year ended 30 June 2010.

DIRECTORS AND OFFICERS

The names and details of the Directors and officers of the company during or since the end of the financial year are:

Michael Robert Billing – *BBus MAICD* – Executive Chairman and CEO

Mick Billing has over 35 years of mining and agri-business experience and a background in finance, specialising in recent years in assisting in the establishment and management of junior companies to the position where they can be sustainable businesses. His career includes experience in company secretarial, senior commercial, and CFO roles including lengthy periods with Bougainville Copper Ltd and WMC Resources Ltd. He has worked extensively with junior resource companies over the past 15 years. He was appointed to the Board on 30 April 2008.

He is also a director of ASX listed company Southern Gold Limited and a past director of Western Desert Resources Limited.

Norman Wayne Gardner – Non-Executive Director

Norm Gardner is the sole owner of a concrete construction business based in the Northern Territory. His company has been involved in significant mining projects in the Northern Territory, South Australia and Western Australia, including development and operation of the backfill plant at the Granites Gold Mine. Norm has an in depth knowledge of the construction requirements of the mining industry. He has also been involved in a number of successful property developments. Norm was appointed to the Board 30 April 2008.

He is also the Managing Director of ASX listed company Western Desert Resources Limited.

Michael Kevin Ashton – Non-Executive Director

Mick Ashton owns a timber manufacturing business located in South Australia and is a major shareholder in a successful exploration drilling company located in Victoria, which has both Australian and international activities. Mick has extensive knowledge and experience in the exploration and mining industries, which dates back 40 years. He was appointed to the Board 30 April 2008.

He is also a Director of ASX listed company Western Desert Resources Limited.

DIRECTORS' REPORT

DIRECTORS AND OFFICERS

Gregory Durack – Non-Executive Director

Greg Durack is a Member of the Australian Institute of Mining and Metallurgy. He is a metallurgist, with over 20 years experience in Australia, Papua New Guinea and Greece having worked primarily on gold projects, in operational and development management roles. Greg was appointed to the Board 18 July 2005.

He is also the Chief Executive Officer of Jupiter Mines Limited an ASX listed company.

Trevor John Ireland – *F.AusIMM* – Non-Executive Director

Trevor Ireland is a geologist with more than 40 years experience in mineral exploration and corporate management. He has been involved both as a Manager and as a Company Director with mineral discoveries, economic evaluations and new mine developments covering gold, nickel, uranium and bauxite deposits in Australia and in several African countries. He is particularly associated with the discovery and development of The Granites and Callie gold mines in the Tanami region of the Northern Territory by North Flinders Mines Ltd. He served as a Director and Exploration Manager – Europe & Africa for Normandy La Source SAS, overseeing the evaluation of Ahafo and Akeyem gold orebodies in Ghana, and Tasiast gold in Mauritania, all of which have subsequently reached development or operating status. More recently, he was Managing Director of Australasia Gold Ltd which he led from inception through an IPO and listing on the ASX, with exploration projects in South Australia, the Northern Territory and New Zealand.

He is currently a consultant to a number of resources companies operating in these and other areas. Trevor was appointed to the Board on 10 March 2010.

Laurie Ackroyd – Chief Financial Officer/Company Secretary

Mr. Laurie Ackroyd was appointed as Chief Financial Officer and Company Secretary in June 2009. Laurie is an accountant with over 45 years experience in the building services, manufacturing and transportation industries where he has held senior financial executive and company secretarial positions.

Laurie also holds the position of Chief Financial Officer and Company Secretary with Western Desert Resources Limited.

Stephen F Ronaldson – Joint Company Secretary (UK)

Mr Stephen Ronaldson is the joint company secretary as well as a partner of the Company's UK legal advisers, Ronaldsons Solictitors.

Mr Ronaldson has an MA from Oriel College, Oxford and qualified as a Solicitor in 1981. During his career Mr Ronaldson has concentrated on company and commercial fields of practice undertaking all issues relevant to those types of businesses including capital raisings, financial services and Market Act work, placings and admissions to AIM and Ofex. Mr Ronaldson is currently company secretary for a number of companies including eight AIM listed PLCs.

Stuart Till – Exploration Manager

Mr Stuart Till is a Geologist with over 20 years exploration and development experience in a variety of geological terrains and commodities. Previously, Mr Till held a senior role with Dominion Mining Ltd for 10 years. He brings to Thor a pragmatic, hands on approach to modern exploration with a broad knowledge base including field logistics, equipment maintenance in remote terrains, tenement management and a thorough understanding of drilling equipment.

EXECUTIVE DIRECTOR SERVICE CONTRACTS

All Directors are appointed under the terms of a Directors letter of appointment. Each appointment provides for annual fees of Australian dollars $40,000 for services as Directors plus 9% as a company contribution to Australian statutory superannuation schemes.
The agreement allows for any services supplied by the Directors to the Company and any of its subsidiaries in excess of two days in any calendar month, may be invoiced to the Company at market rate, currently set at A$1,000 per day.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Group are the exploration for and potential development of molybdenum and tungsten deposits in the Northern Territory of Australia and exploration for and potential development of a Gold project. The primary molybdenum and tungsten asset comprises the Molyhil Molybdenum-Tungsten Project ("Molyhil"). The gold project is located in the Albany-Fraser Orogen at the margin of Western Australia's gold rich Archaean Yilgarn Craton.

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the current and future development of the Group's business is given in the Chairman's Statement and the Chief Executive Officer's Review of Operations on *pages 1–10*.

RESULTS AND DIVIDENDS

The Group incurred a loss after taxation of £1,762,000 (2009: £1,230,000). No dividends have been paid or are proposed.

KEY PERFORMANCE INDICATORS

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

POST BALANCE SHEET EVENTS

At the date these financial statements were approved, 21 September, 2010, the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

At 31 August 2010 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

	Ordinary shares	%
Western Desert Resources Limited[1,2]	47,217,974	12.37
Vidacos Nominees Ltd	15,988,167	4.19

1 *Michael Ashton and Norman Gardner are Directors of Western Desert Resources Limited.*
2 *Michael Billing was a Director of Western Desert Resources Limited until 13th January, 2010.*

DIRECTORS' AND OFFICERS' SHAREHOLDINGS

The Directors and Officers who served during the period and their interests in the share capital of the Company at 30 June 2010 was as follows:

	Ordinary Shares		Warrants		Unlisted Options	
	30 June 2010/ Date of resignation	30 June 2009	30 June 2010/ Date of resignation	30 June 2009	30 June 2010	30 June 2009
Michael Billing	150,000	150,000	-	-	1,000,000	1,000,000
Gregory Durack	91,153	91,153	-	-	1,000,000	1,000,000
Michael Ashton	701,884	701,884	-	-	1,000,000	1,000,000
Norman Gardner	733,941	733,941	-	-	1,000,000	1,000,000
Trevor Ireland[1]	-		-		-	
Laurie Ackroyd	-	-	-	-	-	-
Stephen Ronaldson[2]	-	-	-	455,000	-	-

[1] *Mr Trevor Ireland was appointed as a Director on 10 March, 2010.*
[2] *Warrants granted to Mr S Ronaldson lapsed 29 June 2010.*

DIRECTORS' REMUNERATION

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

The Australian based directors are paid on a nominal fee basis amount to A$40,000 per annum (£22,800). From 1st January 2010 the Directors elected to accept half fee arrangements until further notice due to non proceeding of the Molyhil mine.

Summary of amounts paid to Key Management Personnel

The following table discloses the compensation of the Directors and the key management personnel of the Group during the year.

2010	Salary & Fees	Post Employment Superannuation	Total Fees for Services rendered	Short-term employee benefits Salary & Fees	Share Options Granted during the year*	Options (based upon Black-Scholes formula)*	Total Benefit
Directors:	£'000	£'000	£'000	£'000	No.	£'000	£'000
M R Billing	17	1	30	48	-	-	48
N W Gardner	17	1	-	18	-	-	18
G Durack[1]	17	-	-	17	-	-	17
M K Ashton	17	1	-	18	-	-	18
T J Ireland	3	0	15	18	-	-	18
Key Personnel:							
L Ackroyd[2]	-	-	-	-	-	-	-
I Sheffield-Parker[3]	97	5	-	102	-	-	102
2010 Total	168	9	45	222	-	-	222

* *Options are granted at an exercise price above the existing share price as at the date of grant. The value of options granted during the period has been calculated by the Black-Scholes formula method, where applicable.*
[1] *Fees payable to Mr. G. Durack are paid to Martineau Resources Pty Ltd.*
[2] *Mr L Ackroyd is an employee of Western Desert Resources Limited which invoices the Company for accounting, administrative and secretarial services. Fees are not paid direct to Mr. Ackroyd.*
[3] *Mr I Sheffield-Parker left the employ of the Company on 20 November 2009.*

2009	Salary & Fees	Post Employment Superannuation	Total Fees for Services rendered	Short-term employee benefits Salary & Fees	Share Options Granted during the year*	Expiry Date	Value of Options (based upon Black-Scholes formula)*	Total Benefit
Directors:	£'000	£'000	£'000	£'000	No.	Date	£'000	£'000
M R Billing	18	2	18	38	1,000,000	15/11/2011	2	40
N W Gardner	18	2	1	21	1,000,000	15/11/2011	2	23
G Durack	-	-	19	19	1,000,000	15/11/2011	2	21
M K Ashton	18	2	-	20	1,000,000	15/11/2011	2	22
J A Young	61	5	29	95	1,000,000	15/11/2011	2	97
Key Personnel:								
D Delaney	-	-	68	68			-	68
I Sheffield-Parker	102	9	-	111			-	111
L Ackroyd[2]							-	-
2009 Total	217	20	135	372			10	382

* *Options are granted at an exercise price above the existing share price as at the date of grant. The value of options granted during the period has been calculated by the Black-Scholes formula method.*

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and other key management personnel of Thor Mining PLC.

DIRECTORS' MEETINGS

The Directors hold meetings on a regular basis and on an as required basis to deal with items of business from time to time. Meetings held and attended by each Director during the year of review were:

2010	Meetings held whilst in Office	Meetings attended
Michael Billing	16	16
Gregory Durack	16	12
Michael Ashton	16	14
Norman Gardner	16	14
Trevor Ireland[1]	6	4

[1] *Mr. Trevor Ireland was appointed as a Director on 10 March 2010.*

CORPORATE GOVERNANCE

A statement on Corporate Governance is set out on *pages 18–21*.

ENVIRONMENTAL RESPONSIBILITY

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

EMPLOYMENT POLICIES

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

HEALTH AND SAFETY

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

PAYMENT TO SUPPLIERS

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. It is usual for suppliers to be paid within 30 days of receipt of invoice.

POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

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

ANNUAL GENERAL MEETING ("AGM")

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

A resolution to reappoint Chapman Davis LLP and to authorise the Directors to fix their remuneration will be proposed at the next Annual General Meeting.

GOING CONCERN

Notwithstanding the loss incurred during the period under review, the Directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the Group's accounts on a going concern basis is appropriate. As a Junior Exploration Company the Directors are aware that that the Company must go to the marketplace to raise cash to meet its exploration and development plans. An open offer to all shareholders and a placement offer to sophisticated investors document was approved by shareholders at a General Meeting held on 22 July 2010 to raise additional capital.

STATEMENT OF DIRECTORS' RESPONSIBLITIES

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

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

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

ELECTRONIC COMMUNICATION

The maintenance and integrity of the Company's website is the responsibility of the Directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

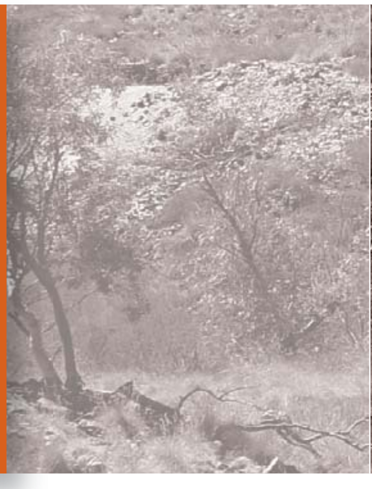
Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

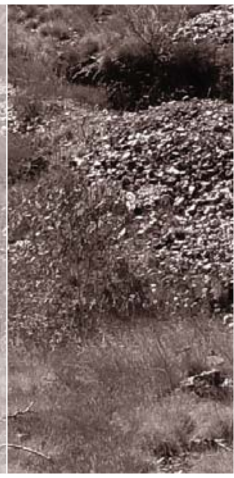
This report was approved by the board on 21 September 2010.

L. Ackroyd

Laurie Ackroyd
Company Secretary

CORPORATE GOVERNANCE STATEMENT





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

BOARD OF DIRECTORS

The Board of Directors currently comprise of one Executive Chairman and three Non-Executive Directors. The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the Combined Code have been implemented to an appropriate level. The Board, through the Chairman and the Chief Financial Officer in particular, maintains regular contact with its advisers in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

BOARD MEETINGS

The Board meets regularly throughout the year. For the period ending 30 June 2010 the Board met 16 times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Chairman and the Chief Executive Officer who is charged with consulting the Board on all significant financial and operational matters.

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

BOARD COMMITTEES

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

Audit Committee

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

Remuneration Committee

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

INTERNAL CONTROLS

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

RISK MANAGEMENT

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

RISKS AND UNCERTAINTIES

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

GENERAL AND ECONOMIC RISKS

- Contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- Movements in the equity and share markets in the United Kingdom and throughout the world;
- Weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the resource industry;
- Currency exchange rate fluctuations and, in particular, the relative prices of the Australian Dollar, the United States Dollar and the UK Pound;
- Exposure to interest rate fluctuations; and
- Adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

FUNDING RISK

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

COMMODITY RISK

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

EXPLORATION AND DEVELOPMENT RISKS

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.

- The country in which the Company operates has native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Geology is always a potential risk in mining and exploration activities.

MARKET RISK

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

INSURANCE

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company. The group insures other assets held having given regard to risks and events that may occur.

TREASURY POLICY

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

SECURITIES TRADING

The Board has adopted a Share Dealing Code that applies to Director, senior management and any employee who is in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

RELATIONS WITH SHAREHOLDERS

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THOR MINING PLC

We have audited the financial statements of Thor Mining Plc for the year ended 30th June 2010 which comprise the Group and Company Statements of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the *Companies Act 2006*. 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 auditor's 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 explained more fully in the Statement of Directors' Responsibilities included in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30th June 2010 and of the group's and the parent company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the *Companies Act 2006* and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the *Companies Act 2006*

In our opinion:

- the information given in the Director's Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the *Companies Act 2006* we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rowan J Palmer *(Senior statutory auditor)*
For and on behalf of Chapman Davis LLP, Statutory Auditor

Chartered Accountants
Chapman Davis LLP
2 Chapel Court
London SE1 1HH

21 September 2010

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

		Group		Company	
		2010	2009	**2010**	2009
	Note	**£'000**	£'000	**£'000**	£'000
Administrative expenses		**(164)**	(449)	**-**	(313)
Corporate expenses		**(446)**	(532)	**(352)**	(443)
Other expenses		**-**	(51)	**-**	-
Loss on disposal of exploration assets		**(86)**	-	**-**	-
Impairment of exploration assets		**(1,016)**	(254)	**-**	-
Operating loss		**(1,712)**	(1,286)	**(352)**	(756)
Interest receivable		**5**	27	**-**	5
Other income		**29**	29	**-**	13
Currency losses		**(84)**	-	**-**	(1)
Loss before taxation		**(1,762)**	(1,230)	**(352)**	(739)
Taxation		**-**	-	**-**	-
Loss for the period		**(1,762)**	(1,230)	(352)	(739)
Other comprehensive income:					
Share based payment expense		**-**	10	**-**	10
Exchange differences on translating foreign operations		**1,174**	41	**-**	-
Other comprehensive income for the period, net of income tax		**1,174**	51	**-**	10
Total comprehensive income for the period		**(588)**	(1,179)	**(352)**	(729)
Basic loss per share	7	**(0.79)p**	(0.77)p		

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2010

	Note	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
ASSETS					
Non-current assets					
Intangible assets – deferred exploration costs	8	**5,735**	5,453	**-**	-
Investments in subsidiaries	9	**-**	-	**1,977**	1,977
Loans to subsidiaries	10	**-**	-	**5,064**	4,660
Mine development costs	11	**1,251**	1,299	**-**	-
Plant and equipment	12	**28**	77	**-**	-
Total non-current assets		**7,014**	6,829	**7,041**	6,637
Current assets					
Cash and cash equivalents	22	**35**	198	**4**	144
Trade & other receivables	13	**28**	26	**-**	-
Prepayments		**34**	5	**-**	-
Total current assets		**97**	229	**4**	144
Total assets		**7,111**	7,058	7,045	6,781
LIABILITIES					
Current liabilities					
Trade and other payables	14	**(162)**	(96)	**-**	(14)
Provisions	15	**-**	(8)	**-**	-
Interest bearing liabilities	16	**(7)**	(16)	**-**	-
Total current liabilities		**(169)**	(120)	**-**	(14)
Non-current liabilities					
Interest bearing liabilities	16	**(13)**	(51)	**-**	-
Total non-current liabilities		**(13)**	(51)	**-**	-
Total liabilities		**(182)**	(171)	**-**	(14)
Net assets		**6,929**	6,887	**7,045**	6,767
EQUITY					
Issued share capital	17	**729**	514	**729**	514
Share premium		**7,275**	6,860	**7,275**	6,860
Foreign exchange reserve		**2,658**	1,484	**-**	-
Merger reserve		**1,634**	1,634	**1,634**	1,634
Option revaluation reserve	18	**10**	10	**10**	10
Retained losses		**(5,377)**	(3,615)	**(2,603)**	(2,251)
Total equity		**6,929**	6,887	**7,045**	6,767

The accompanying notes form part of these financial statements.

These Financial Statements were approved by the Board of Directors on 21 September 2010 and were signed on its behalf by:

Michael Billing
Executive Chairman

Laurie Ackroyd
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Group		Company	
	2010	2009	**2010**	2009
	£'000	£'000	**£'000**	£'000
Cash flows from operating activities				
Operating Loss	**(1,712)**	(1,286)	**(352)**	(757)
Decrease/(increase) in trade and other receivables	**27**	12	**-**	15
Increase/(decrease) in trade and other payables	**(25)**	(22)	**(14)**	(32)
Depreciation	**26**	28	**-**	1
Exploration expenditure written off	**1,016**	254	**-**	-
Loss on disposal of development equipment	**86**	-	**-**	-
Share options expensed	**-**	10	**-**	10
Unrealised exchange gain	**-**	(3)	**-**	-
Sundry income	**29**	29	**-**	13
Profit/(loss) on sale of fixed assets	**(6)**	(2)	**-**	-
Net cash outflow from operating activities	**(559)**	(980)	**(366)**	(750)
Cash flows from investing activities				
Interest received	**5**	27	**-**	5
Refund of R & D grant relating to development	**42**	-	**-**	-
Proceeds on disposal of development assets	**176**	-	**-**	-
Proceeds from sale of fixed assets	**41**	16	**-**	-
Purchase of property, plant and equipment	**-**	(6)	**-**	-
Payments for mine development expenditure	**(48)**	(114)	**-**	-
Payments for exploration expenditure	**(392)**	(254)	**-**	-
Loans to controlled entities	**-**	-	**(404)**	(79)
Net cash outflow from investing activities	**(176)**	(331)	**(404)**	(74)
Cash flows from financing activities				
Repayment of borrowings	**(58)**	(32)	**-**	-
Net issue of ordinary share capital	**630**	220	**630**	220
Net cash inflow from financing activities	**572**	188	**630**	220
Net decrease/(increase) in cash and cash equivalents	**(163)**	(1,123)	**(140)**	(604)
Cash and cash equivalents at beginning of period	**198**	1,321	**144**	748
Cash and cash equivalents at end of period	**35**	198	**4**	144

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Issued Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Foreign Currency Transition Reserves £'000	Merger Reserve £'000	Option Reserve £'000	Total £'000
Group							
Balance at 1 July 2008	448	6,706	(3,247)	1,443	1,634	862	7,846
Loss for the period	-	-	(1,230)	-	-	-	(1,230)
Foreign currency translation reserve	-	-	-	41	-	-	41
Total comprehensive income / (loss) for the period	-	-	(1,230)	41	-	-	(1,189)
Transactions with owners in their capacity as owners							
Share options expense/Options expired	-	-	862	-	-	(852)	10
Shares issued	66	173	-	-	-	-	239
Cost of shares issued		(19)	-	-	-	-	(19)
At 30 June 2009	**514**	**6,860**	**(3,615)**	**1,484**	**1,634**	**10**	**6,887**
At 1 July 2009	514	6,860	(3,615)	1,484	1,634	10	6,887
Loss for the period	-	-	(1,762)	-	-	-	(1,762)
Foreign currency translation reserve	-	-	-	1,174	-	-	1,174
Total comprehensive income / (loss) for the period	-	-	(1,762)	1,174	-	-	(588)
Transactions with owners in their capacity as owners							
Shares issued	215	465	-	-	-	-	680
Cost of shares issued		(50)	-	-	-	-	(50)
At 30 June 2010	**729**	**7,275**	**(5,377)**	**2,658**	**1,634**	**10**	**6,929**
Company							
Balance at 1 July 2008	448	6,706	(2,374)	-	1,634	862	7,276
Loss for the period	-	-	(739)	-	-	-	(739)
Total comprehensive loss for the period	-	-	(739)	-	-	-	(739)
Transactions with owners in their capacity as owners							
Share options expense/Options expired	-	-	862	-	-	(852)	10
Shares issued	66	173	-	-	-	-	239
Cost of shares issued		(19)	-	-	-	-	(19)
At 30 June 2009	**514**	**6,860**	**(2,251)**	**-**	**1,634**	**10**	**6,767**
At 1 July 2009	514	6,860	(2,251)	-	1,634	10	6,767
Loss for the period	-	-	(352)	-	-	-	(352)
Total comprehensive loss for the period	-	-	(352)	-	-	-	(352)
Transactions with owners in their capacity as owners							
Shares issued	215	465	-	-	-	-	680
Cost of shares issued		(50)	-	-	-	-	(50)
At 30 June 2010	**729**	**7,275**	**(2,603)**	**-**	**1,634**	**10**	**7,045**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 PRINCIPAL ACCOUNTING POLICIES

a) Authorisation of financial statements

The Group financial statements of Thor Mining PLC for the year ended 30 June 2010 were authorised for issue by the Board on 21 September 2010 and the balance sheets signed on the Board's behalf by Michael Billing and Laurie Ackroyd. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange and on the Australian Securities 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

g) Deferred taxation

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

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

i) Except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and

ii) In respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

i) When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

ii) When the deductible temporary difference is associated with investments in subsidiaries, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

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

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

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

h) Trade and other payables

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

i) Foreign currencies

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

During the year the Group has not provided benefits to Directors of the Group in the form of share options (2009 £10,000).

The cost of these equity-settled transactions with Directors was 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 holders 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 holder, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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 then 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

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 its 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 its 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

t) Loss per share

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

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

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

(u) Share based payments reserve

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

(v) Foreign currency translation reserve

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

(w) Adoption of new and revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by Accounting Standards and Interpretations Board that are relevant to its operations and effective for the current annual reporting period and there is no material financial impact on the financial statements of the company or the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

2 REVENUE AND SEGMENTAL ANALYSIS – GROUP

The group has not commenced production and therefore recorded no revenue.

The analysis of operating loss before taxation and the net assets employed by geographical segment of operations is shown below:

	UK £'000	Australia £'000	Total £'000
By geographical area 2010			
Result			
Operating loss	**(352)**	**(1,360)**	**(1,712)**
Investment revenue	**-**	**5**	**5**
Other income	**-**	**29**	**29**
Currency losses	**-**	**(84)**	**(84)**
Loss before and after tax	**(352)**	**(1,410)**	**(1,762)**
Other information			
Depreciation	**-**	**26**	**26**
Capital additions	**-**	**463**	**463**
Assets			
Segment assets	**-**	**7,014**	**7,014**
Financial assets	**-**	**62**	**62**
Cash	**4**	**31**	**35**
Consolidated total assets	**4**	**7,107**	**7,111**
Liabilities			
Segment liabilities	**-**	**-**	**-**
Financial liabilities	**-**	**(182)**	**(182)**
Consolidated total liabilities	**-**	**(182)**	**(182)**
By geographical area 2009			
Result			
Operating loss	(93)	(1,193)	(1,286)
Investment revenue	6	21	27
Other income	-	29	29
Loss before and after tax	(87)	(1,143)	(1,230)
Other information			
Depreciation	-	28	28
Capital additions	-	380	380
Assets			
Segment assets	-	6,829	6,829
Financial assets	-	31	31
Cash	144	54	198
Consolidated total assets	144	6,914	7,058
Liabilities			
Segment liabilities	-	-	-
Financial liabilities	(14)	(157)	(171)
Consolidated total liabilities	(14)	(157)	(171)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 £'000	2009 £'000

3 OPERATING LOSS – GROUP

This is stated after charging:		
Depreciation	**26**	28
Auditors' remuneration – audit services	**45**	8
Auditors' remuneration – non audit services	**-**	-
Options issued – directors, staff and consultants	**-**	10
Directors emoluments – fees and salaries	**116**	193

Auditors' remuneration for audit services above includes £16,500 plus additional fees relating to the 2009 year of £12,500 to Chapman Davis LLP for the audit of the company. Remuneration to Deloittes Touche Tohmatsu for the audit of the Australian subsidiaries was £12,500 plus £3,600 relating to 2009.

4 REVENUE – GROUP

Interest received	**5**	27
Other income	**29**	29

5 DIRECTORS AND EXECUTIVE DISCLOSURES – GROUP

All Directors are each appointed under the terms of a Directors letter of appointment. Each appointment provides for annual fees of Australian dollars $40,000 for services as Directors plus 9% as a company contribution to Australian statutory superannuation schemes. The agreement allows for any services supplied by the Directors to the Company and any of its subsidiaries in excess of 2 days in any calendar month, can be invoiced to the Company at market rate, currently at $1,000 per day. From 1st January 2010 the Directors elected to accept half fee arrangements until further notice due to non proceeding of the Molyhil mine.

a) Details of Key Management Personnel

i) Chairman and Chief Executive Officer

Michael Billing	Executive Chairman

ii) Non-executive Directors

Gregory Durack	Non-executive Director
Michael Ashton	Non-executive Director
Norman Gardner	Non-executive Director
Trevor Ireland[1]	Non-executive Director

iii) Executives

Stephen Ronaldson	Company Secretary (UK)
Laurie Ackroyd	CFO/Company Secretary (Australia)
Ian Sheffield-Parker[2]	Chief Executive Officer

1 *Appointed 10 March 2010*
2 *Ceased employment 20 November 2009*

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

5 DIRECTORS AND EXECUTIVE DISCLOSURES – GROUP CONTINUED

b) Compensation of Key Management Personnel

Compensation Policy

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 other than compulsory Superannuation contributions where the individuals are directly employed by the Company or its subsidiaries in Australia. 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.

	Salary & Fees £'000	Options £'000	Total £'000
30 June 2010			
Directors:			
Michael Billing	**48**	**-**	**48**
Gregory Durack	**17**	**-**	**17**
Michael Ashton	**18**	**-**	**18**
Norman Gardner	**18**	**-**	**18**
Trevor Ireland[1]	**18**	**-**	**18**
Other Personnel:			
Ian Sheffield-Parker[2]	**102**	**-**	**102**

[1] *Appointed 10 March 2010*
[2] *Ceased employment 20 November 2009*

	Salary & Fees £'000	Options £'000	Total £'000
30 June 2009			
Directors:			
Michael Billing	38	2	40
John Young[3]	95	2	97
Gregory Durack	19	2	21
Michael Ashton	20	2	22
Norman Gardner	21	2	23
Trevor Ireland	-	-	-
Other Personnel:			
Damian Delaney[4]	68	-	68
Ian Sheffield-Parker[2]	111	-	111

[3] *Resigned 2 June, 2009*
[4] *Resigned 17 June, 2009*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Group		Company	
	2010 £'000	2009 £'000	**2010 £'000**	2009 £'000
c) Compensation by category				
Key Management Personnel				
Short-term	**196**	356	**-**	356
Post-employment	**26**	25	**-**	25
	222	381	**-**	381

d) Options and rights over equity instruments granted as remuneration

Details of options which were granted over ordinary shares to Directors during the years ended 30 June 2010 and 30 June 2009 are detailed 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 2009	Granted as Remuneration	Disposal/ Expired	Exercised	Held at 30 June 2010/ or date of resignation	Vested and exercisable at 30 June2010
Directors						
Executive						
Michael Billing	1,000,000	-	-	-	1,000,000	1,000,000
Non-Executive						
Gregory Durack	1,000,000	-	-	-	1,000,000	1,000,000
Michael Ashton	1,000,000	-	-	-	1,000,000	1,000,000
Norman Gardner	1,000,000	-	-	-	1,000,000	1,000,000
Other Personnel						
Stephen Ronaldson	455,000	-	455,000	-	-	-
John Young	1,000,000	-	-	-	1,000,000	1,000,000

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

f) Other transactions and balances with related parties

Specified Directors	Transaction	Note	**2010 £'000**	2009 £'000
Trevor Ireland	Consulting Fees	(i)	**15**	-
Gregory Durack	Consulting Fees	(ii)	**-**	19
John Young	Consulting Fees	(iii)	**-**	29
Michael Billing	Consulting Fees	(iv)	**30**	18
Norman Gardner	Consulting Fees	(v)	**-**	1

(i) *The Company used the services of Ireland Resource Management Pty Ltd, a company of which Mr. Trevor Ireland is a Director and employee.*
(ii) *The Company used the consulting services of Martineau Resources Pty Ltd a company of which Mr. Gregory Durack is a Director.*
(iii) *The Company used the consulting services of John A Young Geological Services a company of which Mr. John Young is a Director.*
(iv) *The Company used the consulting services of MBB Trading Pty Ltd a company of which Mr. Michael Billing is a Director.*
(v) *The Company used the consulting services of Barreta Pty Ltd a company of which Mr. Norman Gardner is a Director.*

Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms. These amounts paid to related parties of Directors are included as Salary & Fees in *Note 5(b)*.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 £'000	2009 £'000
6 TAXATION – GROUP		
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:		
Loss on ordinary activities before tax	**(1,762)**	(1,230)
Standard rate of corporation tax in the UK	**28%**	28%
Loss on ordinary activities multiplied by the standard rate of corporation tax	**(493)**	(344)
Effects of:		
Future tax benefit not brought to account	**493**	344
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.

	2010	2009
Loss for the year	**(1,762)**	(1,230)
Weighted average number of Ordinary shares on issue	**222,694,602**	159,236,518
Loss per share – basic	**(0.79)p**	(0.77)p
Loss per share – dilutive	**(0.79)p**	(0.77)p

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

8 INTANGIBLE FIXED ASSETS – GROUP

	2010	2009
Deferred exploration costs		
Cost		
At 1 July	**5,721**	5,419
Exchange gain	**938**	-
Additions	**418**	302
At 30 June	**7,077**	5,721
Amortisation		
At 1 July and 30 June	**268**	-
Amortisation for period	**1,016**	268
Exchange loss	**58**	-
At 30 June	**1,342**	268
Net book value at 30 June	**5,735**	5,453

As at 30 June 2010 the Directors undertook an impairment review of the deferred exploration costs, as a result of which, a provision for impairment for GBP 1,016,251 has been made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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[2]	Australia	Ordinary	100
Hatches Creek Pty Ltd[2]	Australia	Ordinary	100
Hale Energy Limited[2]	Australia	Ordinary	100
TM Gold Pty Ltd[1]	Australia	Ordinary	100

1 *TM Gold Pty Ltd is engaged in exploration activities in the state of Western Australia. TM Gold Pty Ltd was a newly created entity incorporated on 29 March 2010 with a share capital of AUD$10 (Ten shares). Its Directors are consistent with that of Thor Mining PLC.*

2 *These subsidiary companies are engaged in exploration activities in the Northern Territory of Australia. The Directors are consistent with that of Thor Mining PLC.*

	2010 £'000	2009 £'000
Investment in Subsidiary companies		
Molyhil Mining Pty Ltd	700	700
Hatches Creek Pty Ltd	-	-
Hale Energy Limited	1,277	1,277
TM Gold Pty Ltd	-	-
	1,977	1,977

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

10 LOAN TO SUBSIDIARIES

Molyhil Mining Pty Ltd	4,302	2,566
Hatches Creek Pty Ltd	243	99
Hale Energy Limited	326	1995
TM Gold Pty Ltd	193	-
	5,064	4,660

The loans to subsidiaries are non-interest bearing, unsecured and are repayable upon reasonable notice having regard to the financial stability of the company.
The Company has issued letters of financial support for a term of 12 months to each of the Australian based subsidiary entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 £'000	2009 £'000
11 MINING AND FEASIBILITY COSTS – GROUP		
Cost		
At 1 July	**1,299**	1,171
Additions	**45**	128
Exchange gain	**212**	-
Research and development grant refund	**(42)**	-
Disposals	**(263)**	-
At 30 June	**1,251**	1,299
Amortisation		
At 1 July and 30 June	**-**	-
Net book value at 30 June	**1,251**	1,299

As at 30 June 2010 the Directors undertook an impairment review of the exploration and development costs, as a result of which, no provisions were required.

	Group		Company	
	2010 £'000	2009 £'000	**2010 £'000**	2009 £'000
12 PROPERTY, PLANT AND EQUIPMENT				
Plant and Equipment:				
At cost	**94**	157	**-**	-
Accumulated depreciation	**(66)**	(80)	**-**	-
Total Property, Plant and Equipment	**28**	77	**-**	-

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.

	2010 £'000	2009 £'000
Group		
1 Jul – Opening Balance	**77**	113
Additions	**-**	6
FX increase	**12**	-
Disposals	**(35)**	(14)
Depreciation expense	**(26)**	(28)
30 Jun	**28**	77
Parent		
1 Jul – Opening Balance	**-**	2
Additions	**-**	-
Disposals	**-**	2
Depreciation expense	**-**	-
30 Jun	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
13 CURRENT TRADE AND OTHER RECEIVABLES				
Trade and other receivables	**26**	24	**-**	-
Security deposits	**2**	2	**-**	-
	28	26	**-**	-
14 CURRENT TRADE AND OTHER PAYABLES				
Trade payables	**(81)**	(48)	**-**	-
Other payables	**(81)**	(48)	**-**	(14)
	(162)	(96)	**-**	(14)
15 PROVISIONS				
Employee benefit provisions	**-**	(8)	**-**	-
	-	(8)	**-**	-
16 INTEREST BEARING LIABILITIES				
Finance leases				
Current	**(7)**	(16)	**-**	-
Non-current	**(13)**	(51)	**-**	-
	(20)	(67)	**-**	-

17 ISSUED SHARE CAPITAL – COMPANY

	2010 £'000	2009 £'000
Authorised:		
3,333,333,333 ordinary shares of £0.003 each	**10,000**	10,000
Issued up and fully paid:		
243,223,763 (2009: 171,476,566) ordinary shares of £0.003 each	**729**	514

	2010 Number	2010 £'000	2009 Number	2009 £'000
Movement in share capital				
At 1 July	**171,476,566**	**514**	149,470,949	448
Share consolidation	**-**	**-**	-	-
Share issues for cash	**71,666,667**	**215**	22,000,000	66
Exercise of warrants	**80,530**	**-**	5,617	-
At 30 June	**243,223,763**	**729**	171,476,566	514

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

17 ISSUED SHARE CAPITAL – COMPANY CONTINUED

Share issues during the year were:	2010 Number	2010 Unit Price	2009 Number	2009 Unit Price
January 2009 (Placement)			22,000,000	£0.01
March 2009			5,617	£0.08
July 2009 (Exercise of Options)	**80,530**	**£0.08**		
July 2009 (Placement)	**45,000,000**	**£0.01**		
February 2010 (Placement)	**16,666,667**	**AUD$0.015**		
May 2010 (Placement)	**10,000,000**	**AUD$0.015**		
Total	**71,747,197**		22,005,617	

Warrants and Options on issue

The following warrants and options have been issued by the Company and have not been exercised at 30 June 2010:

Expires	Exercise Price	Number at end of year 2010	Number at end of year 2009
15 June 2010 (unlisted)[2]	£0.0600	**Nil**	455,000
15 September 2011[1]	AUD $0.18	**5,000,000**	5,000,000

Share options carry no rights to dividends and no voting rights.

[1] *1,000,000 share options were issued to Directors, Billing, Young, Durack, Gardner and Ashton on 02 December, 2008.*

[2] *Lapsed on 29 June 2010.*

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000

18 SHARE OPTION REVALUATION RESERVE

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
At 1 July	**10**	862	**10**	862
Options Expired	**-**	(862)	**-**	(862)
Valuation of 5,000,000 options @ A$0.18 (£0.0832)	**-**	10	**-**	10
At 30 June	**10**	10	**10**	10

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 year ended 30 June 2009.

	December 2008
Dividend yield	0.0%
Underlying Security spot price	A$0.0300
Exercise price	A$0.18
Standard deviation of returns	80.00%
Risk free rate	3.5%
Expiration period	2.81 yrs
Black-Scholes valuation per option	A$0.004

19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2009 £'000	Cash flows £'000	Non-cash changes £'000	30 June 2010 £'000
Cash at bank and in hand	198	(163)	-	35

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

20 POST BALANCE SHEET EVENTS

Other than reported below there were no material events arising subsequent to 30 June 2010 to the date of this report which may significantly affect the operations of the Company, the results of those operations and the state of affairs of the Company in the future.

On 28 July, 2010 93,336,149 ordinary shares were issued pursuant to an open offer and a share placement following approval from the shareholders given at a general meeting held in London on 22 July, 2010. Pursuant to the terms of the placement and open offer 46,668,072 warrants / options were also granted to shareholders on the basis of one warrant /option for every two new shares subscribed. All Directors of the Company participated in the capital raising.

On 16 August 2010 the company issued 45,000,000 ordinary shares (in CDI's) to the vendors and agents of the Dundas Gold project pursuant to the shareholder approval given at the General Meeting held on 22 July 2010 for the exercise of an option to acquire a further 9% in the project and improve the ownership in the tenements to 60%.

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:

	June 10 £'000	June 09 £'000
Cash and short term deposits		
Sterling	**4**	144
Australian Dollars	**31**	54
At 30 June	**35**	198

The financial assets comprise interest earning bank deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

22 FINANCIAL INSTRUMENTS CONTINUED

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.

	2010 Carrying Amount £'000	**2010 Fair Value £'000**	2009 Carrying Amount £'000	2009 Fair Value £'000
Financial assets:				
Cash and cash equivalents	**35**	**35**	198	198
Trade and other receivables	**28**	**28**	26	26
Other	**34**	**30**	5	5
Financial liabilities:				
Trade and other payables	**162**	**162**	96	96
Lease liability	**20**	**20**	67	67

Interest rate risk

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

		Maturing		
30 June 2010 Consolidated	**Effective Interest Rate %**	**< 1 year £'000**	**> 1 to < 2 years £'000**	**Total £'000**
Financial Assets				
Fixed rate				
Term Deposit – AUD	**4.00**	**1**	**-**	**1**
		1		**1**
Financial Liabilities				
Fixed Rate				
Interest bearing liabilities	**7.09**	**7**	**13**	**20**
30 June 2009 Consolidated				
Financial Assets				
Fixed rate				
Term Deposit – GBP	5.00	144	-	144
Term Deposit – AUD	4.00	54	-	54
		198		198
Fixed Rate				
Interest bearing liabilities	7.09	16	51	67

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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., Hatches Creek Pty Ltd., and TM Gold Pty Ltd to enable it to carry out its operations in Australia. At 30 June 2010 the amount outstanding converted to £5,063,610.

Thor Mining PLC engages the services of Ronaldson Solicitors, a company in which Mr Stephen Ronaldson is a Senior Partner. Mr Ronaldson is the UK based Company Secretary. During the period £28,527 was paid to Ronaldson Solicitors on the basis of normal commercial terms.

Thor Mining PLC occupies part of a building and utilises services of staff members provided by Western Desert Resources Limited. Services provided during the year include, but are not limited to, Administrative, Accounting, Payroll and Secretarial duties whereby the terms of charges are governed by a Services Agreement which was prepared on normal commercial terms. The amount paid during the year was £86,471. Western Desert Resources Limited is considered related due to its level of shareholding held in Thor Mining PLC and through its common Directors.

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

ASX ADDITIONAL INFORMATION

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 31st August 2010)

Class of shares and voting rights

a) at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and

b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

On-market buy-back

There is no current on-market buy-back.

Distribution of equity securities

Category (number of shares/warrants)	Number of Shareholders	Number of Warrant and Option holders
1 – 1,000	783	1
1,001 – 5,000	511	3
5,001 – 10,000	356	4
10,001 – 100,000	972	151
100,001 and over	441	71
	3,063	**230**

The number of shareholders holding less than a marketable parcel is 1,792. The minimum parcel size is 41,667 shares.

Twenty largest shareholders as at 31 August 2010

Name	Number of shares held	Percentage of shares held
Western Desert Resources Limited	47,217,974	12.37%
Vidacos Nominees Limited	15,988,167	4.19%
TD Waterhouse Nominees (Europe) Limited	10,281,616	2.69%
Mr P W Askins	9,675,000	2.54%
Mr P W Askins & Mrs H M Ansett	9,675,000	2.54%
Golden Archer Resources Pty Ltd	9,675,000	2.54%
Mr James Ian Stewart	9,675,000	2.54%
ANZ Nominees Limited (Cash Income A/C)	8,924,786	2.34%
L R Nominees Limited	7,748,433	2.03%
Prism Nominees Limited (PRIS)	7,548,000	1.98%
Barclayshare Nominees	5,492,270	1.44%
HSDL Nominees Limited (IWEB)	4,655,646	1.22%
Mr & Mrs M R Billing	4,231,632	1.11%
HSDL Nominees Limited	4,226,060	1.11%
Mick Ashton Nominees Pty Ltd	4,130,769	1.08%
Share Nominees Ltd	3,322,782	0.87%
Millwest Investments Pty Ltd	3,150,000	0.83%
Ontario Pty Ltd	3,150,000	0.83%
Mr Stephen Clarke Jones	2,700,000	0.71%
Mr Rene Holkuist Pedersen	2,634,923	0.69%
TOTAL	174,103,058	45.63%

Listed Option Holders as at 31 August 2010

	Expiry Date	Number of Options held	Percentage of options held
ASX Quoted Group (131)	25/03/2012	28,141,861	100%

These options were granted 28th July, 2010 to the "ASX Quoted Group" pursuant to an open offer and share placement following approval from the shareholders given at a general meeting held in London on 22 July, 2010. The options granted to shareholders were on the basis of one warrant/option for every two new shares subscribed.

Unlisted Option and Warrant holders as at 31 August 2010

Name	Expiry Date	Number of Warrants held	Percentage of Warrants held
Mr M R Billing	15/09/2011	1,000,000	3.50%
Mr J Young	15/09/2011	1,000,000	3.51%
Mr N W Gardner	15/09/2011	1,000,000	3.51%
Mr M K Ashton	15/09/2011	1,000,000	3.51%
Mr G M Durack	15/09/2011	1,000,000	3.51%
Western Desert Resources Limited	31/03/2012	5,000,000	17.52%
United Kingdom Based Shareholder Group (93)	31/03/2012	18,526,211	64.94%
TOTAL Unlisted Options/Warrants		28,526,211	100.00%

The unlisted warrants held by the "United Kingdom Based Shareholder Group", mentioned above, were granted on 28th July, 2010 pursuant to an open offer and share placement following approval from the shareholders given at a general meeting held in London on 22 July, 2010. The warrants granted to shareholders were on the basis of one warrant/option for every two new shares subscribed.

Stock Exchanges

Thor Mining PLC shares 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 2009/10 ("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, and 2.3

2.1 Majority of the Board should be Independent Directors

The Board considers that Mr G Durack and Mr T J Ireland 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 Michael Billing is the Executive Chairman and is not considered to be independent in respect of the ASX Corporate governance Council's definition of independence by virtue that Mr Billing is a former Director and Chairman of Western Desert Resources Limited., the largest shareholder of Thor Mining PLC. The board considers that the expertise and dedication of Mr Michael Billing gives cohesiveness and organisation to the board and its functions.

2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual

Mr Michael Billing as the Executive Chairman has also fulfilled the role of Chief Executive Officer of the Company following the departure of the former Chief Executive. It is planned that Mr Billing continues in this role until such time as a new chief executive is recruited.

ASX ADDITIONAL INFORMATION

ASX CORPORATE GOVERNANCE DISCLOSURE CONTINUED

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 advisers are engaged to identify possible new candidates for the Board.

Recommendation 4.2

A separate Audit Committee has not been formed.

Recommendation 4.3

The role of the Audit Committee is carried out by the full Board which does not comprise of 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 has not been disclosed. However, an evaluation of the Board, Directors and key executives does occur on an informal basis at least annually by the Chairman in conjunction with key Directors.

Recommendation 9.2

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

Skills, experience, expertise and term of office of each Director
A profile of each Director containing the applicable information is set out on the Company's website and elsewhere within this document.

Identification of Independent Directors
Mr G Durack and Mr T J Ireland 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 at scheduled Board meetings.

Names and qualifications of audit committee members
The full Board performs the functions of the Audit Committee. Mr Michael Billing is financially literate.

Number of audit committee meetings and names of attendees
During the Reporting Period representatives of 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.

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