

THOR

MINING PLC

PROSPECTUS

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ARBN 121 117 673

Prospectus

For the offer of up to 50,000,000 Offer Shares at an issue price of 20 cents with one free attaching listed Warrant for every two Offer Shares to raise \$10,000,000 with the Company reserving capacity for Oversubscriptions for a further 2,500,000 Offer Shares at an issue price of 20 cents with one free attaching listed Warrant for every two Offer Shares to raise a further \$500,000 solely to ensure a minimum spread of Shareholders is received.

Lead Manager and Underwriter

**Patersons Securities Limited
ABN 69 008 896 311**

Important Notice

**This is an important document that should be read in its entirety.
If you do not understand it, you should consult your professional advisor without delay.**

The Offer Securities offered by this Prospectus should be considered speculative.

The Offer is only made to Applicants in Australia with an address in Australia and is only capable of acceptance by Applicants in Australia with an address in Australia. The Offer is not an offer of securities in the United Kingdom.

Corporate Directory

Directors and Management

| | |
|------------------|-------------------------|
| JOHN W BARR | Executive Chairman |
| JOHN A YOUNG | Chief Executive Officer |
| P MARK SMYTH | Non Executive Director |
| GREGORY M DURACK | Non Executive Director |

Chief Financial Officer

DAMIAN P DELANEY

Joint Company Secretaries

STEPHEN F RONALDSON
DAMIAN P DELANEY

Registered and Principal Office

United Kingdom
Level 3, 55 Gower Street
London WC1E 6HQ

Australia
C/- Sunsphere Pty Ltd
Level 3, 30 Richardson Street
West Perth, Western Australia 6005

From 30 August 2006 New Address:
Level 1, 282 Rokeby Road
Subiaco WA 6008

Telephone: +618 9327 0900
Facsimile: +618 9327 0901

Website

www.thormining.com

Shareholder Enquiries

corporate@thormining.com

Share Registry

United Kingdom
COMPUTERSHARE INVESTOR SERVICES plc
The Pavilions
Bridgewater Road
Bristol BS99 7NH, United Kingdom

Australia
COMPUTERSHARE INVESTOR SERVICES Pty Ltd
Level 2, 45 St Georges Terrace
Perth, Western Australia 6000

Telephone: +618 9323 2000
Facsimile: +618 9323 2033

Nominated Adviser & Broker

(for the AIM Market of the London Stock Exchange)
ARM CORPORATE FINANCE LIMITED

Solicitors to the Company

As to Australian Law
HARDY BOWEN

As to English Law
RONALDSONS

Auditor

CHAPMAN DAVIS LLP
Chartered Accountants

Independent Accountant

SOMES & COOKE
Chartered Accountants

Independent Consulting Geologist

CONTINENTAL RESOURCE MANAGEMENT PTY LTD

Stock Exchange Listings

Australian Stock Exchange
Proposed ASX Code: THR

London Stock Exchange
The AIM Market of the London Stock Exchange
AIM Code: THR

Frankfurt Stock Exchange
Code: T5M

Lead Manager & Underwriter

PATERSONS SECURITIES LIMITED
Level 23
2 The Esplanade
Perth, Western Australia 6000

Telephone: +618 9263 1111
Facsimile: +618 9325 5123

Important Notes and Statements

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" IN SECTION 10 OF THIS DOCUMENT.

This Prospectus is dated 8 August 2006. A copy of this Prospectus has been lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Offer Securities will be issued or granted on the basis of this Prospectus later than thirteen months after the date of this Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus. The Offer Securities offered under this Prospectus should be considered speculative. The Company is at an early stage of its development therefore the risks associated with the Company and investing in the Company are significant, those risks are set out in Section 10. Potential investors should carefully consider these factors in light of personal circumstances and seek advice from their professional adviser before deciding whether to invest. The Offer Securities carry no guarantee in respect of the return on capital investment, payment of dividends or the future value of the Shares.

This Prospectus is available in electronic form via www.thormining.com or www.psl.com.au. The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge) by telephoning the Company on +618 9327 0900 or Patersons on +618 9263 1111. Applications for Offer Securities may only be made on the Application Form attached to or accompanying this Prospectus or in its paper copy form as downloaded in its entirety from www.thormining.com. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Securities will only be issued upon receipt of an Application Form issued together with the Prospectus.

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the exposure period.

No person is authorised to give any information or to make any representation in connection with the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may be not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Certain terms and abbreviations used in the Prospectus have defined meanings explained in the "Glossary of Terms and Abbreviations" Section 13 of this Prospectus.

Distribution Restrictions – The distribution of this document in jurisdiction other than Australia may be restricted by law, and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction.

This Prospectus should be read in its entirety. The Offer contained in this Prospectus does not take into account the investment objectives, financial situation and particular needs of the investor. Please carefully read the instructions on the accompanying Application Form. If you are in any doubt as to the course to follow or whether to invest you should consult your stockbroker, accountant, other professional advisers or solicitor immediately.

UNITED KINGDOM RESIDENT SHAREHOLDERS

The Offer is not an offer of securities in the United Kingdom and is therefore not an offer capable of acceptance by residents of the United Kingdom. The Offer is only made to Applicants in Australia with a residential address in Australia and is only capable of acceptance by Applicants in Australia with a residential address in Australia. If a copy of this Prospectus is provided to existing Shareholders who are resident in the United Kingdom it is provided only for information purposes.

REPORTING OF EXPLORATION RESULTS AND MINERAL RESOURCES

The information contained in the Independent Geologist's Report (Section 5) was compiled by CRM. Otherwise, information that relates to exploration results, mineral resources and ore reserves has been compiled by the Company and is based on information provided by Mr JGG Doepel, who is a member of the Australian Institute of Mining and Metallurgy. All information of this type is expressed in terms of the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Doepel 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 "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Indicative Timetable of the Offer

| | |
|--|-------------------|
| Lodgement of Prospectus with ASIC and AIM | 8 August 2006 |
| Meeting of shareholders of Batavia | 9 August 2006 |
| Priority Entitlement Date | 15 August 2006 |
| Priority Offer and Public Offer open | 15 August 2006 |
| Thor EGM and Annual General Meeting | 5 September 2006 |
| Priority Offer Closing Date | 8 September 2006 |
| Public Offer Closing Date | 8 September 2006 |
| Shortfall Notification Date | 12 September 2006 |
| Allotment Date and issue of Offer Securities | 18 September 2006 |
| New Shares and Warrants admitted to AIM | 22 September 2006 |
| Listing Date and trading of Shares and Warrants on ASX | 22 September 2006 |

Notes

Investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer earlier or later than as indicated above without prior notice to investors. The date the Offer Securities are expected to be issued and/or commence trading on the Official List of ASX may vary with any change to the Closing Date.

Offer Statistics

| | | |
|--|-----|------------------------|
| Offer Price | AUD | 20 cents |
| | UK | 8.1 pence ¹ |
| Maximum number of Offer Shares to be issued | | 50,000,000 |
| Maximum number of Shares to be issued pursuant to acceptance of Oversubscriptions | | 2,500,000 ² |
| Offer Shares to be issued as a percentage of the Enlarged Share Capital | | 39.7 per cent |
| Maximum number of Shares on issue following admission of the Offer Securities on AIM and ASX | | 132,391,666 |
| Maximum number of Warrants on issue immediately following admission of the Offer Securities on AIM and ASX | | 68,695,833 |
| Maximum number of Unlisted Options on issue immediately following admission of the Offer Securities on AIM | | 19,696,666 |
| Maximum proceeds of Offer (including proceeds from Oversubscriptions) | AUD | \$10.5M |
| | UK | £4.25M ¹ |
| Market Capitalisation of the Enlarged Group at the Offer Price | AUD | \$25.978M |
| | UK | £10.52M ¹ |

1. Assumes an exchange rate of: £1.00 equals \$2.47.
2. Directors can accept Oversubscriptions of 2,500,000 Shares and 1,250,000 Warrants pursuant to the Offer made under the Prospectus, to ensure minimum spread is achieved.

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Chairman's Statement

Dear Potential Investor

This Prospectus provides you with the opportunity of investing in Thor Mining PLC ("**Thor**").

Thor is an AIM listed company whose principal asset is the "Molyhil" Tungsten – Molybdenum project located in central Australia.

Molyhil project is currently the subject of the Definitive Feasibility Study which will use as its base the existing JORC resource.

Thor has also recently agreed to acquire Hale Energy Ltd ("Hale Energy"), a condition of that acquisition is the listing of Thor on the ASX.

Hale Energy has a number of uranium projects which will be aggressively and systematically explored and evaluated. This expanded asset base of Thor and in particular the inclusion of the Hale Energy uranium prospects should provide an opportunity to deliver increased Shareholder value.

As the world consumes finite fossil fuels, developed and developing nations are reviewing their energy options. There has been an increase in focus on the potential for nuclear energy to provide part of the answer to the world's energy needs.

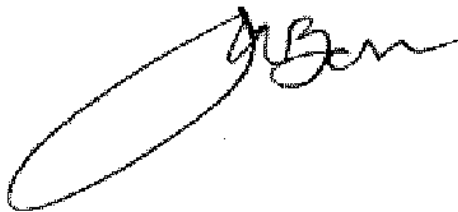
This Prospectus is to raise up to AUD \$10.5 million (including Oversubscriptions) for completion of the Definitive Feasibility Study and for exploration on the Company's uranium and other projects.

The Board and management has extensive exploration and mining experience and are committed to developing these assets in a responsible manner and adding value to the Company for the benefit of Shareholders.

This Prospectus includes information about the Company and its assets together with details of the risks associated with investing in Thor.

I urge you to read this Prospectus and look forward to welcoming you as a Shareholder of Thor.

Yours sincerely
THOR MINING PLC

A handwritten signature in black ink, appearing to read 'JBarr', written over a large, loopy, oval-shaped scribble.

John W Barr
Executive Chairman

1. The Company

1.1 The Company

Thor was established as a mineral exploration and development company, with its principal project being the "Molyhil" tungsten-molybdenum deposit in the Northern Territory of Australia. Thor is currently listed on the AIM market of the London Stock Exchange. Details of the trading history of Shares of Thor in the last twelve months are in Section 3.8. Following admission to AIM in June 2005, Thor has completed additional exploration, a new JORC resource and a Scoping Study at Molyhil. The Definitive Feasibility Study is now underway and is scheduled for completion in the fourth quarter of 2006.

Thor proposes to expand its interests through the acquisition of Hale Energy which has a number of uranium prospects in the Northern Territory of Australia.

Tungsten

Tungsten is a most distinctive metal with some extreme physical properties. It is extremely dense being the hardest pure metal and the strongest of all metals. Tungsten has the highest melting point of all metals and the second highest of all elements, it has a high resistance to corrosion and high thermal and electrical conductivity. In addition it is environmentally friendly and has a very low toxicity.

Molybdenum

Molybdenum is an important metal and the refractory metallic element used primarily as an alloying agent in steel, cast iron and super alloys to enhance hardness, strength and toughness and wear and corrosion resistance.

Uranium

The Directors consider that the current outlook for the uranium price is strong. Presently there is a global deficit in uranium with annual mine production supplying less than current demand for power generation. This has largely driven the price from approximately US\$10/lb to over US\$40/lb in the past two years.

1.2 Acquisition of Hale Energy

Hale Energy was incorporated in Australia on 24 June 2005 and owns uranium tenements and tenement applications in the Northern Territory of Australia.

Under the terms and conditions of the Acquisition Agreement Thor will acquire Hale Energy (including any parent company indebtedness on completion) for an aggregate consideration of AUD\$3.2 million, satisfied by the issue of the Batavia Securities. Completion of the Acquisition Agreement is subject to Shareholder approval and ASX listing.

Further details of the Acquisition Agreement are in Section 9.1 of this Prospectus.

1.3 Projects Overview

For further detailed information on Company's projects refer to the Independent Geologists Report in Section 5.

TUNGSTEN - MOLYBDENUM ASSETS

Thor has a portfolio of properties in the Northern Territory of Australia.

The Molyhil Tungsten - Molybdenum Project

The Molyhil deposit occurs in two adjacent skarn bodies that contain outcropping molybdenite and scheelite mineralisation. Since mid 2004 it has been the subject of systematic test work: comprised of geophysical exploration, a diamond and RC drilling programme, surface and underground bulk sampling, metallurgical test work and a geotechnical study.

In the second half of 2005 a comprehensive underground trial mining and bulk sampling program was commissioned by Thor. The program was undertaken to evaluate the true head grade and mineralogical characteristics of the deposit. It was this program which provided the basis for an updated estimation of resources at Molyhil.

The Molyhil tungsten – molybdenum deposit contains Resources totalling 2.4Mt at 0.54% WO₃ and 0.26% MoS₂ (a Measured Resource of 370,000t at 0.52% WO₃ and 0.32% MoS₂, an

Indicated Resource of 1,750,000t at 0.52% WO₃ and 0.26% MoS₂, and an Inferred Resource of 250,000t at 0.7% WO₃ and 0.2% MoS₂).

Magnetic modelling of the Southern and Yacht Club ore-bodies indicates the mineralised zone extends to at least 300 metres vertical depth and has the potential for additional high grade ore.

An Indigenous Land Use Exploration Agreement that permits exploration currently exists for the granted exploration licence. Agreements for the applications within this project area and a mining agreement to allow mining are currently in the process of negotiation with the Central Land Council, and traditional owners. See Section 8 for more information.

Subsequent to the completion of the updated resource statement, the Company completed a Scoping Study. Outcomes of the Scoping Study included:

- (i) 300,000 tonne per annum open pit mining operation for an initial 4 years production;
- (ii) estimated cash costs of AUD\$80 per tonne; and
- (iii) an estimated capital cost of AUD\$21 million.

Based on the above outcomes and commodity prices of tungsten ore min 65% is USD\$240mtu, and molybdenum roasted concentrates (oxide) 57% Mo USD\$24/lb Mo and an exchange rate of US\$0.75 to AUD\$1 the Molyhil project is likely to have a positive pre tax operational cash flow of AUD \$140m over a 4 year mine life.

As at 4 August 2006 the commodity prices of tungsten ore min 65% is USD\$200/mtu and molybdenum roasted concentrates (oxide) 57% Mo USD\$26/lb Mo. The Scoping Study was undertaken within an accuracy level of +/- 30% on project inputs. The Scoping Study makes certain assumptions regarding the project including acceptable recovery rates of minerals with little or no analysis. Recovery rates of the project will be investigated in detail as part of the Definitive Feasibility Study. The Scoping Study has demonstrated that the project has a high level of sensitivity to commodity prices.

Thor has decided to proceed immediately with the Definitive Feasibility Study which is targeted for completion in the December quarter of 2006. The Definitive Feasibility Study has adopted accuracy levels of +/- 10 to 15% on all project inputs.

The Definitive Feasibility Study is being completed by independent consulting engineers. The Definitive Feasibility Study will provide all necessary information to an accuracy level to enable the Directors to consider a production decision in respect of the project. It will also include a sensitivity analysis.

The Directors have allocated funds from the Offer to the completion of the Definitive Feasibility Study and the completion of additional exploration of the Molyhil project.

Until the Definitive Feasibility Study is complete Thor cannot provide any assurance that the results of the Scoping Study will be replicated by the more detailed investigations of the Definitive Feasibility Study.

If the Directors resolve to proceed to production a number of key milestones will need to be achieved, including financing the capital and working capital requirements of the project and completing suitable off take agreements for the sale of potential production. At the present time none of these key milestones have been completed.

Hatches Creek

Hatches Creek project is comprised of a group of tenements located in the central portion of the Northern Territory.

The Hatches Creek project has not been subjected to modern exploration for vein hosted mineralisation. Shear systems have not been systematically tested for gold mineralisation nor have the eluvial and alluvial sediments been systematically tested for wolframite. A provision for exploration funds has been made for this project.

URANIUM ASSETS

Through the Acquisition, Thor will acquire a number of project areas in the Northern Territory of Australia with prospectivity for uranium mineralisation with a history of exploration and proximity to existing discoveries. Several of the projects have had prior exploration which was in most cases inadequate. The projects are at various stages of evaluation.

Hale River Project

The Hale River project covers 160km² of Tertiary basin sediments. These sediments are prospective for palaeochannel roll-front type uranium deposits. Previous exploration of the project area, undertaken between 1979 and 1981, delineated a redox front within sands containing anomalous uranium.

The tenement constituting this project is granted. The Company's proposed exploration program will include an airborne HoisTEM survey over the interpreted redox boundaries followed by close-spaced drilling of target zones. Previously identified lignite seams will also be drilled as these represent targets for high grade uraninite or coffinite where lignite has been replaced by black uranium oxides.

Harts Range Project

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

Thor's proposed exploration program at Harts Range will initially focus on structurally controlled high-grade mineralisation and will comprise detailed field mapping, ground surveys and follow up drilling.

The tenements on which this project is located are granted tenements.

Plenty Highway and Bunday River Projects

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

The Plenty Highway tenement has been granted. The Bunday River tenement is still under application.

Curtis Pound Prospect

The Curtis Pound project is situated over Proterozoic rocks of the Tennant Inlier and contains a number of identified radiometric anomalies.

The tenements on which this project is located are granted.

1.4 Government Policy, Sustainable Development and Traditional Landowners

All of the projects/prospects and proposed activities should be considered together with current government policy and the view of the traditional owners, particularly in the case of the uranium projects.

The Australian Commonwealth Government is responsible for uranium mining in the Northern Territory and permits uranium mining under strict conditions after an extensive approval process. Current and future government policy may have an effect on the activities of Thor.

Thor understands that strong community relations, environmental sensitivity and effective corporate governance are all fundamental factors in sustainable development. Thor believes that a commitment to sustainable development is vital to maintaining supportive relations with Land Councils, native titleholders and the community at large.

Thor is aware of its responsibilities to local communities as well as Shareholders. Respect for the environment, native title and local communities leads to more efficient and successful operations.

Thor endeavours to comply with all legal requirements affecting its business, including in particular occupational health and safety, the environment, native title and cultural heritage laws.

Thor recognises, considers and respects that environmental issues may arise from the Company's activities. Thor complies with all applicable legal requirements in order to reduce any potential negative impact from its operations.

For further details about this and the other risks of investing in the Offer Securities under the Offer refer to Section 10 of this Prospectus.

1.5 Objectives

The Company's objectives over the two years following admission to the Official List are to:

- (i) Complete the Definitive Feasibility Study at Molyhil and if the Directors resolve to proceed, seek to bring the project into production in 2007.
- (ii) Explore the projects detailed in this Prospectus in accordance with the budget and the recommendations set out in the Independent Geologist's Report in Section 5 of this Prospectus.
- (iii) If seen fit by the Board, pursue other opportunities to expand the Company's portfolio of mineral assets.

Following the Completion of the Offer and excluding development costs at Molyhil, the Directors are of the opinion that the Company will have enough working capital to carry out its stated objectives.

1.6 Application of funds

The following table sets out how the Company intends, as at the date of this Prospectus, to apply the funds raised pursuant to the Offer over the two years following the Listing Date:

| Description | \$ |
|---|-------------------------------|
| Molyhil Definitive Feasibility Study | 1,364,000 |
| Project Exploration (refer table below) | 4,594,000 |
| Expenses of the Offer | 865,000 |
| Corporate overheads | 1,821,000 |
| General working capital | 1,356,000 |
| Total | 10,000,000¹ |

1. Any net funds raised as a result of the Company accepting Oversubscriptions (where the amount raised is greater than \$10,000,000 and up to \$10,500,000) will be allocated to general working capital.

The Company has existing cash reserves of approximately \$1.0m at the date of this Prospectus. The funds will contribute to additional general working capital.

1.7 Indicative Exploration Expenditure

The Company believes that the following expenditure amounts is justified.

| Project | Year 1 (\$) | Year 2 (\$) | Total (\$) |
|----------------|------------------|------------------|------------------|
| Molyhil | 590,000 | 122,000 | 712,000 |
| Hatches Creek | 230,000 | 290,000 | 520,000 |
| Hale River | 365,000 | 232,000 | 597,000 |
| Plenty Highway | 375,000 | 90,000 | 465,000 |
| Harts Range | 1,240,000 | 310,000 | 1,550,000 |
| Curtis Pound | 460,000 | 90,000 | 550,000 |
| Bundey River | - | 200,000 | 200,000 |
| | 3,260,000 | 1,334,000 | 4,594,000 |

The above exploration programs are subject to change and are contingent on circumstances, results and other opportunities. Expenditure may be reallocated amongst existing or new projects or to general working capital. If tenements are not granted for Bundey River, the Company may reallocate funds to other projects above having regard to the recommendations made in the Independent Geologist's Report in Section 5.

Where applicable the figures in the tables in Sections 1.6 and 1.7 assume the following exchange Rates: AUD\$1 = £0.405.

It is the opinion of CRM that the Tenements are worthy of continued exploration, and that the programmes and budgets proposed for the projects are appropriate (see Section 5 for more information). It is not possible to accurately determine the outcome of exploration and considerable variation to the proposed exploration programmes and budgets may be required as new data becomes available.

1.8 Pro forma Balance Sheet 30 June 2006

| | £'000s ¹ | \$'000s | Net Raising | Purchase of Hale Energy | PRO FORMA Balance Sheet of Enlarged Group |
|-----------------------------------|---------------------|--------------|-------------|-------------------------|---|
| Assets | | | | | |
| Non Current Assets | | | | | |
| Plant & equipment at cost | 9 | 21 | | | 21 |
| Intangible Assets (inc. Goodwill) | 1,445 | 3,569 | | 3,200 | 6,769 |
| Total non current assets | 1,454 | 3,590 | | | 6,790 |
| Current Assets | | | | | |
| Cash and cash equivalents | 484 | 1,197 | 9,635 | | 10,832 |
| Trade and other receivables | 32 | 80 | | | 80 |
| Other | 19 | 46 | | | 46 |
| Total current assets | 535 | 1,323 | | | 10,958 |
| Total Assets | 1,989 | 4,913 | | | 17,748 |
| Current Liabilities | | | | | |
| Trade and other payables | (88) | (218) | | | (218) |
| Total current liabilities | (88) | (218) | | | (218) |
| Net Assets | 1,901 | 4,695 | | | 17,530 |
| Equity | | | | | |
| Issued Share Capital | 2,120 | 5,235 | 9,635 | 3,200 | 18,070 |
| Reserves | 564 | 1,392 | | | 1,392 |
| Retained earnings/(loss) b/fwd | (99) | (244) | | | (244) |
| Current year profit/(loss) | (684) | (1,688) | | | (1,688) |
| Equity | 1,901 | 4,695 | | | 17,530 |

¹ Exchange Rate of AUD\$1 = £0.4049

It is a requirement of the AIM Listing Rules that this Prospectus includes the Financial Statements of Hale Energy. These are included in Annexure 1.

2. Board, Management and Corporate Governance

2.1 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

John W Barr

CA FAICD, aged 50, Executive Chairman

Mr John W Barr qualified as a Chartered Accountant in 1981 and has subsequently developed experience in the natural resources sector through the management of private and public companies, establishing a number of successful start-up companies, capital reconstructions, fund raisings, mergers and acquisitions and floats in Australia and internationally. He has acted as an executive director of companies operating in Australia, Philippines, Indonesia, Vietnam and South Africa.

John A Young

B App Sc, M AusIMM, Grad Dip Tech Management, aged 40, Chief Executive Officer

Mr John A Young is a geologist with experience in resource project management. He is a Member of the Australian Institute of Mining and Metallurgy, and has worked on a wide variety of mineral and resource projects throughout Australia in operational and management roles.

Mr Young has most recently held senior management and operational positions with Haddington Resources Ltd and Arrow Resources Management Pty Ltd (a management arm of Rothschild).

Gregory M Durack

B App Sc, M AusIMM, aged 47, Non-executive Director

Mr Gregory M Durack is a Member of the Australian Institute of Mining and Metallurgy. A metallurgist with over 20 years experience in Australia, Papua New Guinea and Greece, Mr Durack has worked on a number of mineral and resources projects, in operational and development management roles.

Mr Durack has previously held senior management positions with Normandy Mining Limited and Newmont Australia. He is currently Managing Director of Batavia.

P Mark Smyth

MA, aged 65, Non-executive Director

During his career Mr P Mark Smyth has held a number of directorships over a wide range of international and resource companies. He began his career in the mining industry in 1969 with Selection Trust where he was part of the project development team for the Mt Newman Iron Ore and Agnew nickel projects in Australia.

Since 1975 he has co-founded a number of companies involved in the exploration and production of gold, oil, gas and diamonds. Mr Smyth is currently Chairman of Magyar Mining Plc and Simba Mines Inc., the Commercial Director of European Oil Limited and the Chief Executive Officer of Cityview Corporation Limited.

2.2 Company Secretary and Chief Financial Officer

Damian P Delaney

Chief Financial Officer and Joint Company Secretary

Mr Damian P Delaney is a Chartered Accountant with many years experience working with international listed companies.

Mr Delaney commenced his career in South Africa, before taking up a series of positions in the United Kingdom. He has held a number of senior CFO and Finance Director positions in the UK. Mr Delaney manages all aspects of the Company's financial reporting, regulatory and IT operations.

Stephen F Ronaldson

Joint Company Secretary

Mr Stephen F Ronaldson is the joint company secretary as well as a partner of the Company's UK legal advisers, Ronaldsons. Mr Ronaldson has a Masters of Arts degree 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 Markets Act work and placements and admissions to AIM and Ofex. Mr Ronaldson is currently company secretary for a number of companies including AIM-listed PLCs.

Nominated adviser & broker

Under the AIM Rules Thor is required to retain a nominated adviser and broker at all times. If an AIM company ceases to have a nominated adviser the London Stock Exchange will suspend trading in its AIM securities. If within one month of that suspension the AIM company has failed to appoint a replacement nominated adviser the admission of its AIM securities will be cancelled.

ARM was appointed nominated adviser and broker to the Company on its admission to AIM on 29 June 2005.

2.3 Corporate Governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- (a) Protection and enhancement of shareholder value.
- (b) Formulation, review and approval of the objectives and strategic direction of the Company.
- (c) Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results.
- (d) Approving all significant business transactions including acquisitions, divestments and capital expenditure.
- (e) Ensuring that adequate internal control systems and procedures exist and the compliance with these systems and procedures is maintained.
- (f) The identification of significant business risks and ensuring that such risks are adequately managed.
- (g) The review of performance and remuneration of executive directors and key staff.
- (h) The establishment and maintenance of appropriate ethical standards.

In addition to these responsibilities, the Board recognises the need for the Company to operate with the highest standards of behaviour and accountability and has adopted, where appropriate, the principles of good corporate governance.

Thor is a company registered and domiciled in the United Kingdom and currently admitted to trading on AIM. In achieving its listing in this jurisdiction it has complied with the corporate governance requirements of the Combined Code where relevant to smaller companies.

These requirements are similar in many respects to the corporate governance requirements of ASX in Australia.

Thor has established a number of Board committees to assist the Board in providing good governance. An audit committee has been established comprising Mr P Mark Smyth (Chairman) and Mr Gregory M Durack. The primary role of the audit committee is to review the accounts of the Company and its subsidiary and to liaise with the external auditors. Thor has drawn up an Audit Committee Charter to assist the committee in carrying out its duties.

A remuneration committee has been established to review senior executive remuneration. The committee comprises Mr P Mark Smyth (Chairman) and Mr Gregory M Durack. Thor has drawn up a Remuneration Committee Charter to assist the committee in carrying out its duties.

In addition to the above committees Thor has set out a policy called the Share Dealing Code for dealing in the Company's securities. The policy outlines the methodology for dealing in the securities of the Company and seeks to prevent dealing by executives or members of the Board of Directors and employees in 'closed periods' or in situations where there is unpublished price sensitive information. The Share Dealing Code defines closed periods as periods two months prior to the reporting of Annual and Half Yearly financial information by the Company.

All policies and charters published by Thor are available on its web site.

In order to assist in understanding the areas where Thor has not met all of the ASX 'Best Practice' requirements for good corporate governance the departures are set out below:

Principle 2.1, 2.2 Independent Directors, Independent Chairman

The Board has appointed one independent non executive Director (P Mark Smyth) however it considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive Directors. The Board believes that 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 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 Company's Chairman, Mr John W Barr and Directors Mr Gregory M Durack and Mr John A Young are considered by the Board not to be independent in terms of the ASX Corporate Governance Council's definition of independent director. However, the Board believes that the Directors are able and do bring quality and independent judgement to all relevant issues falling within the scope of the role of a Chairman, non executive Director and a chief executive officer, respectively.

Principle 2.4 Nomination Committee

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 of attributes required in new Directors. Where appropriate independent consultants will be engaged to identify possible new candidates for the Board.

Principle 4.3 Structure of Audit Committee

Thor has established a separate Audit Committee chaired by the independent chairman Mr P Mark Smyth. Mr Gregory M Durack is the other member. However Thor believes that the Audit Committee is appropriate to the size of the Company and that it performs a valuable role for the Board. In addition its members are very capable of delivering sound advice to the Board and of carrying the duties set out in the Audit Committee Charter.

As the Company's activities increase in size, scope and/or nature the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

3. Capital and Corporate Structure

3.1 Consolidation

The Company is proposing to undertake a consolidation of share capital on the basis of one Share for each three Shares held ("**Consolidation**"). The Company is seeking Shareholder approval for the Consolidation at the EGM. See Section 4.3 for further details.

3.2 Issue of Warrants to Existing Shareholders

The Company proposes to issue one Warrant for every two Existing Shares held by Existing Shareholders prior to the completion of the Offer. Shareholder approval is being sought for the issue of these Warrants at no extra cost to each Existing Shareholder. Each Warrant will entitle the holder to subscribe for one Share at a price of 8p per Share. The terms of the Warrants are identical to the terms of the free attaching Offer Warrants issued under the Offer.

Application will be made for the Warrants to be admitted to trading on AIM and ASX. The Warrants will be traded separately from the Shares.

The Warrants which are proposed to be issued to Existing Shareholders will represent 14.5 per cent of the issued Share capital on admission to quotation of the Warrants on AIM on a fully diluted basis.

Details of the Warrants and the terms and conditions attaching to the Warrants are set out in Section 11.5 of this Prospectus.

3.3 Capital Structure

The expected capital structure of the Company following the Offer is as follows:

| | Shares ² | Warrants and Unlisted Options ¹ |
|--|----------------------------|--|
| Current number issued | 191,675,000 | 14,090,000 |
| Consolidation (on a 1 for 3 basis) | (127,783,333) ² | (9,393,334) ² |
| Issue of Warrants to Existing Shareholders | - | 31,945,833 ² |
| | 63,891,666 | 36,642,499 |
| Issue of Batavia Securities to acquire Hale Energy | 16,000,000 ³ | 8,500,000 ³ |
| Issue of Unlisted Options | - | 15,000,000 ⁵ |
| | 79,891,666 | 60,142,499 |
| Offer Securities | 52,500,000 ⁴ | 26,250,000 ⁴ |
| Issue of Patersons Warrants | - | 2,000,000 |
| Enlarged Share Capital | 132,391,666 | 88,392,499 |

1. A Warrant or Unlisted Option each entitle the holder to acquire one ordinary fully paid Share in the capital of the Company.
2. The Consolidation and the issue of Warrants to Existing Shareholders are subject to Shareholder approval at the EGM and Thor listing on ASX.
3. The issue of 16,000,000 Shares and 8,500,000 Warrants to Batavia in consideration for the acquisition of Hale Energy is conditional on approval of the shareholders of Batavia and Thor and Thor listing on ASX.
4. Directors can accept Oversubscriptions of 2,500,000 Shares and 1,250,000 Warrants pursuant to the Offer made under this Prospectus.
5. See Section 11.8 for information on the issue of Unlisted Options.

3.4 Substantial Shareholders

Following the Consolidation and the proposed issue of the Batavia Securities to acquire Hale Energy, those holders shown below will own in excess of 3% of the Shares:

| | | |
|------------------------------------|------------|-------|
| Batavia | 16,000,000 | 12.1% |
| Tennant Creek | 15,000,000 | 11.3% |
| RAB Special Situations Master Fund | 12,916,116 | 9.6% |
| Vidacos Nominees Limited | 6,788,226 | 5.1% |

The above shareholdings and percentages do not include participation by the above parties in the Public Offer.

3.5 ASX Escrow

Under the ASX Listing Rules, securities issued to promoters, seed capital investors and others prior to the Offer may be subject to the restricted securities provision of the ASX Listing Rules. Accordingly, a proportion of securities issued by the Company, to be determined by ASX, may be required to be held in escrow for a period of time, as determined by ASX.

Shares held by Tennant Creek and Mr P Mark Smyth, a Director of Thor, were subject to escrow for 12 months from the date the Company listed on AIM, expiring on 29 June 2006.

The Shares held by Tennant Creek and Mr P Mark Smyth will be subject to restriction. However, the ASX will take into account the period of time which these securities have already been restricted. Tennant Creek and Mr Smyth will be subject to up to a further 12 months escrow from the date of listing on the ASX.

The Batavia Securities to be issued in consideration for the Acquisition or the Offer Securities will not be subject to any restriction.

3.6 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company. The Directors have no intention of declaring and paying a dividend in the foreseeable future.

3.7 Corporate Structure

The Company is a public company limited by shares that is incorporated and domiciled in England and Wales. Thor will, following completion of the Acquisition hold its mineral assets in two discrete entities. Tungsten and molybdenum assets are held in Sunsphere and uranium assets in Hale Energy. The Company owns 100% of Sunsphere and, following completion of the Acquisition Agreement, Hale Energy.

3.8 Trading history of Shares of Thor in the last twelve months

The Shares have traded on AIM since its listing on 29 June 2005. Details of the trading history for the last twelve months are below.

| | | |
|---------------|--------|----------------|
| Highest Price | 4.375p | 4 October 2005 |
| Lowest Price | 2.500p | 24 July 2006 |
| Closing Price | 3.380p | 4 August 2006 |

(pre-Consolidation price of Shares)

4. Details of Offer

4.1 The Offer

The Company is proposing to raise up to AUD\$10.5 million, including Oversubscriptions and before expenses, by way of the Offer. The Offer Price represents a discount of 20% to the closing mid-market share price on AIM as at 4 August 2006 of 3.38p per share (on a post consolidation basis). The Offer Shares being issued will represent 39.7% per cent of the Enlarged Share Capital. The Offer Shares will be credited as fully paid in cash and will rank pari passu in all respects with the Shares currently on issue.

4.2 Conditions of the Offer

The completion of this Offer, the issue of Offer Securities and the subsequent application to ASX for quotation is conditional on:

- (a) Shareholders approving on the necessary resolutions at the EGM (see Section 4.3 for further details);
- (b) Completion of the Acquisition (including the satisfaction of the conditions of the Acquisition; see Section 9.1 for further details); and
- (c) the Offer Securities being admitted to trading on AIM and ASX

If these conditions are not met within four months the Application Monies will be returned to Applicants (excluding interest).

4.3 Extraordinary General Meeting of Shareholders

The Company will hold the EGM on 5 September 2006 so that Shareholders can vote on all matters required to satisfy the conditions in Section 4.2. It is an AIM requirement that the Company have a valuation of the assets of Hale Energy and that the results of this valuation be given to Shareholders as part of the information required to make the decision about the acquisition of Hale Energy.

The Company engaged CRM to undertake the valuation.

CRM values Hale Energy's mineral tenements as being within the range of AUD\$2.1M and AUD\$3.9M, with a preferred value of AUD\$3.0M. The valuation was prepared using the yardstick method, by which a range of values can be estimated for an exploration property based on current market prices for equivalent properties.

The "yardstick" selected is the recent float of Newera Uranium Limited ("**Newera**"), which listed on the ASX in June 2006, raising AUD\$3.0M in a fully subscribed public offering.

It is CRM's opinion that the portfolio of tenements held by Newera at the time of its float are of similar prospectivity and value to those of Hale Energy. For this reason CRM considers Hale Energy's uranium projects to have a fair market value of approximately AUD\$3.0M.

The two companies' tenement portfolios cannot, however, be considered exactly equivalent and thus CRM is of the opinion that a variation of plus or minus 30% from the \$AUD3.0M value is reasonable. The range of values for the tenements is thus between AUD\$2.1M and AUD\$3.9M.

4.4 Priority Offer to Batavia shareholders

The Company has agreed to offer Batavia shareholders the opportunity to become Shareholders in Thor on a priority basis.

A "Priority Offer" of 30,000,000 Offer Shares together with 15,000,000 Offer Warrants has been set aside for this purpose.

Batavia shareholders registered at the Priority Entitlement Date, and holding at least 10,000 Batavia shares ("**Batavia Priority Shareholders**") will have priority in respect of a minimum application of 10,000 Offer Shares (\$2,000) together with 5,000 free attaching Offer Warrants offered under this Prospectus. Batavia Priority Shareholders may also apply for additional Offer Shares in the Priority Offer in excess of those required to meet the minimum subscription amount. These additional Shares will be allocated to those Batavia Priority Shareholders at the discretion of the Directors. Batavia Shareholders not holding 10,000 Batavia shares may still apply for a minimum application of 10,000 Offer Shares (\$2,000) together with 5,000 free

attaching Offer Warrants offered under this Prospectus and additional Offer Shares but the issue of all of these Offer Securities is at the discretion of the Directors.

The priority entitlement for Batavia Priority Shareholders will only operate for Applications received by the Company on or before the Priority Offer Closing Date.

Applications under the Priority Offer can only be made on the yellow Priority Offer Application Form sent to Batavia Priority Shareholders with this Prospectus.

4.5 Public Offer

The Public Offer is open to public investors including all Batavia shareholders. A total of 20,000,000 Offer Shares and the 10,000,000 free attaching Offer Warrants plus any Offer Securities not subscribed for under the Priority Offer will be offered under the Public Offer.

If you wish to participate in the Public Offer, you should complete the Public Offer Application Form attached with this Prospectus.

Applicants may apply for a minimum parcel of 10,000 Offer Shares representing an investment of \$2,000. Applications received for less than \$2,000 will not be accepted.

Applications for Offer Securities by general investors must be made on the Public Offer Application Form attached to this Prospectus and be received on or before the Public Offer Closing Date.

4.6 Oversubscriptions

The Company may at the discretion of the Board accept Oversubscriptions from Batavia Priority Shareholders or the public wishing to participate in the Offer of up to \$500,000 through the issue of 2,500,000 Offer Shares at an issue price of \$0.20 per Offer Share.

Oversubscriptions received from Applicants under this Prospectus will be limited to the number of allotments of parcels of 10,000 Offer Shares as may become necessary to comply with ASX Listing Rules and will otherwise be allocated at the discretion of Directors.

The maximum amount that can be raised pursuant to this Prospectus is \$10,500,000.

4.7 General discretion

Except as provided in this Prospectus, the Company retains an absolute discretion in allocating Offer Securities under the Offer and reserves the right to allot to an Applicant a lesser number of Offer Securities than the number for which the Applicant applies or to reject an Application. If the number of Offer Securities allotted is fewer than the number applied for, surplus Application Money will be refunded without interest as soon as reasonably practicable after the Listing Date. The acceptance of Applications and the allocation of Offer Securities are at the absolute discretion of the Directors.

The Company will not be liable to any person not allocated Offer Securities.

4.8 Risk factors of the investment

A summary of the risk factors of the investment under the Offer are contained in Section 10.

4.9 Minimum subscription

There is no minimum subscription as the offer is underwritten.

4.10 How to apply

Complete and return the appropriate Application Form accompanying this Prospectus or alternatively, for the Public Offer, complete a paper copy of the Application Form accompanying the electronic Prospectus. The electronic version of the Prospectus can be found at www.thormining.com or www.psl.com.au. The Application Form together with the Application Monies in full must be lodged with the Company's Australian share registry prior to 5.00pm (WST) on the relevant Closing Date.

Please refer to the instructions on the back of the Application Form when completing your Application.

This Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Form as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications without further notice.

4.11 Where to send your application

Completed Application Forms together with Application Monies should be lodged with the Company's share registry prior to 5pm WST on the relevant closing date. Cheques should be crossed not negotiable and made payable to **Thor Mining PLC – Share Account**. Application Forms and Applications Monies should be mailed to:

In person at:

Thor Mining PLC
C/- Computershare Investor Services Pty
Ltd
Level 2
45 St George's Terrace
PERTH WA 6000

By post to:

Thor Mining PLC
C/- Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840

4.12 ASX listing / AIM admission

An application will be made to ASX not later than seven days after the date of this Prospectus for the Company to be admitted to the Official List and for official quotation of CDIs for the Shares and Warrants on ASX. See Section 11.3 for an explanation of CDIs.

The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Offer Securities. Official quotation of CDIs for the Shares and Warrants, if granted, will commence as soon as practicable after the issue of initial shareholding statements to the successful Applicants.

If permission is not granted for the official quotation of CDIs for the Shares and Warrants on ASX within three months of the date of this Prospectus, all Application Moneys received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Application will be made to the London Stock Exchange for all the Offer Securities to be admitted to trading on AIM. It is expected that Offer Securities will be accepted to trading on AIM on the date specified in the Indicative Timetable.

4.13 Allotment and Dispatch

Application Monies will be held in trust for Applicants until allotment of the Offer Securities. Any interest that accrues will be retained by the Company.

Offer Securities issued under the Offer are expected to be allotted, and shareholding statements dispatched, on the Allotment Date.

4.14 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies without interest within 28 days of giving notice of their withdrawal.

4.15 Overseas investors

No action has been taken to permit the public offering of the Offer Securities in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The Offer is only capable of acceptance by Applicants making an Application in Australia with a residential address in Australia. Existing Thor Shareholders and Batavia shareholders with an international address (except in New Zealand) do not qualify to participate in the Priority Offer or the Public Offer. This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The Offer is not an offer of securities in the United Kingdom and is therefore is not an offer capable of acceptance by residents of the United Kingdom. The Offer is only made to Applicants in Australia with a residential address in Australia and is only capable of acceptance by Applicants in Australia with a residential address in Australia. If a copy of this Prospectus is provided to existing Shareholders who are resident in the United Kingdom it is provided only for information purposes.

The return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of such law and that all necessary approvals and consents have been obtained. The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

4.16 Admission, Settlement (CREST, CHESS) and Dealings

The Company will apply to participate in the Clearing House Electronic Sub-register System ("**CHESS**"), operated by ASTC (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of security holders. As a company incorporated in England and Wales, Thor's Share Registry is (and will continue to be) located in the United Kingdom and Share allotments under this Prospectus will take the form of CDIs (see Section 11.3) so that the CDIs will be electronically traded on the ASX in the same manner as securities are typically traded.

The Company will not issue certificates to security holders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Securities issued.

A holding statement will also provide details of a security holder's Holder Identification Number ("**HIN**") (in the case of a holding on the CHESS sub-register) or Security holder Reference Number ("**SRN**") (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Securities held. Security holders may also request a statement at any other time (although the Company may charge an administration fee).

4.17 Underwriting Agreement

Patersons has agreed to subscribe, or procure subscriptions, for the Shortfall Securities on the terms and conditions in the Underwriting Agreement. The number of Shortfall Securities to be subscribed for will be the difference between 50,000,000 Shares and the number of Shares applied for under valid Applications received under the Priority Offer and the Public Offer. The material terms of the Underwriting Agreement are in Section 9.5.

The Underwriting Agreement is fully sub-underwritten. The material terms of the sub-underwritings and details of the participation by Messrs John W Barr and John A Young and Tennant Creek as sub-underwriters are in Section 11.11.

Application for Shortfall Securities shall be made under an Application Form which will be sent with this Prospectus to the parties to whom an offer is made as determined by Patersons.

5. Independent Geologists Report

CONTINENTAL RESOURCE MANAGEMENT PTY LTD

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PO Box 307
BELMONT W.A. 6984
Australia

ACN 009 366 929
Facsimile +61 8 9478 3986
Phone +61 8 9478 3987
Email crm@iinet.net.au



3rd August 2006

The Directors
Thor Mining PLC
3rd Floor
55 Gower Street
London WC1E 6HQ
UK

Dear Sirs,

CONSULTING GEOLOGIST'S REPORT

This report has been prepared by Continental Resource Management Pty Ltd ("CRM"), an independent geological consultancy established in 1989, for inclusion in this Prospectus at the request of Thor Mining PLC ("Thor" or the "Company"). The report has been prepared to provide an independent geological assessment of the Company's mineral exploration projects and proposed exploration programmes on those properties, which are located in the Northern Territory of Australia, in preparation for the listing of the Company on the Australian Stock Exchange ("ASX").

Thor has acquired an interest in seven groups of tenements ("Tenements") located in the Northern Territory, Australia.

The Tenements include the Molyhil tungsten–molybdenum deposit, the top 15m of which was mined by an open-cut between 1975 and 1981 and which contains Resources totalling 2.4Mt at 0.54% WO₃ and 0.26% MoS₂ (a Measured Resource of 370,000t at 0.52% WO₃ and 0.32% MoS₂, an Indicated Resource of 1,750,000t at 0.52% WO₃ and 0.26% MoS₂, and an Inferred Resource of 250,000t at 0.7% WO₃ and 0.2% MoS₂). Thor has carried out bulk sampling programmes and metallurgical test-work on the Molyhil deposit. Following completion of a Scoping Study it has commissioned a Definitive Feasibility Study on the mining of the deposit.

Thor is also acquiring tenements over five project areas within the central Northern Territory that are prospective for uranium mineralisation.

CRM's assessment of the Tenements is based upon technical information provided by Thor. CRM originally collated those portions of the information used in the preparation of the consulting Geologists' Report for Thor's initial listing on the AIM Market of the London Stock Exchange. CRM has previously provided independent geological consultancy services to Tennant Creek Gold Limited ("TCG") to provide advice on the Molyhil deposit that included the proposed exploration programmes, assistance with structural geology, the preparation of the resource estimations - reported in accordance with the JORC code, and recommendations in relation to the proposed shaft sinking and trial mining of the Molyhil deposit. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous title holders to the areas, where it has been considered necessary. CRM has endeavoured, by making reasonable enquiries, to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical and other information.

It is the opinion of CRM that the Tenements are worthy of continued exploration, and that the programmes and budgets proposed for the projects are appropriate. It is not possible to accurately determine the outcome of exploration and considerable variation to the proposed exploration programmes and budgets may be required as new data becomes available. CRM visited the Molyhil deposit during the 2005 bulk sampling programme. It also visited four of the newly acquired uranium project areas: the Hale River project area, the Plenty Highway project area, the Harts Range project area, and the Curtis Pound project area. It has examined the available drilling, bulk sampling, and analytical data.

The statements contained in this report are given in good faith and have been derived from information believed to be reliable and accurate, and supplemented by CRM's own investigations. CRM has relied upon this information and has no reason to believe that any material facts have been withheld from it. CRM's report has taken into account all of the relevant information supplied to it. It does not imply that it has carried out any type of audit on the technical, accounting or other records of Thor or that our assessment has revealed all of the matters which an audit or more extensive examination might disclose at the date of this report.

The agreements, status, and interests held by Thor in the Tenements are set out elsewhere in this prospectus.

This report was prepared by J.J.G. (John) Doepel who has relevant and appropriate experience, competence, and independence to appraise these projects.

Mr Doepel, a principal geologist with CRM, has 25 years experience in the mineral industry as a geologist. He has carried out exploration on numerous projects including many resource estimations. Mr Doepel holds a Bachelor of Science with Honours and a Graduate Diploma in Forensic Science from the University of Western Australia and a Diploma of Teaching from Curtin University. He is a Member of the Geological Society of Australia and of the Australasian Institute of Mining and Metallurgy. He has explored for a wide variety of metals and minerals, especially gold and base metals in the Archaean and Proterozoic of Australia.

This report is written to conform to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ~ The VALMIN Code~ 2005 Edition. The reporting of exploration results, resource and reserve estimation and classification is in compliance with, unless specifically stated to the contrary, with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ~ The JORC Code ~ 2004 Edition. Mr Doepel has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the VALMIN Code, and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a "Competent Person" as defined in the JORC Code.

No member or employee of CRM is, or is intended to be a director, officer or other direct employee of Thor. No member or employee of CRM has, or has had, any share holding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in Thor. Fees are being charged at a commercial rate for the preparation of this report, the payment of which are not contingent either upon the conclusions of the report or on the success of the proposed listing of Thor on the ASX.

CRM has given consent to the Company to use this report as part of the Prospectus to be published in connection with an application for all the issued share capital of the Company to be traded on ASX, and to reference this report in any applicable disclosure document, provided that no portion be used out of context in such a manner as to convey a meaning which differs from that set out in the whole.

Yours faithfully
John Doepel
Continental Resource Management Pty Ltd

INTRODUCTION

Thor Mining PLC ("Thor") has mineral assets that consist of seven projects situated in the southeastern section of Australia's Northern Territory (Figure 1). The most developed, the Molyhil Project, contains the Molyhil tungsten-molybdenum deposit. It is situated about 220km northeast of Alice Springs.

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

The Molyhil deposit occurs in two adjacent skarn bodies that contain outcropping molybdenite and scheelite mineralisation. The deposit was mined by a shallow open-cut between 1975 and 1981. Since mid 2004 it has been the subject of systematic test-work: comprised of geophysical exploration, a diamond and RC drilling programme, surface and underground bulk sampling, metallurgical test-work, and a geotechnical study. Subsequent to the bulk sampling programmes, Continental Resource Management Pty Ltd ("CRM") estimated Resources for the deposit totalling 2.4Mt at 0.54% WO₃ and 0.26% MoS₂ (a Measured Resource of 370,000t at 0.52% WO₃ and 0.32% MoS₂, an Indicated Resource of 1,750,000t at 0.52% WO₃ and 0.26% MoS₂, and an Inferred Resource of 250,000t at 0.7% WO₃ and 0.2% MoS₂). A Scoping Study was recently completed for the project and Thor has now commissioned a Definitive Feasibility Study, which is in progress.

Thor proposes to complete the Definitive Feasibility Study, to vigorously explore the uranium projects, and to begin exploration for tungsten and gold within its Hatches Creek Project.

The Hale River Project covers 160km² of Tertiary basin sediments. These sediments are prospective for palaeochannel roll-front type uranium deposits. Previous exploration of the project area, undertaken between 1979 and 1981, delineated a redox front within sands containing anomalous uranium.

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

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

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

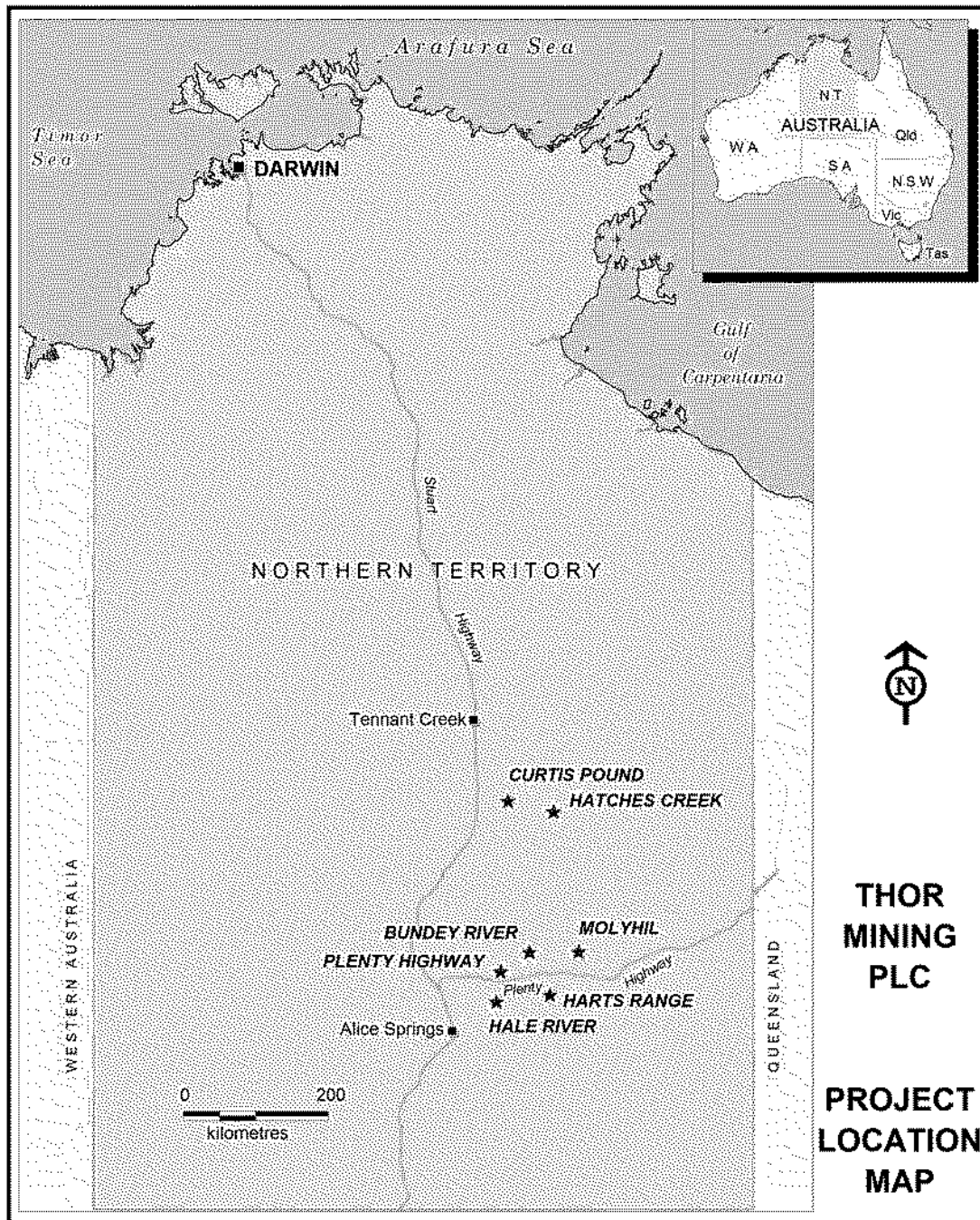


Figure 1 Project location map

MOLYHIL PROJECT

Thor's Molyhil project area is comprised of a group of four mineral tenements located in the Northern Territory's Proterozoic Arunta Block. The tenements cover 924km² and contain the Molyhil tungsten-molybdenum deposit, which, to a depth of 150m, is estimated to contain Resources totalling 2.4Mt at 0.54% WO₃ and 0.26% MoS₂ (Table 3).

Skarn hosted scheelite mineralisation was discovered within the area in 1971 and subsequent exploration outlined the Molyhil skarn deposit, which was mined by open-pit. The mine closed in 1981 after over 100,000t of ore had been mined. In the last months of mining 12,400t grading 0.78%WO₃ and 0.51%MoS₂ was mined and milled.

Exploration since 2004 by Thor and TCG has included RC and diamond drilling, bulk sampling from costeans, shafts, and crosscuts, and metallurgical test-work.

Location and Access

The project is located about 220km northeast of Alice Springs. Access from Alice Springs is north by the sealed Stuart Highway for 70km and then east by the Plenty Highway, the first 100km of which is also sealed, for a further 235km. The Molyhil deposit is about 25km north of the highway.

Tenements and Agreements

The projects are comprised of two granted exploration licences ("ELs"), and two applications for mineral leases applications ("MLs") (Table 1 and Figure 2). The ELs are held by Sunsphere, a wholly owned subsidiary of Thor. The MLs cover the area around the Molyhil deposit, which is within the granted EL22349. The Molyhil deposit is within ML23825, applied for by Imperial Granite and Minerals Pty Ltd (Imperial Granite). The other ML is applied for by Tennant Creek Gold Northern Territory Pty Ltd ("TCGNT"). Details of agreements and titles are given elsewhere in this prospectus.

Table 1 - Molyhil Project - Tenement summary

| Tenement | Holder | Beneficial Holder | Expiry Date | Area (km ²) | Annual Commitment |
|---------------|------------------|-------------------|-------------|--------------------------|-------------------|
| EL22349 | Sunsphere | | 16/5/2008 | 820.7 | \$20,000 |
| EL24392 | Sunsphere | | 4/12/2011 | 104.5 | \$9,000 |
| MLA23825 | Imperial Granite | Sunsphere | Application | 0.97 | N/A |
| MLA24429 | TCGNT | Sunsphere | Application | 0.98 | N/A |
| Totals | | | | 924km² | \$29,000 |

The total is less than the sum of nominal areas of tenements due to excised areas

Native Title Claims have been made over the area of the Molyhil ML's and their surrounds. Aboriginal Land Claims have been made over a part of each of the western portion of EL 22349 and the southern portion of EL24392. An Indigenous Land Use Agreement (ILUA) was signed by the previous holder of EL22349, Imperial Granite, and the Central Land Council prior to the granting of the EL.

A number of sites of aboriginal significance are present within the project area. Their locations and the conditions relating to them are known. None are expected to impact on the potential development of the Molyhil deposit or on Thor's exploration programme. Details of agreements and claims are given elsewhere in this prospectus.

Geological Setting

The Molyhil Project tenements cover about 70km of strike length of the boundary zone between Neoproterozoic and Palaeozoic sediments of the Georgina Basin to the north and Paleoproterozoic igneous and metamorphic rocks to the south. The boundary coincides with a zone of strong structural dislocation, the Delny Shear Zone, within which a set of major west-northwest trending faults juxtapose fault slices of varying metamorphic grade. In addition to the major faults depicted on the regional geological map (Figure 3), numerous other parallel and conjugate faults are present within the tectonic zone. Post metamorphic granites intrude the metamorphic units. Paleoproterozoic high-grade metamorphic rocks of the Harts Range Group are present to the south of the Delny Shear Zone.

The Molyhil deposit is situated within the Delny Shear Zone in calc-silicate skarn enclosed by granite. The skarn and intruding granite are part of the unit shown on the geological map as Metamorphic Complex.

From youngest to oldest, the units depicted on Figure 2 are:

- Georgina Basin Sediments: These range in age from Devonian to Neoproterozoic. They are shallow dipping and outcrop as low ridges and hills. They unconformably overlie the Paleoproterozoic rocks, within which the known mineralisation occurs. Down faulted slices of these sediments are present within the Delny Shear Zone to the north and south of the Molyhil deposit.
- Oorabra Reefs: A prominent set of quartz veins, which cut the large section of Jinka Granite to the northeast of Molyhil. They contain fluorite and barite and have been mined for these minerals by prospectors.
- Jinka Granite: A coarse even-grained biotite granite, typically red or orange in colour, dykes of which intrude the Molyhil skarns and contain molybdenite.
- Marshall Granite: A metamorphosed hornblende granite, which surrounds and intrudes the Molyhil skarns.
- Metamorphic Complex: A mixture of intrusive granites and amphibolite-grade metamorphic rocks. Includes gneisses, amphibolites, and calc-silicate rocks.

- Irindina Gneiss: A mixture of gneisses, with lesser calc-silicate rocks and amphibolites.
- Kanandra Granulite: A mixture of fine-grained mafic granulite and medium-grained garnetiferous quartzo-feldspathic gneiss.

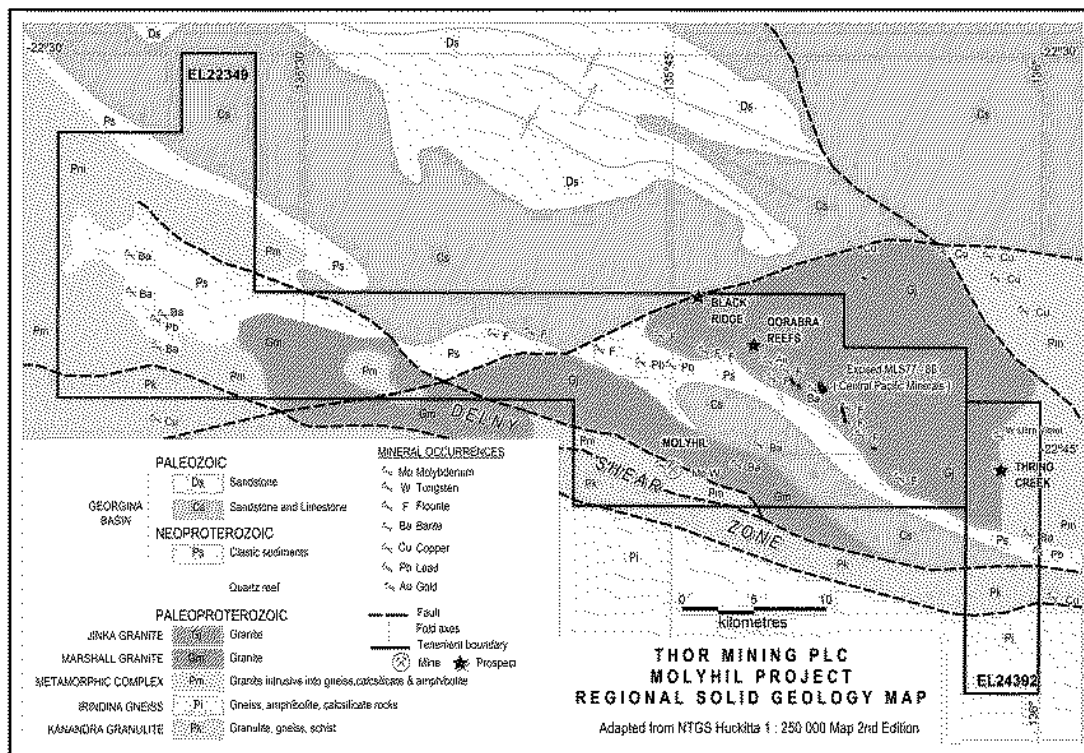


Figure 2 Molyhil Project - Solid geology map

MOLYHIL DEPOSIT

Geology

The Molyhil deposit consists of two adjacent outcropping skarn bodies that contain molybdenite and scheelite mineralisation. The skarns are enclosed within, and intruded by, granitic rocks. The skarns and the banding within them strike approximately north-south and dip steeply to the east. Two north-south shears separate the bodies from a gneiss unit. The bodies are arranged in an en-echelon manner, the northeast body being named the Yacht Club and the southwest body the Southern (Figure 3). Interpretation of recent mapping and drilling suggests that the bodies are two fault-displaced sections of an original single mineralised body. The mineralisation is coarse-grained and its distribution is irregular. Two broad lithological variations are present within the skarns:

“Black rock skarn”: a dark calc-silicate rock containing a high proportion of magnetite, pyrite, and iron-rich minerals such as andradite-garnet, actinolite, and ferro-amphibole. It is irregularly mineralised with scheelite, molybdenite, and chalcopyrite.

Unmineralised skarn: a pale green calc-silicate rock containing diopsidic pyroxene and garnet.

A statistical examination of the analytical data indicates that significant mineralisation is restricted to intervals containing 18% Fe₂O₃ or greater.

Although the black rock skarn bodies are mineralised throughout, the grade of the mineralisation is heterogenous within them at all scales and high-grade intersections occur throughout the bodies. The heterogeneity is clearly seen in the walls of the crosscuts, with decimetre wide bands rich in molybdenite and or scheelite separated by metre scale bands of apparently barren black rock skarn. Molybdenite and scheelite are, in general, coarse-grained with crystals up to 10cm in size being present. Both, however, also occur as finely disseminated crystals within the skarns and molybdenite is present as a late stage joint fill in the intruding Jinka Granite.

Each black rock skarn body forms a more or less coherent layer-parallel unit, but, in detail, the contacts between them and the intruding granites are complex; the contact zones consist of intercalated mixtures of granite and skarn, granite dykes cut the major skarn bodies, and small skarn bodies are present within the marginal granitic rocks.

Geometry of Mineralisation

The skarns outcrop as ellipsoidal bodies with a north-south long axis and a steep east dip (Figure 3). Drill intercepts as deep as 220m below the surface indicate that they have greater depth than length. Neither of the mineralised bodies has been closed off down plunge at depth by the drilling. The probable geometry of the bodies is reflected in a small fold exposed in the pit wall, in which a miniature skarn is enclosed in granite. The skarn has an east-west width of about 10cm, a north-south length of about 30cm, and a long axis, plunging steeply to the south, about a metre in length. This interpretation is similar to that of a geophysical interpretation of the detailed aeromagnetic signature of the deposit, which interpretation suggested a southerly plunge of about 55° to a depth of at least 300m.

The north end of the southern body appears to be faulted off by a northwest-trending southwest-dipping structure. The crosscuts exposed minor faults that cut and displace both the skarn banding and the mineralisation. Some of the displacing faults have a shallow dip to the north or south. Others strike north and dip at moderate to steep angles to either the west or the east.

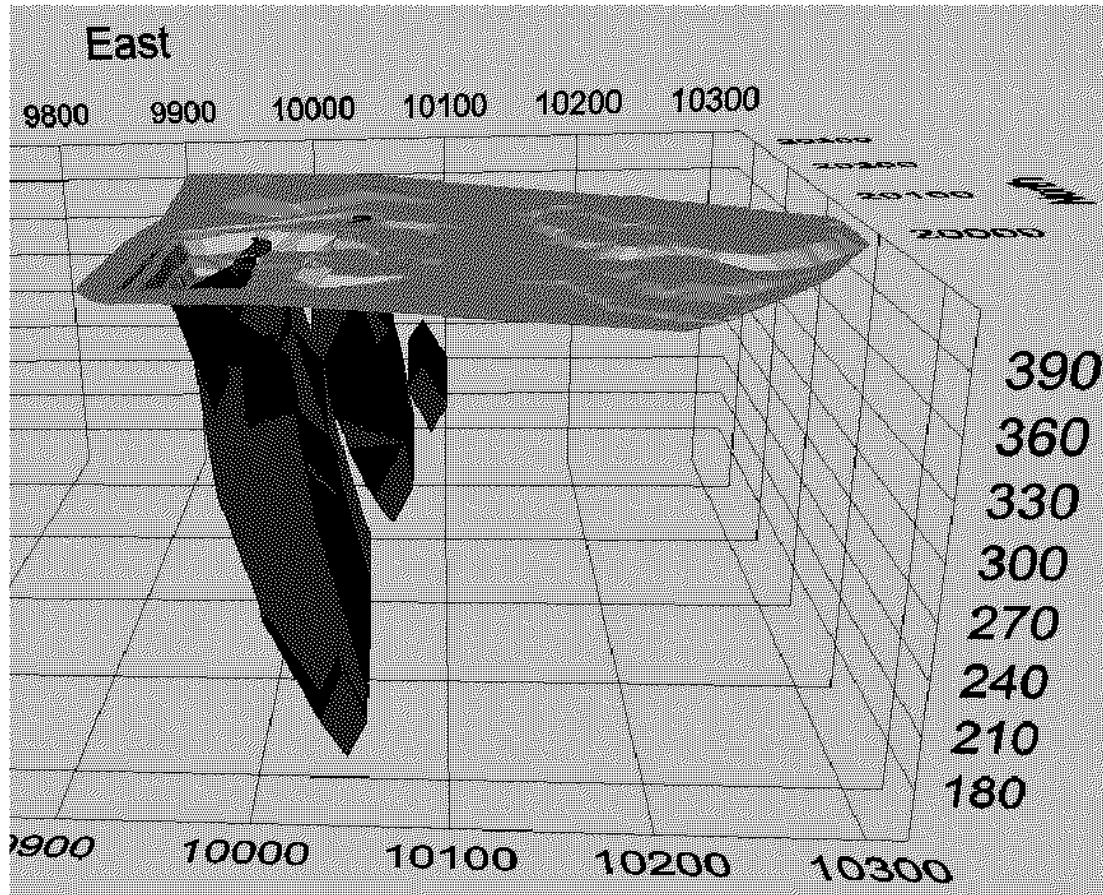


Figure 3 3D representation of present surface with historical pit and wireframes of mineralised skarn bodies – Southern on left, Yacht Club central and on right

Mineralogy

Roger Townend and Associates ("Townend") has carried out mineralogical and SEM examinations of the mineralisation. Townend reported that the molybdenite was present mainly as discrete grains varying between 60 and 500µ in size and the scheelite as grains between 10 and 500µ in size. Nine scheelite particles were examined by SEM/EDS and found to contain between 3.8% and 11.5% Mo₂O₃. It is probable that some of the scheelite mineralisation is in the form of members of the solid solution scheelite-powellite series, which has the chemical formula Ca(W,Mo)O₄.

Historical Mining

20,000t of mineralisation was mined from the Yacht Club skarn between 1975 and 1976 to produce 100t of concentrate at 70% WO₃. The Southern skarn was mined by Petrocarb Exploration NL between 1978 and 1981 to a depth of about 15m. The last three months of this mining produced 12,400t at 0.78% WO₃ and 0.51% MoS₂. The mining was grade-controlled visually, the full extent of the black rock skarn being mined and milled.

Exploration 1977-1981

The deposit was drill tested by diamond drilling in 1977 and by open-hole percussion drilling in 1981. The diamond programme was of 8 holes for 742m and the percussion programme of 20 holes for 2,130m. Not all of the holes intersected mineralisation. Full details of this drilling are no longer available, but it is known that the tenor of the results was similar to that obtained 23 years later by TCG. Importantly, it was considered in 1981 that the mined grades were about 100% higher for Mo than the drill indicated grades and 40% higher for W.

2004 Drilling

TCG carried out a drilling programme into the deposit in 2004. The programme comprised 5 diamond holes for 676m and 23 RC holes for 3,147m. The drill-hole locations are shown on Figure 4. Figures 5 and 6 are cross-sections of the deposit displaying the drill-hole traces and intersections of the mineralised black rock skarn. The grades of the full lengths of intersection are given on the cross-sections and are representative of the deposit. One hole, TMRC022, was drilled through the Southern Skarn along its north-south axis. It was within the skarn for a total of 132m, which averaged 0.20% WO₃ and 0.24% MoS₂.

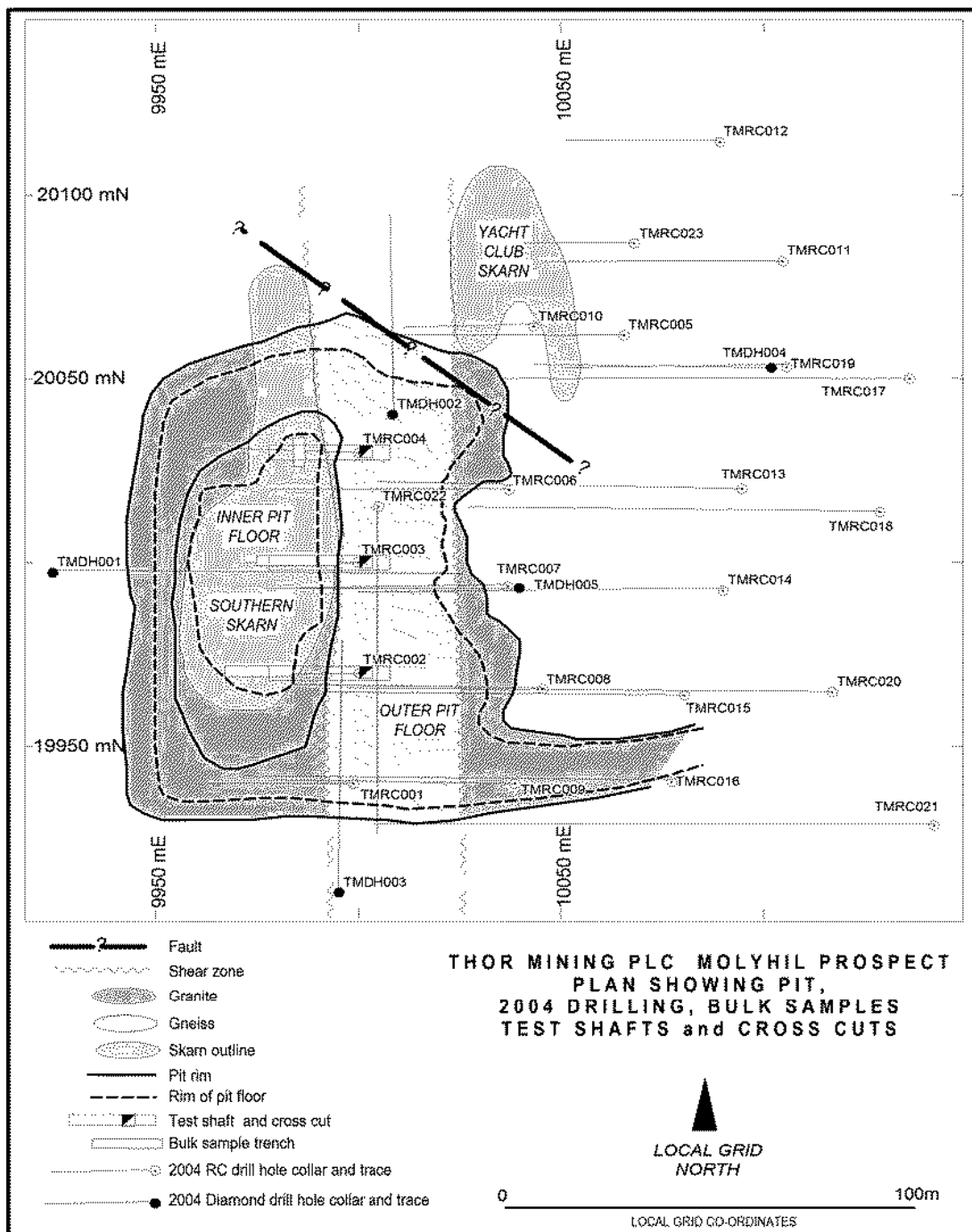


Figure 4 Plan of Molyhil pit area

2004 Costean Bulk Sampling

Following its drilling programme TCG dewatered the old inner pit which is situated over the Southern Skarn. It dug and sampled three costeans within the pit. Their locations are shown on Figure 4. The southern two costeans were dug above the surface traces of the RC drill-holes TMRC003 and TMRC002. About 30t of bulk material was taken from the costeans. It was crushed to -14mm size and more than 16 sub-samples of the crushed mineralisation were analysed from each of the costeans.

2005 Underground Bulk Sampling

Thor sunk three shafts and drove three crosscuts across the Southern black rock skarn body. Each two metre advance was crushed, sampled, and analysed to give a reliable bulk grade. The relative positions of the shallow RC holes, the crosscuts, and the costeans are shown on Figures 5 and 6.

Comparisons of both the costean and underground bulk sample analyses with those from adjacent drill-hole intersections indicate that the drill samples underestimated the grade of the deposit. The comparative average values across each of the sections are shown in Table 2.

Table 2 Average values from bulk samples and adjacent RC holes

| Section | Metal | RC hole | Cross-cut | Costean |
|---------|------------------|---------|-----------|---------|
| 20030N | MoS ₂ | 0.33 | 0.39 | 0.78* |
| | WO ₃ | 0.87 | 0.85 | 1.61* |
| 20000N | MoS ₂ | 0.19 | 0.25 | 0.40 |
| | WO ₃ | 0.21 | 0.36 | 0.53 |
| 19970N | MoS ₂ | 0.38 | 0.33 | 0.46 |
| | WO ₃ | 0.16 | 0.27 | 0.45 |

* The Northern costean did not sample the full width of the mineralisation

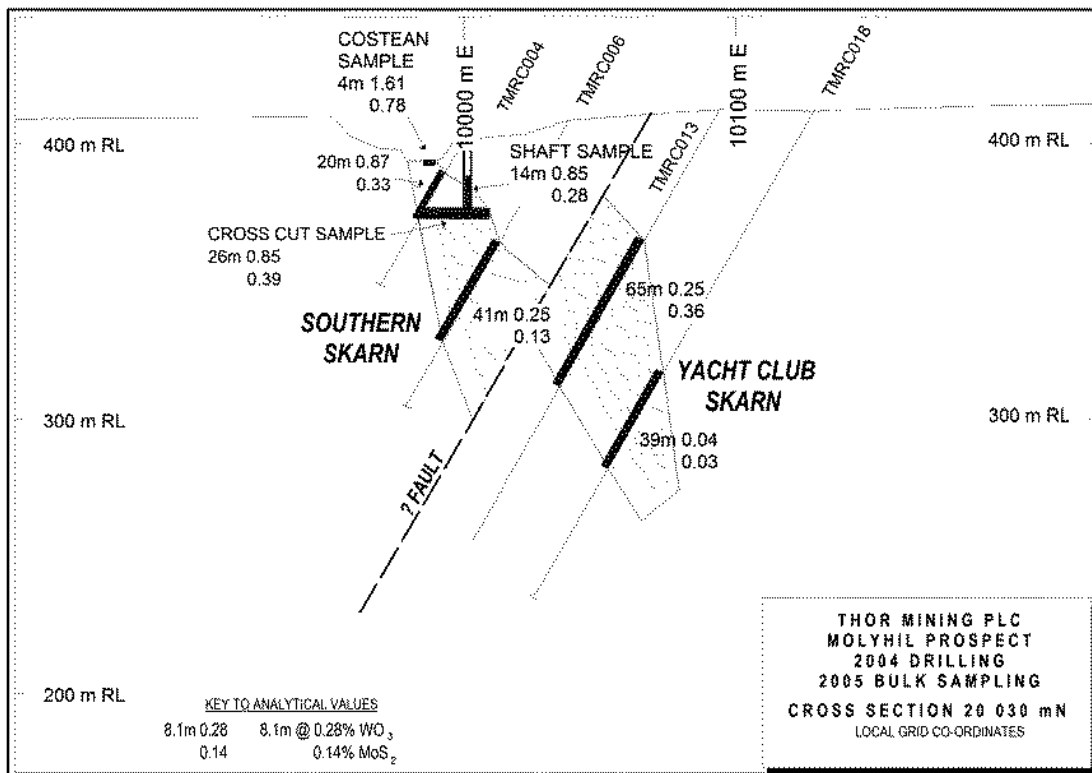


Figure 5 Molyhil Deposit – 20030N Cross-section

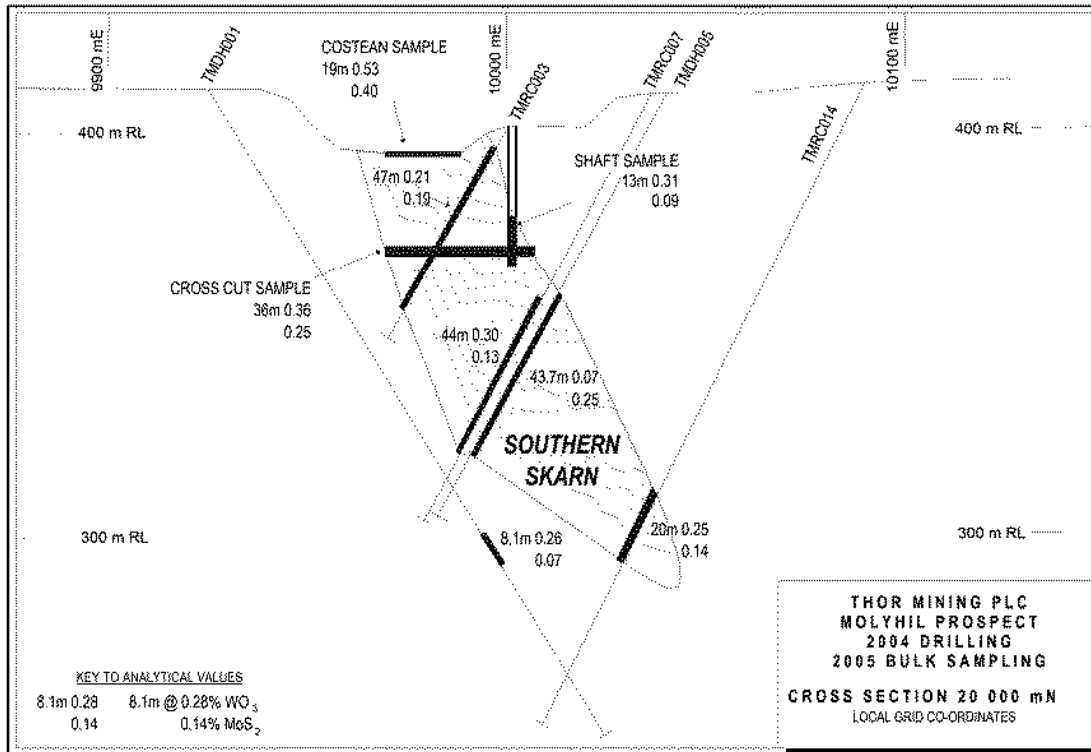


Figure 6 Molyhil Deposit – 20000N Cross-section

Resources

Following TCG's and Thor's bulk sampling programmes, CRM was commissioned by Thor to provide a resource estimate for the Molyhil deposit. CRM estimated Resources are set out in Table 3.

The resources were estimated by geostatistical interpolation using the inverse distance squared method. The resources were estimated within three wireframes, constructed to contain the significant bodies of iron-rich skarn. The bulk sampling programmes demonstrated that the previous drill samples significantly underestimated the grade of the deposit. Consequently, the grades of those parts of the deposit that were estimated solely from drill analyses were adjusted to account for this underestimation. No lower cut was used, as it was anticipated that mining and treatment would be of the entire iron-rich bodies. The Indicated and Inferred Resources were estimated to a depth of 150m (RL250m). The Measured Resource was estimated to a depth of 45m (RL 355m).

Table 3 Molyhil Deposit - Estimated Resources to 150m depth

| Body | Classification | Resource (t) | MoS ₂ (%) | WO ₃ (%) | Cu (%) | Fe ₂ O ₃ (%) |
|--------------|------------------|------------------|----------------------|---------------------|--------------|------------------------------------|
| Southern | Measured | 370,000 | 0.32 | 0.52 | 0.088 | 31 |
| Southern | Indicated | 1,300,000 | 0.21 | 0.30 | 0.051 | 26 |
| Southern | Inferred | 50,000 | 0.15 | 0.3 | 0.04 | 25 |
| Yacht Club | Indicated | 460,000 | 0.39 | 1.15 | 0.10 | 35 |
| Yacht Club | Inferred | 200,000 | 0.25 | 0.8 | 0.1 | 37 |
| Total | Measured | 370,000 | 0.32 | 0.52 | 0.088 | 31 |
| Total | Indicated | 1,750,000 | 0.26 | 0.52 | 0.060 | 28 |
| Total | Inferred | 250,000 | 0.2 | 0.7 | 0.1 | 35 |
| | TOTAL | 2,400,000 | 0.26 | 0.54 | 0.072 | 30 |

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

The shapes, tonnages, and grades of both the Southern Skarn and the main Yacht Club Skarn have been well defined by the drilling and crosscutting to a depth of about 80m. Beneath this depth the grade can only be estimated with a low degree of confidence, as issues relating to grade include:

- Higher grades obtained by the bulk sampling of costeans than by drill holes situated below the costeans

- Higher grades obtained by historical mining than by near surface drill holes beneath the mined areas.
- Higher grades obtained by the underground bulk sampling than by nearby drill holes.
- The heterogeneity of the mineralisation, as evidenced by coarse aggregates of scheelite and molybdenite and by the lack of grade continuity between the twinned holes
- Lower average W grade below 320m RL in the RC samples as against diamond core samples

An explanation for increasingly lower W grades with depth in RC drill intersections is the possibility that powdered scheelite was lost in water during the drilling process. The resource estimation is, however, considered to be reliable in as much as it provides a minimum grade for the deposit. It is possible that, with further exploration, the estimated grade of the lower portion of the deposit may be able to be increased.

SCOPING STUDY

Thor engaged Merit Engineers Pty Ltd ("Merit") to carry out a scoping study on the Molyhil deposit. Merit's study, reported in February 2006, was based upon the treatment of 300,000t per annum.

Merit reported total capital costs for the operation of \$21M plus or minus 30%. It estimated processing, administration, and transport costs at ~\$58/t. Thor was provided with indicative mining costs from AMC Consultants Pty Ltd ("AMC") of ~\$19/t. Thor has estimated additional costs of ~\$3/t. The total estimated operating cost is thus ~\$80/t.

Input into the scoping study included metallurgical test-work carried out by Nagrom & Co ("Nagrom") and a geotechnical study performed by George, Orr and Associates (Australia) Pty Ltd ("George Orr").

2004-2005 Metallurgical Study

Following its 2004 bulk sampling programme, TCG commissioned Nagrom, a mineral processing company, to help establish a suitable processing system to produce molybdenite and scheelite products from the Molyhil mineralisation. TCG provided Nagrom a bulk sample taken from the costeans and a composite sample from the Rc drilling. Nagrom carried out test-work on the samples and established a process involving crushing, grinding to nominal 80% -250 μ , screening, magnetic separation, flotation, gravity separation, and high tension separation. These processes produced initial molybdenite concentrates that had bulk sample recoveries of 75% and 78%. Initial scheelite concentrates produced from the bulk samples recovered 51% and 64% of the scheelite. Substantial scheelite from the drill chips was lost to the -75 μ wet tails. Scheelite powders readily and it is considered that the drill hammer may have produced finer grained scheelite particles that were easily lost in the circuit.

Nagrom concluded that the processes used were viable and that refinements to them should enable adequate recoveries with the products achieving target specifications.

Geotechnical Assessment

TCG, following its drilling programme, commissioned George Orr, geotechnical consultants, to carry out a preliminary assessment, for mining feasibility purposes, of ground conditions influencing future open pit wall stability and excavation requirements for the deposit. George Orr reported that:

- The depth of rock weathering at Molyhil is limited, with fresh rock occurring at an average depth of around 20m below surface (around 390mRL).
- Fresh rocks classify as "strong" to "very strong", with unconfined compressive strengths falling within the range of 50MPa to 200MPa.
- Overall rock quality within the wall rocks is expected to range locally from "poor quality" (in the weathered rock occurring to a depth of around 20m from surface) to "good quality" (within underlying fresh rock).
- Some groundwater flows may be expected once mining takes place at depths of greater than 30m below surface. Inflows are expected from geological structures exposed in the walls.
- "Base case" wall designs prepared for the pit result in overall wall angles (measured between pit crest and pit toes) of around 50 degrees for pits of between 60m and 120m depth.

DEFINITIVE FEASIBILITY STUDY

Thor has engaged Merit to carry out a definitive feasibility study on the Molyhil deposit. Merit has begun work on the study. As part of the study, on-going metallurgical test-work is being performed by Independent Metallurgical Laboratories Pty Ltd ("IML"). The study also includes environmental and ethnographic surveys that are additional to surveys already carried out. The study also includes

exploration for a suitable bore-field from which to access water that would be required for mining and treatment of the mineralisation.

2005-2006 Metallurgical Study

Following its underground bulk sampling programme, Thor commissioned IML to carry out further metallurgical test-work. IML has provided the following summary of its work:

"A potentially viable processing system for the Molyhil mineralisation was established by Nagrom and Co (Nagrom) using a combination of magnetic separation, flotation and gravity separation processes for the recovery of magnetite, molybdenite and scheelite respectively. This approach has been further investigated and refined by Independent Metallurgical Laboratories (IML), a metallurgical testing facility.

In July/August 2005, under the supervision of IML personnel, a bulk sampling program was undertaken on site. A total of three bulk underground mining samples (North, Central and South Shaft) were prepared on site, with sub-samples sent to IML. A North Shaft composite sample was prepared for the initial phase of test work. The final North Shaft composite grade was 0.25 % Mo, 0.95 % WO₃, 22 % Fe, 3 % S and 0.1 % Cu.

Mineralogical studies indicate that molybdenum is mainly present as molybdenite (MoS₂) and tungsten is present as scheelite. However, there is also evidence that molybdenum is present as a non-sulfide. Microprobe analysis of nine scheelite mineral particles has established that molybdenum content ranges from 3.8 to 11.5% Mo₂O₃, with an average of ~ 7% Mo₂O₃. This supports the presence of the solid solution mineral species which exists between scheelite (CaWO₄) and powellite (CaMoO₄), i.e. Ca(W,Mo)O₄.

Samples were ground to a nominal 80% passing 212 µm after mineralogical studies showed that the majority of both molybdenite and scheelite particles occurred at this grind size.

Total molybdenum (Mo) recovery by flotation into Rougher and Scavenger concentrates is typically 85%. Based on estimates of Mo associated with scheelite, the flotation recovery equates to 95% in terms of molybdenite (MoS₂). Limited tests on upgrading of the initial Rougher concentrate, using only one or two cleaning steps, typically produces a high grade concentrate containing ~ 85% MoS₂, representing a recovery of ~50% of the contained MoS₂ in the feed.

As a precursor to scheelite recovery, pyrite is scavenged from the flotation Rougher tailings. This has shown to be beneficial for subsequent gravity processing of the flotation tails for recovery of scheelite. Best results for gravity concentration are 50% recovery for a product grade of 70% WO₃. Consistent with previous work at Nagrom, significant losses of scheelite occurs in the "fines", (i.e. less than 75 µm).

Some sighter tests were carried out on a Central Shaft composite and a South Shaft composite, to establish flotation and magnetic separation performance. The metallurgical response was very similar to the North Shaft composite.

Based on the above results, Nagrom were commissioned to prepare a 1.2t bulk composite consisting of equal portions of Central, South and North Shaft material. The nominal grade of this composite is 0.17 % Mo, 0.41 % WO₃, 21.8 % Fe, 2.2 % S and 0.07 % Cu. This composite will be treated through the pilot scale facilities at Nagrom.

A 50 kg sub-sample of the bulk composite from Nagrom was tested at IML, with the focus on refining the flotation cleaning steps. Due to the scale of this test, it was possible to perform multiple cleaning stages on various flotation products. The flotation results achieved are summarized in the table below.

Table 4 Molybdenite Recoveries

| Product Stream | Recovery (% of total MoS ₂) | Grade (%MoS ₂) |
|----------------------------------|--|-------------------------------|
| High-grade Cleaner Concentrates | 59 | 82 |
| Mid-grade Cleaner Concentrates | 13 | 52 |
| Low-grade Cleaner Concentrates | 8 | 17 |
| Cleaner Tails | 5 | |
| Pyrite Scavengers | 10 | |
| Rougher / Pyrite Scavenger Tails | 5 | |
| Total | 100 | |

Based on estimates of Mo associated with scheelite, the recovery of molybdenite (MoS₂) into Rougher and Scavenger concentrates equated to 95%. Further treatment of the initial rougher concentrates through multiple cleaning steps produced products of varying grades, summarized as high, mid and low grade cleaner concentrates in the table above. Gravity recovery tests are currently underway on the flotation tailings, which will also involve pre-classification of the tailings (e.g. screening or desliming) prior to gravity separation.

The pilot plant test work at Nagrom will produce a bulk flotation concentrate and tailings product. The flotation concentrate will be used for further tests at IML to refine the cleaning process steps. The flotation tailings will be treated through Nagrom's facilities to further refine the gravity processing steps for the recovery of Scheelite."

Proposed Budget

It is expected that the Definitive Feasibility Study will be completed by the end of 2006. The budgeted cost for the study is \$1,364,000. This figure does not include the cost of bore-field water exploration, planned for the same period, which is budgeted at \$80,000.

If the results from the definitive feasibility study on the Molyhil deposit are positive, Thor expects to construct and commission the processing plant and begin mine development during 2007. Funding for this work is not in the proposed budget.

EXPLORATION

Geophysical Interpretation

G. J. Bubner was commissioned by Thor to interpret the detailed aeromagnetic magnetic data, obtained during a 2004 survey, over the Molyhil deposit. Bubner's interpretation is that the Molyhil skarns probably extend to a depth of at least 300m below the surface. As the interpretation is based upon the magnetic properties of the skarn it can be assumed that significant magnetite content is maintained to this depth. If the relationship between molybdenite and scheelite mineralisation and magnetite content is maintained with depth, the mineralisation can be expected to also reach these levels.

Proposed Molyhil Drilling

Thor has planned and costed a new RC drill programme for the Molyhil deposit. Eight holes have been planned, seven of which are designed to test the deposit to depths of over 200m beneath the surface. The rig to be used has a dust suppression system, which should enable the grade of both the molybdenite and the scheelite in this portion of the deposit to be estimated with a higher degree of confidence than has been possible to date.

Black Ridge Prospect

The Black Ridge Prospect is located 12km north of the Molyhil deposit. It covers an area of 500m x 400m centred over a hill in which numerous quartz-carbonate veins cut granitic rock. It is postulated that the vein system developed from hydrothermal fluids rising up the adjacent regional scale fault and entering a locally fractured portion of Jinka Granite and that the carbonate may have been sourced from the Cambrian carbonate sediments present to the north of the fault. The veins vary from less than one to more than ten metres in width. They carry disseminated pyrite, chalcopyrite, arsenopyrite, and haematite. Petrological and geochemical work, carried out for a previous explorer, classified the veins as belonging to a low temperature epithermal system and having anomalous Au-As-Mo-Cu-Pb geochemistry.

Oorabra Reefs

A rock-chip sample from one of the Oorabra quartz reefs, collected by the Northern Territory Geological Survey (NTGS) about 10km to the northeast of Molyhil, was recently reported to assay 5.7g/t Au (Figure 2). No systematic sampling of these reefs for gold has been reported.

Thring Creek Prospect

Thor, during 2005, completed a 25m x 200m ground magnetic survey over its Thring Creek Prospect, a regional aeromagnetic anomaly within EL24392 (Figure 2). The survey delineated nine separate magnetic highs, all of which Thor drill-tested during 2006. A combination of RAB and RC drilling was used, for a total of 50 holes and 1,418m of drilling. The holes varied in length from 16m to 91m. No significant intersections were returned. Eight of the anomalies were explained by a combination of magnetic granites, magnetite bands in gneissic rocks, and minor magnetite in quartz-chlorite schist.

Exploration Potential

There is potential within the Molyhil Project tenements to discover further substantial mineralisation, especially within skarns. The ingredients of potential host rocks (carbonate sediments), sources of heat

and of mineralising fluids (granites), major structures, and conjugate minor structures are all present. A feature of the Molyhil deposit is its high magnetite content. Similar covered deposits should possess an easily recognised magnetic signature.

During 2004 TCG had a detailed low level aeromagnetic survey flown over a 16km² area centred on the Molyhil deposit. The aeromagnetic survey located a number of other strong magnetic high features. These features are considered by Thor to be exploration targets for skarn mineralisation. In the early 1980s Geopeko Limited also carried out an aeromagnetic survey of the area, which it followed-up with ground magnetics, geological mapping, and percussion drilling. It tested 21 targets from a total of 44 identified anomalies, but in most cases with only one drill hole per anomaly. Although a proportion of the anomalies were interpreted as having been caused by magnetite-rich bands in gneissic rocks, a number were found to have been caused by magnetite bearing skarns. Scheelite mineralisation was present in some of these, but no significant intersections were made. Improvements in the processing and enhancement of magnetic data can be expected to improve targeting for the testing of the anomalies.

Elsewhere in the project area, both the Black Ridge Prospect and the Oorabra quartz vein system are worthy of systematic exploration.

Proposed Budget

Thor's proposed exploration budget for the Molyhil tenements in Year 1 following listing is \$590,000. The proposed budget for Year 2 is \$122,000.

HATCHES CREEK PROJECT

Thor's Hatches Creek Project is comprised of a group of mineral tenements located in the central portion of the Northern Territory. The project is located about 325km northeast of Alice Springs and 160km southeast of Tennant Creek.

Thor's Hatches Creek Prospect is within the smaller southwest pair of tenements. It contains the historical Hatches Creek mining field, which was known as the Wolfram Field, within which numerous mines exploited quartz veins containing wolframite, a tungsten mineral. Mining of eluvial deposits containing wolframite and of gold and copper also occurred. To the northeast of Hatches Creek, Thor's granted EL contains its Gidyea Prospect, in which preliminary prospecting has located gold anomalous ironstones.

Tenements and Agreements

The project is comprised of one granted EL, and two applications for ELs. The tenement details are summarised in Table 5 and their locations are shown in Figures 7 and 8. Further details of agreements and titles are given elsewhere in this prospectus.

Table 5 - Hatches Creek Project - Tenement summary

| Tenement | Holder | Beneficial Holder | Expiry Date | Area | Annual Commitment |
|-----------------|---------------------|--------------------------|--------------------|----------------------------|--------------------------|
| EL22913 | Sunsphere | | 20/8/2008 | 751.7km ² | \$22,000 |
| EL22912 | Imperial Granite | Sunsphere | Application | 54.0km ² | Not applicable |
| EL23463 | Imperial Granite | Sunsphere | Application | 9.1km ² | Not applicable |
| Total | | | | 814.8km² | \$22,000 |

An Aboriginal group has freehold title to the area of the EL applications. Agreement has been reached with the group to restrict exploration to the area previous disturbed by mining, i.e. the Wolfram Field. This restriction is not expected to adversely affect Thor's planned exploration. An Aboriginal Native Title Claim has been made over the western portion of EL22913 and a Determination of Native Title has been made over a small area in the northwest of the Hatches Creek Prospect. Details of claims and agreements are given elsewhere in this prospectus.

Geology

Thor's tenements are over sequences of folded and faulted Paleoproterozoic rocks of the Hatches Creek Group (Figure 7). The group is comprised primarily of clastic sediments, but also contains both felsic and mafic volcanics. Within the tenements, sequences dip at moderate to steep angles, in general towards the southeast. Sills of dolerite and granophyric porphyry intrude the group. An intrusive granite pluton is immediately to the west of EL22913 and sub-horizontal Cambrian sediments cover the group in the northwest portion of the same tenement.

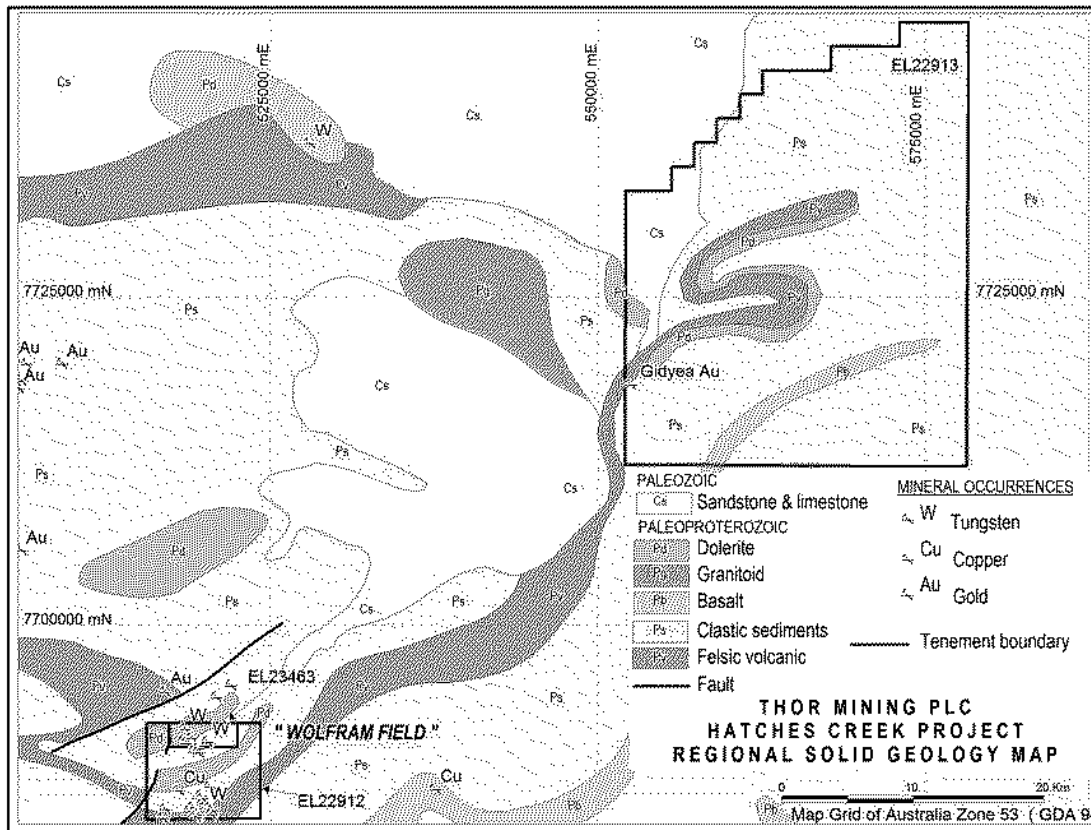


Figure 7 Hatches Creek Project - Solid geology map

The Hatches Creek tenements are underlain by a Palaeoproterozoic sequence of weakly metamorphosed clastic sedimentary and felsic volcanic rocks (Figure 8). The sequence is intruded by igneous sills. Sandstone is the dominant sedimentary lithology. The sequence has been subjected to folding and faulting and has been cut by numerous narrow quartz reefs which follow lines of shearing. These reefs are mineralised, the main mineral of economic interest being wolframite, although bismuth, gold and copper mineralisation is also present within them. The tenor of the mined reefs was between 1% and 5% WO_3 .

The mineralised reefs are present in groups. The average reef width is 30cm, with the maximum width being 1.5m. The maximum strike length of any one reef is 170m, but an echelon lines of reefs are up to 1.5km in length. The reefs strike in two main directions, just east of north, parallel to the main fault direction, and east-northeast. The north-striking reefs dip at moderate to steep angles either to the west or the east; those striking easterly dip at moderate to steep angles to the south. The majority of the reefs are within volcanic or intrusive rocks, rather than in the sandstone units.

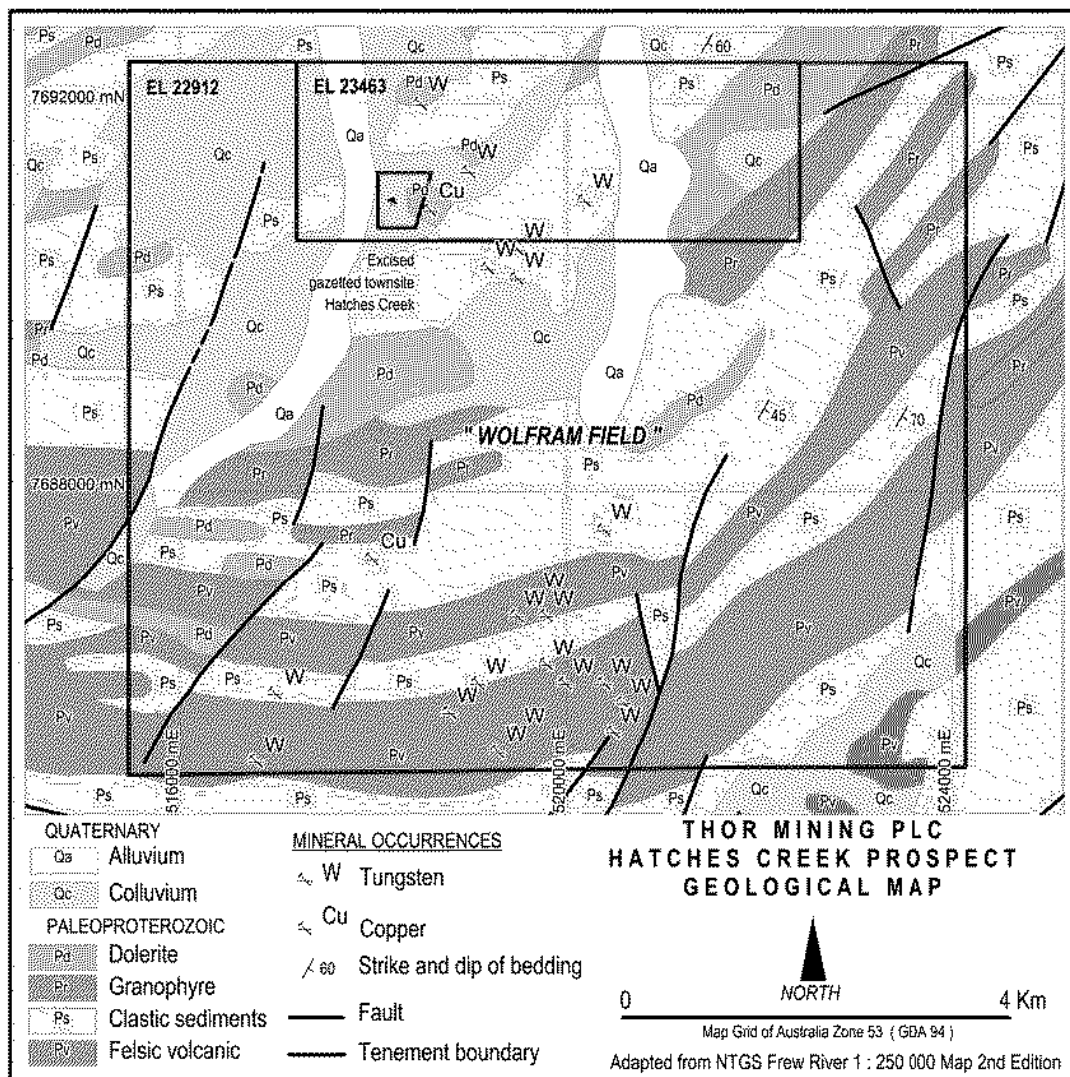


Figure 8 Hatches Creek Prospect - Geological map

Historical Mining

Mining began in the Wolfram Field in 1913 and continued intermittently until 1957. Mining occurred on numerous reefs within each of 16 groups of lodes, the locations of which are shown on Figure 8. Total production from the field is recorded as 2,840t of wolfram and scheelite concentrates, 5.6t of bismuth, and 69t of copper ore. The maximum depth of mining was 80m. Production of gold is recorded from the Pioneer, and the Black Diamond groups. The Bureau of Mineral Resources reported in 1961 that remnants of tungsten mineralisation remained in a number of mines after the field closed.

Previous Exploration

Australian Energy & Gold NL carried out rock chip sampling for gold at selected workings in the northern part of the field during the late 1980s. At the Pioneer Mine, the largest on the field, gold was recorded both in wolframite and copper concentrates. In the Black Diamond group a gold assay of 20.9g/t Au was returned from a mineralised specimen. Samples taken from the Ricketty Kate Mine assayed up to 0.7g/t Au.

The Gidyea Prospect is located in the southwest of EL22913, in the vicinity of massive haematitic ironstone that was sampled by a prospector and that subsequently assayed 0.6g/t Au and 0.4% Co. The NTGS carried out a ground magnetometer survey during 1979 of a 16ha area surrounding the "discovery" ironstone and defined a magnetic high. It tested the "high" with an 89m diamond hole which intersected a hydrothermally altered gabbro. During 1992 TCGNT rockchip sampled six lateritised siltstones within the general area. One of these, located 1,600m northeast of the original discovery, assayed 1.2g/t Au and another, close to the 1979 sample, analysed 0.36% Co.

Current Exploration

In the past year Thor has acquired ortho-referenced aerial photography over the project areas.

Exploration Potential

The Hatches Creek Prospect has not been subjected to modern exploration for the vein hosted mineralisation, and neither have the shear systems been systematically tested for gold mineralisation nor have the eluvial and alluvial sediments been systematically tested for wolframite concentrations.

The Gidyea Prospect is within poorly explored terrain. The presence of anomalous gold is a positive and provides encouragement for systematic exploration, initially in the structurally complex area in the vicinity of this mineralisation close to the granitic batholith to the west, which may have provided mineralising fluids, a heat source, and may have caused the formation of structural traps.

Proposed Exploration

Within the Hatches Creek project areas, Thor proposes in the first year to acquire and process satellite imagery, to acquire digital topographic data, to complete a detailed airborne magnetic-radiometric survey, and to carry out on-ground geological reconnaissance and geophysical anomaly follow-up. In the second year it proposes to test identified target areas with RAB drilling programmes.

Thor's proposed exploration budget for the tenements in Year 1 following listing is \$230,000. The proposed budget in Year 2 is \$290,000.

HALE RIVER PROJECT

The Hale River Project is located about 75km northeast of Alice Springs. The project covers about 160km² of sediments within a Tertiary basin (Figure 9). The sediments are prospective for palaeochannel hosted uranium deposits. A previous explorer has located a redox front and associated anomalous uranium values. The project area is situated within a broad grassland valley on a pastoral property. The valley is surrounded by ranges to the north, west, and south. The Hale River drains the area from west to east.

Tenements and Agreements

The project consists of EL24809, held by Hale Energy, formerly known as Harfort Nominees Pty Ltd. An agreement is in place whereby Thor will purchase all of Hale Energy's tenements. The tenement has an area of 359.5km², an expiry date of 1 August 2012, and an annual exploration commitment of \$22,100. Details of relevant agreements are supplied elsewhere in this prospectus.

Geological Setting

The prospective rocks are within the shallow Tertiary Hale River sedimentary basin. The basin is surrounded by, and sits above, Proterozoic rocks of the Arunta Block (Figure 9). The Hale River Basin is divided into two sub-basins. The deeper Garden Sub-basin is to the west and the Claraville Sub-basin is to the east. The Thor tenement covers the northwestern portion of the Garden Sub-basin, which contains unconsolidated blanket sand, sandy clay, clay, carbonaceous clay, and lignite units. A calcreted calcareous unit forms low mesas in the east of the sub-basin. Within the tenement the sub-basin has a width of up to 8km, and a length of 25km. The sediments are up to about 100m in depth.

Palaeochannels containing unconsolidated sand are present. They form aquifers within which flow is from the west.

Sediments within the basin are sub-horizontal. Unconsolidated sands are more prominent within the central portion of the Garden Sub-basin. An area containing carbonaceous clays and lignite horizons is present towards its eastern end.

Surface oxidation has affected the sediments across the basin to a depth of about 20m. The lower sandy units have also been oxidised at the western end of the sub-basin and at its margins. Unoxidised sands are within an approximately 48km² area in its central-east. They are grey in colour with occasional carbonaceous plant remains and abundant (up to 10%) fresh pyrite. The oxidation of the lower sands has been caused by oxygenated ground water moving down slope from the west. As the sand occurs in numerous interbeds, each with a different hydrostatic gradient, permeability, pyrite content, and carbon content, the location of the oxidising front (redox front) varies both across the basin and vertically within it. The redox front is therefore shown on Figures 9 and 12 as covering a general area about 5km².

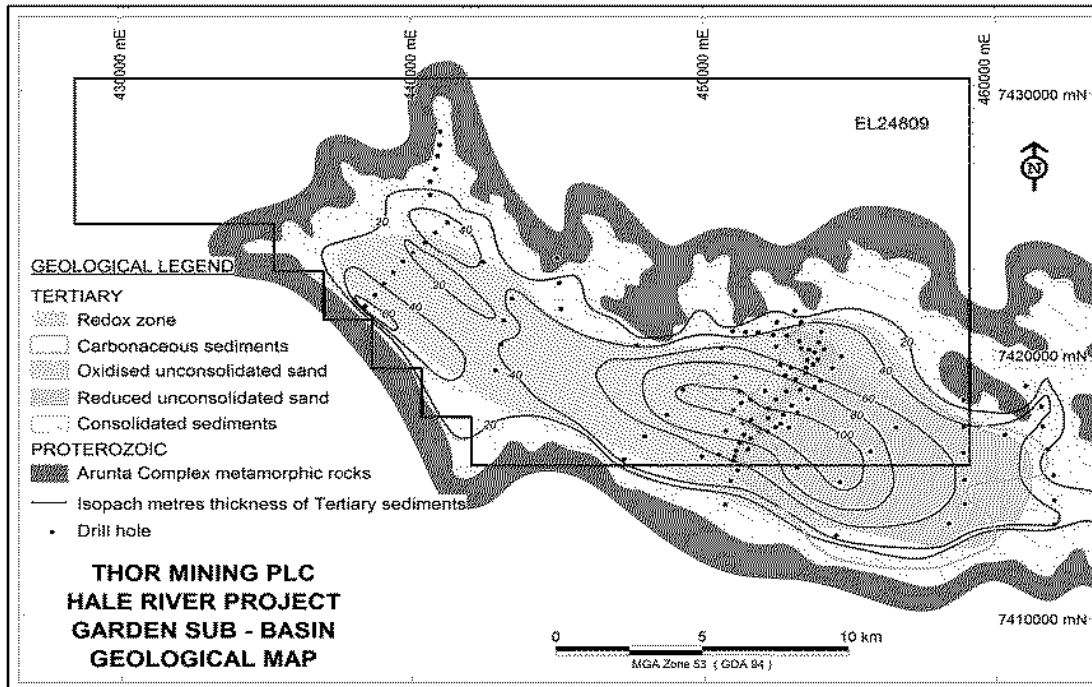


Figure 9 Hale River Project – Geological map of Garden Sub-basin

Mineralisation

An accepted model for palaeodrainage hosted uranium deposits involves oxygenated uranium-bearing groundwater passing through an aquifer, the down-flow portions or margins of which are unoxidised and which contain reducing minerals, commonly pyrite or carbonaceous material. The uranium in solution is reduced when it enters the reducing environment and uranium minerals are deposited from the groundwater, possibly as lower-grade disseminations within the sediments or as higher-grade replacements of the plant material. Pyritic clayey units adjacent to the sandy aquifer or mud balls within the sands may also host concentrations of uranium mineralisation.

Over time the oxidising water may oxidise and/or re-dissolve the precipitated uranium minerals as the redox front is moved along the direction of groundwater flow. The uranium mineralisation may be concentrated during this process forming a roll-front deposit. A schematic model of palaeodrainage hosted uranium mineralisation is shown as Figure 10 and of roll-front deposition as Figure 11.

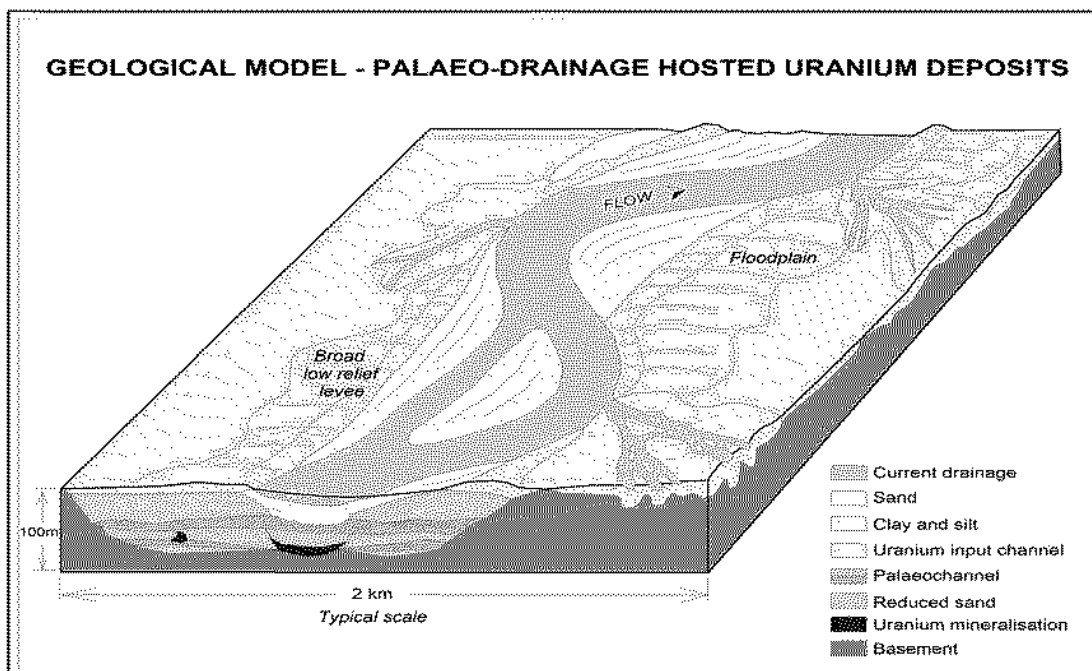


Figure 10 Geological model – Palaeodrainage hosted uranium deposits

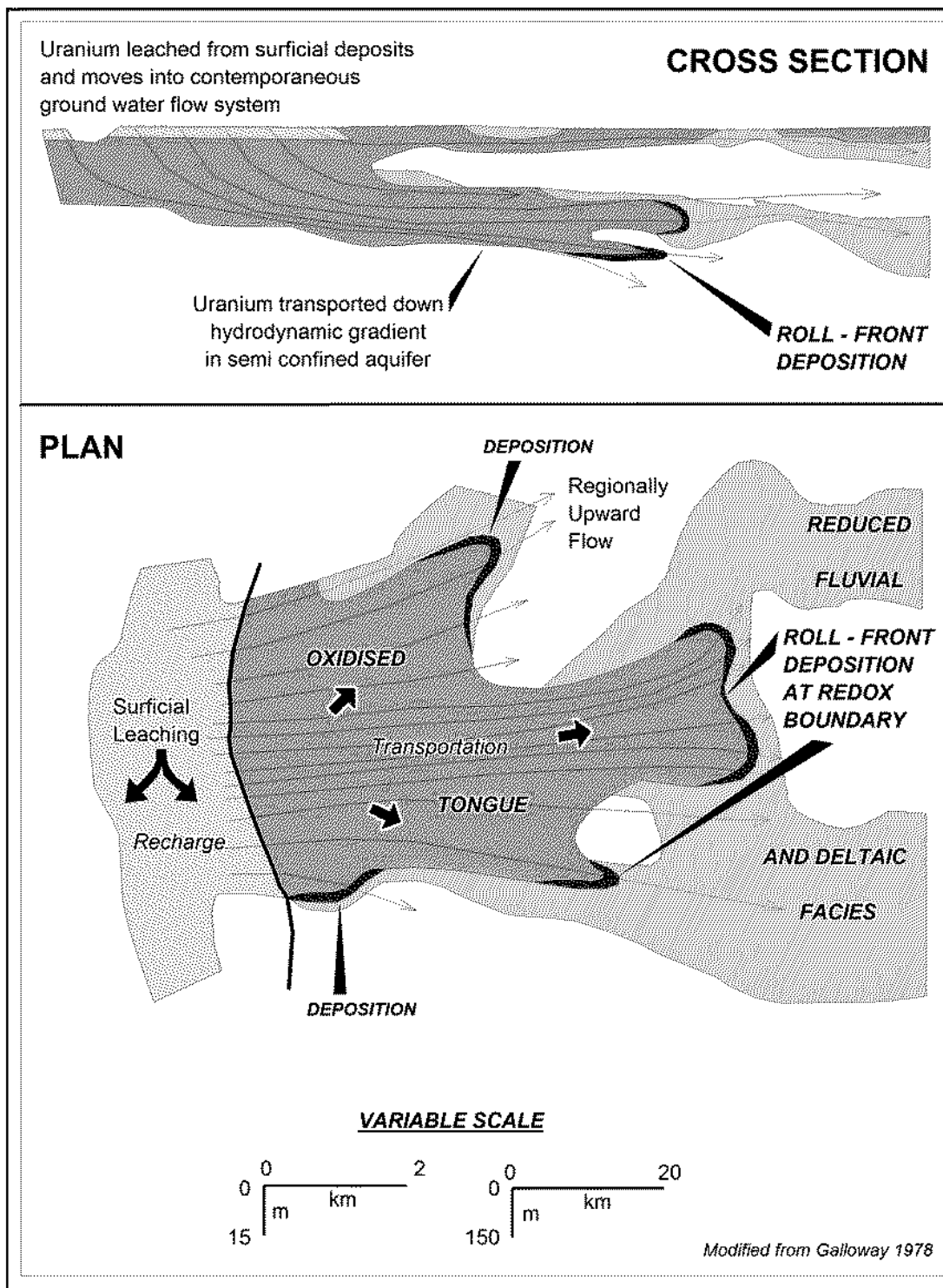


Figure 11 Geological model – Roll-front uranium deposits

Previous exploration outlined a general area within the Garden Sub-basin within which a redox front occurs between oxidised sediments to the west and reduced sediments to the east. Anomalous uranium concentrations have been shown to be present both within carbonaceous horizons and within unconsolidated sands within the area of the redox front. Uranium bearing groundwater is present in the local aquifers and the transition zone, between the oxidised sediments to the west and the unoxidised sediments to the east, is assumed to be an active roll-front within which both solution and deposition of uranium mineralisation is occurring. The presence of pyrite and carbonaceous horizons within the unoxidised sediments provides a reducing environment within which uranium mineralisation can be expected to be precipitated.

Previous Exploration

Early exploration within the Hale River Basin was by the Bureau of Mineral Resources (BMR) and the Northern Territory Department of Mines and Energy (NTDME).

In 1966 the BMR drilled a single stratigraphic hole near the centre of the Garden Sub-basin. The hole intersected 82m of Tertiary sediments, including lignite and unconsolidated sands, and bottomed in the metamorphic basement. The NTDME followed-up the lignite intersection in 1978 with a five-hole diamond drilling programme.

Alcoa of Australia Ltd (Alcoa) explored the Hale River Basin for roll-front uranium between 1979 and 1981, after a peak in the world uranium price. During the first year of its exploration it drilled 98 open rotary drag-bit holes on nine approximately five kilometer spaced lines across the basin. The holes were spaced about 800m apart.

A total of 4,434m were drilled and basement was reached in 69 holes. Some of the holes were logged for down-hole gamma radiation. Drilling difficulties resulted in poor recovery of the finer fractions from within the sandy units in some holes. Samples were collected every 2m and those in favourable geological environments or associated with high radiation levels were analysed for uranium. Some samples were also analysed for a suite of other indicator elements. The drilling programme outlined the extent of the oxidised and unoxidised sands and located a transitional zone between them. Anomalous uranium concentrations of up to 25ppm U_3O_8 were present within the sediments in this zone, which has an area of about 5km².

In its second year of its exploration Alcoa concentrated its exploration on a 20km² area that contained the oxidation front. It drilled 53 rotary-mud holes within this area for a total of 3,848m. The holes were drilled on an approximate 500m grid spacing, and confirmed the presence of an irregular oxidation front within the area. A maximum U_3O_8 analysis of 48ppm was obtained (Figure 11).

The drilling technique disaggregated the unconsolidated sand units and carried the sand to the surface with viscous muds. The fine fraction of the sand units generally remained in suspension and was poorly sampled. As the uranium is thought to have formed in the sand as microscopic mineral grains associated with the clayey, humic, and pyritic matrix, this sampling technique may have downgraded the analytical results.

The distribution of anomalous uranium within the sediments is shown on Figure 12 along with the location of drill-holes and of the interpreted position of the main oxidation front / transitional zone.

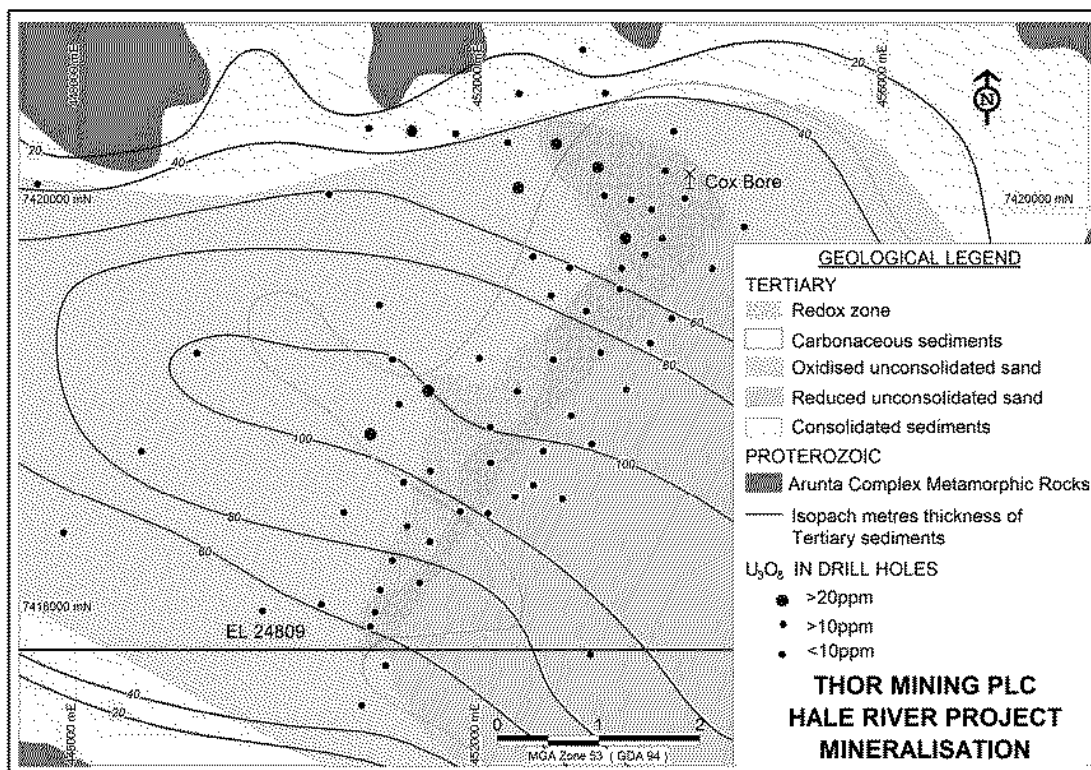


Figure 12 Hale River Project – Area of detailed drilling

Exploration Potential

The Hale River Basin contains an east flowing palaeodrainage system, which contains palaeochannel sediments that are potential hosts for uranium mineralisation. These channels have not been adequately investigated over their full extents.

Previous exploration has also outlined a general area within the Garden Sub-basin within which a redox front occurs between oxidised sediments to the west and reduced sediments to the east. Anomalous uranium concentrations have been shown to be present both within carbonaceous horizons and within unconsolidated sands within the area of the redox front. The redox front is assumed to be an active roll-front within which both solution and deposition of uranium mineralisation is occurring. There is potential for economic-grade mineralisation to be present within the approximately 5km² area of this roll front. Uranium analyses obtained from the previous exploration drilling were not of economic grade, but this may have been contributed to by the facts that only selected samples were analysed and that the drilling and sampling methods used did not adequately sample the finer fractions of all of the drilled material. The sampling was also biased towards down-hole radiometric anomalies. As uranium is thought to be being actively precipitated from the present groundwater, much of the mineralisation may be in negative disequilibrium and therefore not producing significant gamma radiation.

Lignite seams located during the previous exploration are prospective for high-grade uranium mineralisation.

Proposed Exploration and Budget

Thor's proposed exploration is for palaeodrainage-hosted uranium deposits within Tertiary fluvial channel settings. Thor has presented a comprehensive exploration programme to CRM. The proposed work is summarised below. It is CRM's opinion that the programme is logically planned and appropriate.

Thor proposes to initially acquire and process satellite imagery and digital topographic data, to complete a detailed helicopter-borne HoisTEM survey, and to carry out on-ground geological reconnaissance and geophysical anomaly follow-up. The HoisTEM survey will be carried out to enable sub-surface palaeochannels to be located. The proposed second stage exploration will comprise systematic drill testing of targets delineated during the initial exploration. Thor also proposes to drill previously identified lignite seams.

Thor's proposed exploration budget for the project in Year 1 following listing is \$365,000. The proposed budget for Year 2 is \$232,000.

PLENTY HIGHWAY AND BUNDEY RIVER PROJECTS

Thor's Plenty Highway and Bunday River Projects are located in the Plenty River area about 125km northeast of Alice Springs (Figure 2). The projects are within two contiguous tenements that cover about 1,200km² of the Tertiary Waite and Huckitta Basins, which is prospective for palaeodrainage hosted uranium mineralisation. The Plenty Highway passes through the south of the Plenty Highway project area. The prospective areas within the tenements are topographically flat and are covered by scrubland and grassland.

Tenements and Agreements

The project consists of one EL and one EL application, both of which are held by Hale Energy. Aboriginal Land Claims have been made over parts of EL24810. Details of relevant agreements and claims are supplied elsewhere in this prospectus.

Table 6 Plenty and Bunday River Projects - Tenement summary

| Project | Tenement | Expiry Date | Area (km ²) | Holder | Annual Commitment |
|----------------|----------|-------------|-------------------------|-------------|-------------------|
| Plenty Highway | EL24810 | 01/08/2012 | 732.8 | Hale Energy | \$40,100 |
| Bunday River | EL25378 | Application | 1,237.8 | Hale Energy | Not Applicable |

Geological Setting

The project areas contain parts of the Tertiary Waite and Huckitta Basins, relatively shallow sedimentary basins, the central portions of which were probably lakse during most of the time of deposition of their sediments. The basins were fed from both the Harts Range metamorphic rocks in the south and by various channels that drain areas of Proterozoic granitic and metamorphic rocks to the north (Figure 13).

The sedimentary sequence within the basin is dominated by clays and sandy clays, with lesser amounts of sands. Lignite and evaporitic horizons are also present. The sediments were subject to slight uplift during the late Pliocene and the upper parts of the sequence have been eroded in part. The sequence is poorly known, with the approximate 1,200km² of basin within the project areas having been tested by only about 15 drill-holes. Within the Plenty Highway tenement basement was reached in only one hole and the basin is known to be in excess of 200m in depth.

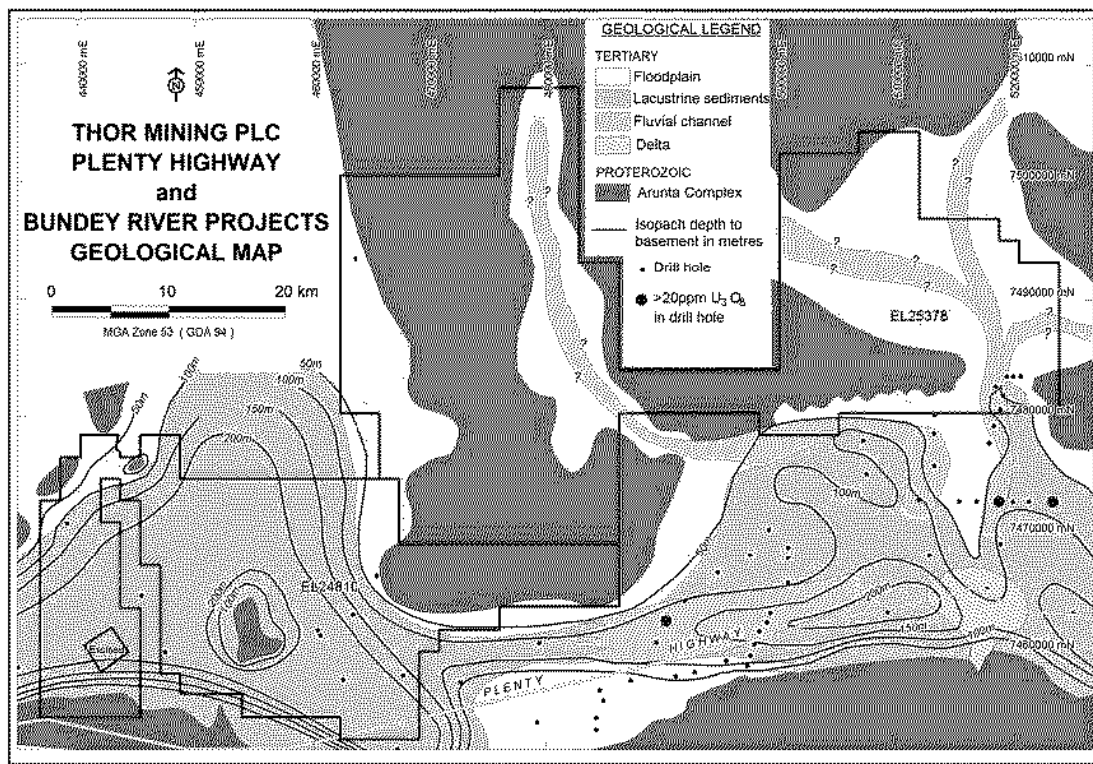


Figure 13 Plenty Highway and Bunday River Projects – Geological map

Previous Exploration

Early stratigraphic information was obtained by the BMR, which drilled two holes into the basin during the 1960s.

Alcoa explored the basins for uranium during 1979 and 1980. It drilled 71 holes to maximum depths of 200m for a total of 6,260 metres. Of these holes, six were drilled within the area of EL24810 and a further six within that of EL25378. Significant uranium intersections were only achieved in four holes, drilled outside Hale Energy's project areas. The best intersection, at a depth of 104m, was of 45ppm U₃O₈ within an unoxidised horizon of pyritic carbonaceous silt.

Exploration Potential

The sedimentary sequences within the basins are virtually unexplored. They are known to contain both oxidised and unoxidised sediments and can be expected to contain a number of palaeochannels, which will have brought sands from both the north and the south. They are prospective for palaeochannel hosted uranium mineralisation deposited in redox front environments.

Proposed Exploration and Budget

As for the Hale River Project, Thor's proposed exploration is for palaeodrainage-hosted uranium deposits within Tertiary fluvial channel settings. Thor has presented a comprehensive exploration programme to CRM. The proposed work is summarised below. It is CRM's opinion that the programme is logically planned and appropriate.

Thor proposes to initially acquire and process satellite imagery and digital topographic data, to complete a detailed helicopter-borne HoisTEM survey, and to carry out on-ground geological reconnaissance and geophysical anomaly follow-up. The HoisTEM survey will be carried out to enable sub-surface palaeochannels to be located. The proposed second stage exploration will comprise systematic drill testing of targets delineated during the initial exploration

Thor's proposed exploration budget for the Plenty Highway Project in Year 1 following listing is \$375,000. The proposed budget for Year 2 is \$90,000.

HARTS RANGE PROJECT

Thor's Harts Range Project is located in the Harts Range area to the south of the Plenty Highway, about 150km east-northeast of Alice Springs and 50km east of the Harts Range settlement (Figure 2). It consists of six tenements with a total area of 362km². The tenements cover high-grade metamorphic rocks of the Proterozoic Harts Range Complex. Previous exploration has found occurrences of uranium mineralisation in four different settings.

Tenements and Agreements

The project consists of five granted exploration licences and one granted authorisation, all of which are held by Hale Energy. Details of relevant relationships and agreements are given elsewhere in this prospectus.

Table 7 Harts Range Project - Tenement summary

| Tenement | Expiry Date | Area (km ²) | Holder | Annual Commitment (\$) |
|---------------|-------------|----------------------------|-------------|---------------------------|
| EL24734 | 24/01/2012 | 56.12 | Hale Energy | 8,000 |
| EL24735 | 24/01/2012 | 151.40 | Hale Energy | 12,500 |
| EL24736 | 24/01/2012 | 59.17 | Hale Energy | 8,000 |
| EL24765 | 24/01/2012 | 75.76 | Hale Energy | 10,500 |
| A24766 | 14/02/2012 | 9.47 | Hale Energy | 5,500 |
| EL24827 | 24/01/2012 | 10.36 | Hale Energy | 6,500 |
| Totals | | 362.28 | | 51,000 |

Geological Setting

The project areas cover high-grade metamorphic rocks of the Proterozoic Harts Range Complex, which is part of the central Australian Arunta Block. The tenements are situated within the Entia Domal Structure (Figure 14). The structure is comprised of a core of quartzo-feldspathic gneiss surrounded by biotitic gneiss and amphibolite. Granite intrusions form smaller scale domes within the central structure. Metamorphosed gabbroic and ultramafic bodies are also present within the gneisses. The stratigraphy is dislocated by numerous faults and shears.

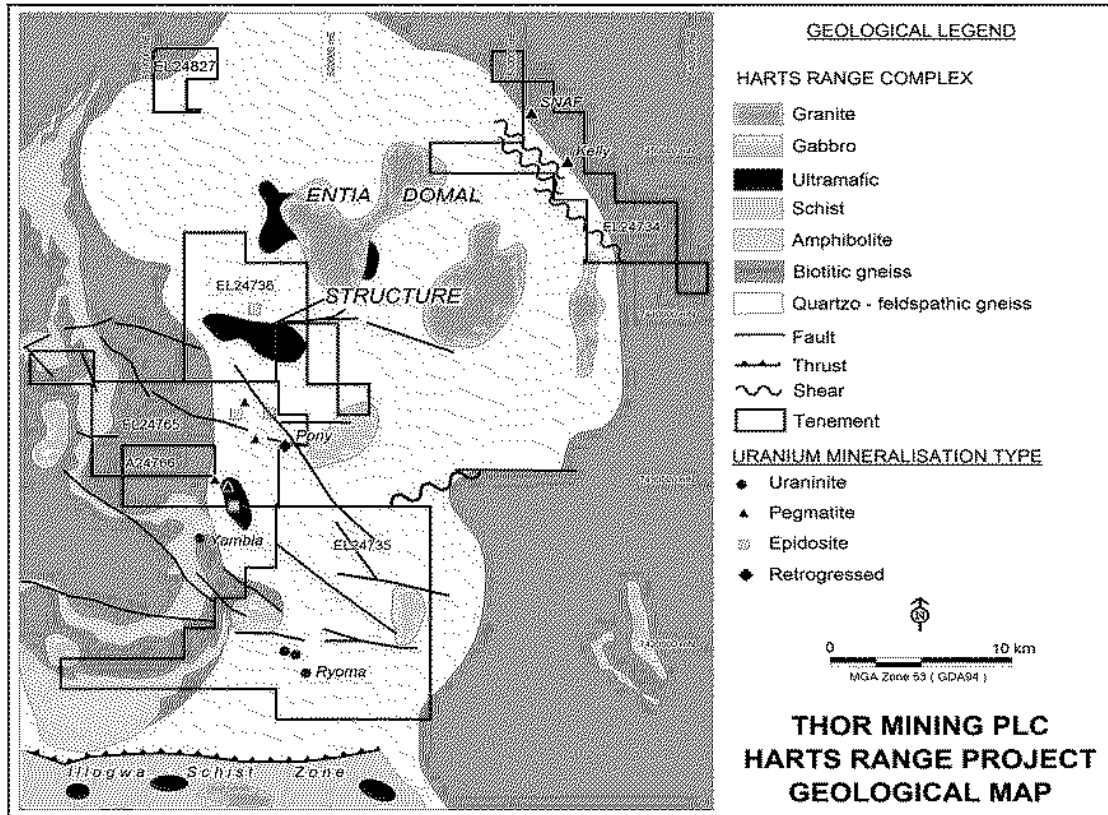


Figure 14 Harts Range Project – Geological map

Previous Exploration

The tenement area has been covered by modern radiometric and magnetic airborne surveys. The first, in 1993, was over southern portions of the area. It was flown for PNC Exploration (Australia) Pty Ltd (PNC) at a 200m line-spacing. The second, in 1997, was over the remaining northern portion. It was flown for the NTGS at a 400m line-spacing. The surveys identified three clusters of radiometric anomalies within the tenements (Figure 15). The largest clusters were located within the Entia Gneiss, in the southwest and south of the Entia Dome. The third cluster, marginal to the dome, is spatially associated with a zone of northwest orientated shears.

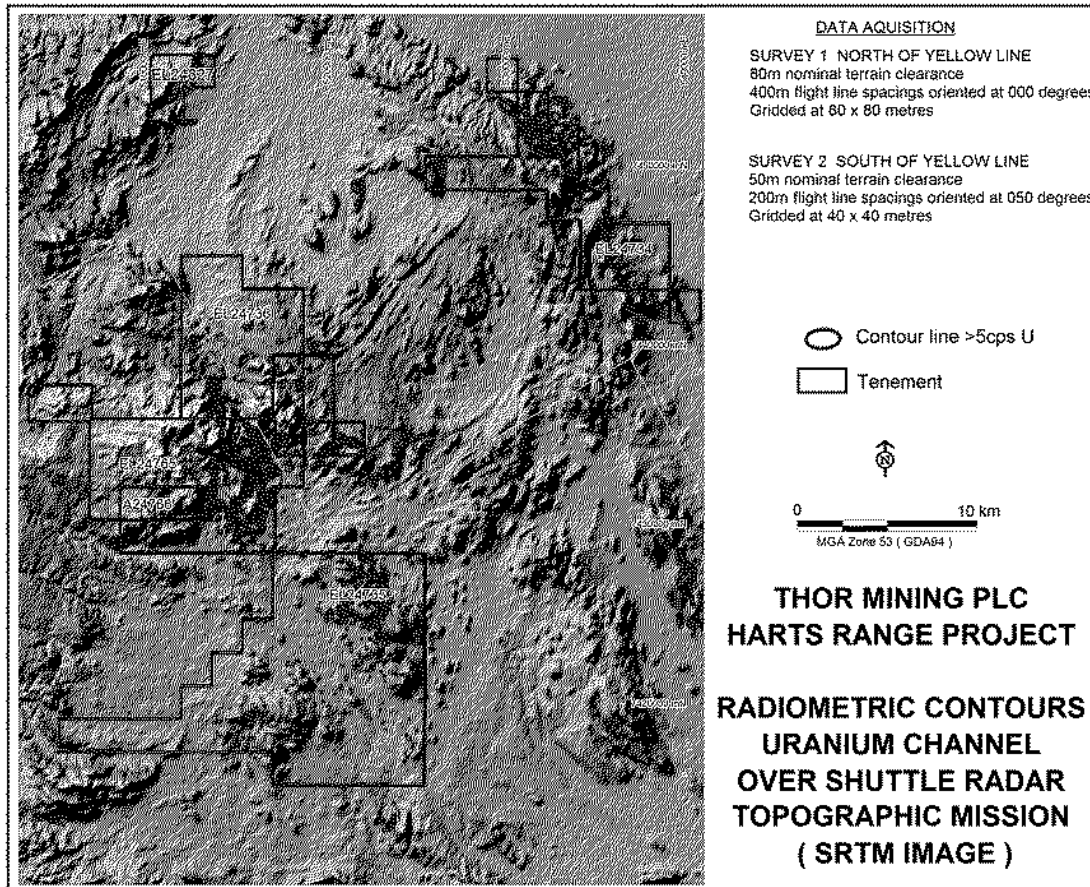


Figure 15 Harts Range Project – Radiometric contours over topographic image

Exploration for uranium was conducted over the area between 1992 and 1995 by PNC, which carried out regional reconnaissance sampling and discovered occurrences of uranium mineralisation in a number of locations, which it followed-up with prospect scale mapping and sampling. Although some of the occurrences contained high-grade mineralisation, none were of sufficient size to warrant drill-testing.

PNC reported four separate types of uranium mineralisation, based on mineralogy:

- **Uraninite-type:** Uraninite occurring as mm to cm sized crystals, crystalline aggregates, or nodules. The mineralisation is associated with felsic phases in amphibolite and gneiss. At the Yambla Prospect the mineralisation is within quartz veining in an altered fault zone. At the Ryoma Prospect it is associated with haematite-altered fractures within gneiss. Grab samples from this prospect gave analyses of up to 8.5% U.
- **Pegmatite Type:** Uranium bearing rare earth oxide minerals within or immediately adjacent to a suite of pegmatites. At the SNAF Prospect, on EL24734, grab samples from the contact zone between pegmatite and gneiss produced analyses to 0.26% U. At the Kelly Prospect parts of the contact between a 3km long pegmatite and surrounding altered amphibolite is anomalous in uranium.
- **Epidosite Type:** Sub-microscopic uraninite and uriferous allanite grains occur in veinlets and vugs, on epidote grains, and in quartz-apatite-sulphide pockets. The mineralisation is associated with epidote and epidote-garnet metasomatic alteration in shear and fault zones.
- **Retrogressed Type:** Finely disseminated uranium mineralisation associated with clay-silica alteration along faults.

Exploration Potential

Thor's exploration is planned to target small-tonnage high-grade pods of uranium mineralisation. Such mineralisation would not have a large radiometric footprint. The previous exploration was based upon the checking of individual radiometric anomalies found from airborne surveys with 200m and 400m line-spacings. There is potential for further anomalies and thus further mineralisation to be found by the flying of a survey with a closer line-spacing. There is also potential for individual structures and contacts, which are likely to be associated with alteration and mineralisation to be investigated in detail.

Proposed Exploration and Budget

Thor proposes to initially acquire and process satellite imagery and digital topographic data, to complete a detailed airborne magnetic and radiometric survey, and to carry out on-ground geological reconnaissance and geophysical anomaly follow-up. Thor proposes to initially focus upon structurally controlled targets. Portions of the tenements are covered by rugged ranges, within which areas access is difficult and on-ground exploratory work may require helicopter support. The proposed second stage of exploration will comprise systematic drill testing of targets delineated during the initial work.

Thor's proposed exploration budget for the project in Year 1 following listing is \$1,240,000. The proposed budget in Year 2 is \$310,000.

CURTIS POUND PROJECT

The Curtis Pound Project is located in the central Northern Territory, about 340km north-northeast of Alice Springs and 125km south-southeast of Tennant Creek. It covers over 700km² of Proterozoic sediments that Thor intends to explore for sandstone hosted uranium deposits.

Tenement and Agreements

The project consists of EL24823, with an area of 729.3km², an expiry date of 1st August 2012, and an annual expenditure commitment of \$41,600 held by Hale Energy. Details of relevant relationships and agreements are given elsewhere in this prospectus. Native Title Applications have been made over the tenement. Details are given elsewhere in the prospectus.

Geological Setting

The project area is over Paleoproterozoic rocks of the Tennant Creek Inlier. The rocks are comprised of two sedimentary and volcanic sequences (Figure 16).

The upper sequence, of Hatches Creek Group rocks, covers most of the project area, within which the sequence is folded into three synclines and two intervening anticlines along northwest axes. The southwest syncline has moderate dips and forms the Curtis Pound. The tightly folded and faulted out Alexandra Syncline trends north-northwest in the central portion of the tenement, and the steeply folded Bonney Syncline is in the northeast of the area. The sequence, from top to bottom, is shale and siltstone, sandstone, basalt, siltstone with minor carbonate sediments, and a major sandstone unit.

The Hatches Creek Group unconformably overlies the Warramunga Group, which outcrops in the Skinner Anticline in the southeast of the project area, where it is comprised of a sandstone unit overlying basic volcanic rocks.

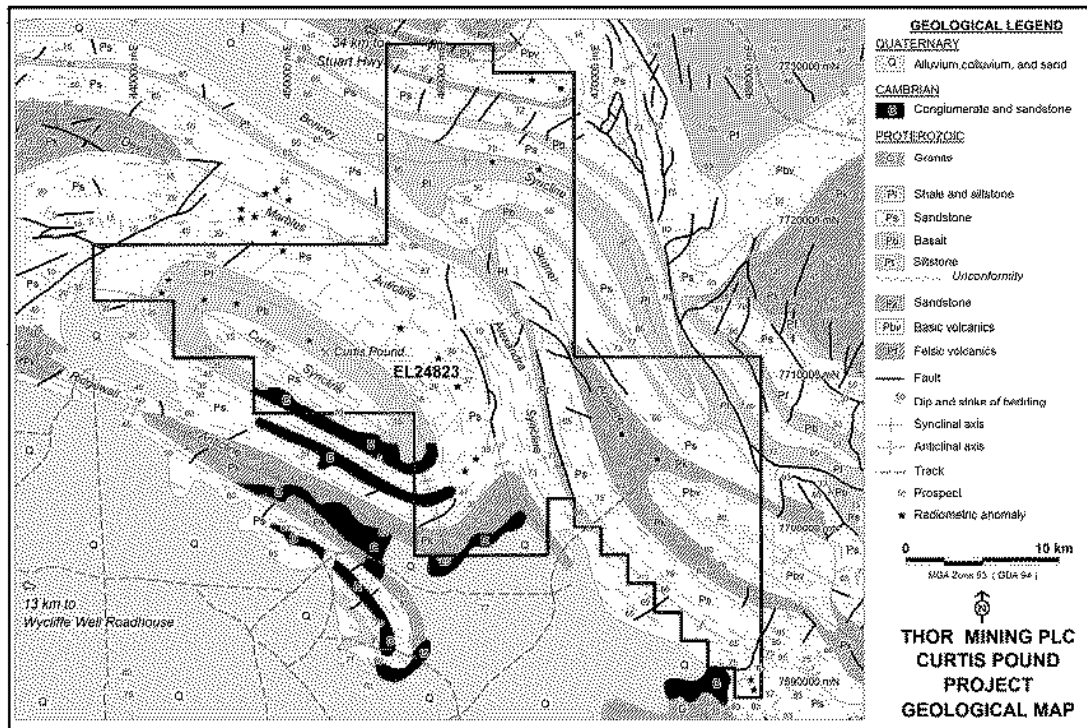


Figure 16 Curtis Pound Project – Geological map

Previous Exploration

The region was explored for uranium by Pechiney (Australia) Exploration Pty Ltd (“Pechiney”) in 1971 and 1972. Pechiney flew an airborne radiometric survey over the region. It located nine radiometric anomalies within Thor’s tenement area and followed up two of them. One, in a siltstone unit, was found to be caused by thorium. The other, near the axis of the Curtis Syncline, was traced to a 90m long and 1m thick bed consisting largely of microcrystalline apatite. A grab sample of the rock contained 320ppm U_3O_8 .

Exploration Potential

Minimal exploration has been carried out over the tenement area for uranium mineralisation. A number of anomalies have been identified, but are not known to have been followed-up. Systematic detailed exploration of the area can be expected to confirm the location of both the previous anomalies and identify others.

Proposed Exploration and Budget

As for the Harts Range Project, Thor proposes to initially acquire and process satellite imagery and digital terrain data, to complete a detailed airborne magnetic and radiometric survey, and to carry out on-ground geological reconnaissance and geophysical anomaly follow-up. The proposed second stage exploration will comprise systematic drill testing of targets delineated during initial exploration.

Thor’s proposed exploration budget for the project in Year 1 following listing is \$460,000. The proposed budget in Year 2 is \$90,000.

DECLARATIONS

This report has been prepared by J.J.G. Doepel, principal geologist of Continental Resource Management Pty Ltd, who has 25 years experience in the mineral industry.

This report is written to conform to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ~ The VALMIN Code~ 2005 Edition. The reporting of exploration results, resource and reserve estimation and classification is in compliance with, unless specifically stated to the contrary, with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ~ The JORC Code ~ 2004 Edition. Mr Doepel has the appropriate relevant qualifications, experience, competence and independence to be considered an “Expert” under the definitions provided in the VALMIN Code, and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a “Competent Person” as defined in the JORC Code.

No member or employee of CRM is, or is intended to be a director, officer or other direct employee of Thor. No member or employee of CRM has, or has had, any share holding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in Thor. CRM has previously provided geological services to Thor. There is no agreement or understanding between CRM and Thor as to CRM performing further work for Thor. Fees are being charged at a commercial rate for the preparation of this report, the payment of which are not contingent upon the conclusions of the report.

Where mineral resources and reserves are referred to, the terminology is consistent, unless specifically stated to the contrary, with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Code) as per the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Australian Mining Industry Council (JORC) and dated December, 2004.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of the 3rd August, 2006 and could alter over time depending on exploration results, metal prices and other relevant market factors.

GLOSSARY OF GEOLOGICAL AND TECHNICAL TERMS

| | |
|-------------------------|--|
| Actinolite | A green silicate metamorphic mineral. |
| Aeromagnetic | A method of geophysical exploration in which an aircraft carries instruments that record the magnetic signatures of the rocks beneath its flight path. |
| Ag | The chemical symbol for the metallic element silver. |
| Al | The chemical symbol for the element aluminium. |
| Allanite | A mineral containing rare earth oxides. |
| Alluvium | Detrital sediment laid down by water, especially by rivers or streams. |
| Alteration | Change in mineralogical composition of a rock commonly caused by reactions with hydrothermal solutions. |
| Amphibole | A silicate mineral group, green in colour. |
| Amphibolite | A metamorphic rock composed mainly of amphibole. |
| Andradite | A mineral, of the garnet group. |
| Anticline | Rock strata folded in a convex upward manner. |
| Apatite | A phosphate mineral. |
| Arsenic / As | An element, commonly associated with gold mineralisation. |
| Arsenopyrite | A sulphide mineral, of composition FeAsS. |
| Au | Chemical symbol for gold. |
| Barite | A mineral, of composition BaSO ₄ . |
| Basalt | An extrusive igneous rock; dark coloured, fine-grained, composed mainly of feldspar and pyroxene. |
| Basin | A general term for an originally depressed area that has been filled with sedimentary rocks. |
| Batholith | A large mass of plutonic igneous rocks. |
| Biotite | A mineral of the mica group. |
| Calcareous | Rocks containing calcium carbonate. |
| Calcrete | Layer of hard duricrust, cemented by porous calcium carbonate soil. |
| Calc-silicate | A metamorphic rock consisting largely of carbonate and calcium bearing silicate minerals; formed by the metamorphism of carbonate sediments. |
| Cambrian | The period of geological time between about 490 and 545 million years ago. |
| Carbonaceous | Rocks containing organically derived carbon. |
| Carbonate | A mineral compound containing the radical CO ₃ anion; especially calcium carbonate (calcite). |
| Chalcopyrite | A sulphide mineral; composed of copper, iron, and sulphur (CuFeS ₂). |
| Chlorite | A platy hydrous silicate related to mica. |
| Clastic | Rocks composed of fragmental material derived from pre-existing rocks. |
| Complex | Group of igneous and or metamorphic rocks |
| Copper (Cu) | The metallic element (its chemical symbol). |
| Concentrate | A concentration of valuable minerals obtained from lower grade mineralisation (especially of sulphides). |
| Conjugate faults | Set of related faults which intersect and have dissimilar orientations. |
| Costean | An elongate pit. |
| Crosscut | Horizontal underground opening. |
| Deslime | Remove clay-sized particles from crushed rock. |
| Devonian | The period of geological time between about 355 and 410 million years ago. |

| | |
|---------------------------|--|
| Diamond drilling | Method of obtaining cylindrical core of rock by drilling with a diamond-set or diamond-impregnated bit. |
| Diopside | A mineral of the pyroxene group. |
| Dip | The angle that a rock unit or structure makes with the horizontal. |
| Disseminated | Mineralisation in which mineral grains (especially sulphides) are dispersed throughout a host rock (as against being concentrated in a massive band). |
| Dolerite | A dark coloured fine to medium-grained intrusive igneous rock. |
| Dyke | A tabular igneous intrusion that cuts across the intruded rocks. |
| Eluvial | Placer deposit, in-situ or down slope, formed from the weathering of the parent rock. |
| En echelon | Parallel but offset structures or veins. |
| Epidosite | A metamorphic rock consisting primarily of epidote and quartz |
| Epidote | A yellow to green silicate mineral, formed during low grade metamorphism or hydrothermal processes. |
| Epithermal | A hydrothermal mineral deposit formed within about 900m of the surface within the temperature range of 50° to 200°C: characterised by veins. |
| Evaporite | A sedimentary rock formed by the evaporation of saline water. |
| Fault | A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally. |
| Fe | The chemical symbol for the element iron. |
| Felsic | Descriptive of light coloured rock containing an abundance of feldspar (generally Potassium rich) and quartz. |
| Flotation | A metallurgical technique for the separation of (especially) sulphide minerals from finely ground rock. |
| Fluorite | A mineral, of composition CaF ₂ . |
| Fluvial | A sediment produced by river or stream action. |
| Fold | A bend in strata or any planar structure. |
| Formation | A rock unit; often sedimentary; may be given a formal name; capable of its distribution being mapped either at or below the surface of the Earth. |
| g/t | Grams per tonne. |
| Gabbro | A dark coarse-grained igneous rock formed by the cooling a large body of magma within the Earth's crust. |
| Garnet | An alumino-silicate metamorphic mineral. |
| Geochemistry | The study of the abundance of elements in rocks by chemical methods. |
| Geostatistical | The estimation of a mineral resource by means of the statistical analysis of the distribution of analytical values within the mineralised body using a software package. |
| Geotechnical | The science that includes the physical properties and responses of rocks and rock formations to strains and stresses; especially in mine situations. |
| GIS | Geographic information system. A computer based system that enables various sets of data that have known geographical positions to be viewed, compared, and manipulated. |
| Gneiss | High grade metamorphic rock composed of alternating bands respectively rich in light and dark coloured minerals. |
| Gold | The metallic element (chemical symbol Au). |
| Grade | Expression of relative quality (e.g high grade) or of numerical quality (e.g. 3.0g/t Au). |
| Granite | Light coloured, coarse-grained, intrusive igneous rock; comprises large sections of the Earth's continental crust. |
| Granophyric | A texture in coarse-grained granitic rocks characterised by the intergrowth of quartz in a base of feldspar. |
| Granulite | A high-grade metamorphic rock composed of interlocking granular minerals. |
| Ground magnetics | A geophysical exploration method based on the detection of buried rock bodies of different magnetic properties to those surrounding them. |
| Haematite | A blood-red iron oxide mineral. |
| Hornblende | A green silicate mineral. |
| Humic | Carbonaceous material derived from plants. |
| Hydrothermal | Minerals formed <i>in situ</i> by the action of hot aqueous fluids. |
| Igneous | Formed by solidification of hot mobile material termed magma. |
| Indicated Resource | That part of a resource for which tonnage, densities, shape, physical characteristics, grade, and mineralogy can be estimated with a reasonable level of confidence. |
| Inferred Resource | That part of a resource for which tonnage, grade, and mineralogy can be estimated with a low level of confidence. |
| Inlier | An area of older rocks surrounded by younger rocks. |

| | |
|---------------------------------|---|
| Interpolation | A mathematical approximation that assigns a value to a point based on the known values of surrounding points. |
| Intrusion | A body of igneous rock that invades older rocks. |
| Ironstone | A rock composed predominantly of iron minerals. |
| JORC Code | The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. |
| Lateritised | Rocks altered and enriched in iron by weathering. |
| Lignite | Brownish-black low-grade coal. |
| Lithology | Rock type and make-up. |
| Lode | A tabular potentially economic deposit within rock, with more or less definite boundaries, especially economic vein. |
| Mafic | Descriptive of rocks containing major proportions of magnesium and iron silicate minerals. |
| Magnetite | A magnetic iron oxide mineral; Fe_3O_4 . |
| Magnetometry | Measurement of the Earth's magnetic field. |
| Measured Resource | That part of a resource for which tonnage, grade, and mineralogy can be estimated with a high level of confidence. |
| Metamorphic | A rock that has been altered by physical and chemical processes involving heat, pressure, and/or fluids. |
| Metallurgy | The science of the extraction or processing of metals. |
| Mica | A platy mineral. |
| Mineragraphy | Microscopic study of opaque, and usually economic, minerals in polished sections. |
| Mineralisation | The concentration of metals and their minerals within a body of rock. |
| Mineralogy | The science of the study of minerals. |
| Mo | The chemical symbol for the metallic element molybdenum. |
| Molybdenite | The sulphide mineral of molybdenum (MoS_2). |
| Molybdenum | A metallic element (chemical symbol Mo). |
| Neoproterozoic | The youngest of the three Proterozoic eras; between about 580 and 1,000 million years ago. |
| Ortho-referenced | Images of aerial photography that have been corrected for distortion and referenced to a map grid. |
| P | The chemical symbol for the element phosphorous. |
| Palaeochannel | A buried stream channel containing stream sediments. |
| Palaeodrainage | An ancient buried drainage system. |
| Palaeozoic | The era of geological time from the end of the Proterozoic to the beginning of the Mesozoic; between about 580 and 250 million years ago. |
| Paleoproterozoic | The oldest of the three Proterozoic eras; between about 2,500 and 1,600 million years ago. |
| Pb | The chemical symbol for the metallic element lead. |
| Pegmatite | Very coarse-grained igneous intrusive body, usually granitic, usually in dyke or sill form. |
| Percussion drilling | A drilling method in which the drill bit breaks the rock by a hammering action. |
| Plunge | The downward direction of the long axis of a rock unit or lineation. |
| Porphyry | Igneous rock containing conspicuous phenocrysts (large crystals) in a fine-grained groundmass; usually intrusive. |
| ppb or ppm | Parts per billion (1,000 million) or parts per million. |
| Proterozoic | The younger portion of the Precambrian; from about 2,500 to 580 million years ago. |
| Pyrite | A mineral composed of iron sulphide (FeS_2); "fools gold". |
| Pyroxene | A dark coloured silicate mineral. |
| Quartz | A mineral composed of silicon dioxide |
| Radiometric | Measurement of radiation. An airborne radiometric survey may distinguish different rock units on the basis of their inherent radioactive minerals. |
| RAB | See Rotary air blast. |
| RC | See reverse circulation. |
| Redox front | The location within a rock formation at which chemical conditions change or changed from oxidising to reducing. |
| Reef | A tabular or vein like deposit of valuable mineral between well defined walls. |
| Resource | In-situ mineral occurrence for which there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics, and continuity are known, estimated, or interpreted from specific geological evidence and knowledge. |
| Reverse circulation (RC) | A percussion drilling technique in which the cuttings are recovered through the drill rods, thus minimising sample losses and contamination. |

| | |
|----------------------------------|--|
| Rotary air blast (RAB) | Rotary drilling technique in which compressed air returns the sample to surface outside the drill-rod string. |
| S | The chemical symbol for the element sulphur. |
| Sandstone | A sedimentary rock composed primarily of sand-sized grains. |
| Scheelite | A tungsten mineral, of composition CaWO_4 . |
| Sediment | Rock formed by the deposition of solid grains from water. |
| SEM/EDS | Scanning electron microscope utilising an energy dispersive spectrometer which microanalyses the surface layer of the sample. |
| Shaft | Vertical opening to underground workings. |
| Shear | A zone in which rocks have been deformed, primarily in a ductile manner, as a result of applied stress. |
| Siltstone | A very fine-grained sedimentary rock composed predominantly of silt-sized grains. |
| SiO_2 | The chemical compound silicon dioxide, which comprises the mineral quartz. |
| Skarn | A metamorphic rock formed by the addition of elements to a carbonate rock by contact metamorphism from an igneous intrusion. |
| Slate | A very fine-grained medium-grade metamorphic rock formed from shale. |
| Soil sampling | Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values. |
| Stratigraphy | The branch of geology to do with the formation, composition, sequence and correlation of stratified rocks. |
| Strike | The direction of a rock layer or structure on a level surface. |
| Structural | Pertaining to geological structure; including folds, faults, shears, cleavage, and joints. Structures range from regional scale to microscopic. |
| Sulphide | A mineral compound containing sulphur and metal. |
| Syncline | A fold in rocks, in which the strata dip inward from both sides toward the axis. |
| Tailing | Finely crushed ore from which the economic minerals have been extracted and that are discarded as waste. They may become economic to treat at a later time. |
| Tectonic zone | Crustal zone containing major breaks (faults and shears). |
| Tertiary | The period of geological time between about 2 and 65 million years ago. |
| Tungsten | The metallic element (chemical symbol W). |
| Twinned holes | A pair of parallel holes drilled close together. |
| Vein | A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz |
| Volcanic | Descriptive of rocks originating from volcanic activity. |
| Vug | A cavity in a rock, often with a mineral lining of different composition to the surrounding rock. |
| Workings | Minor scrapings, pits, or shafts dug by prospectors or small scale miners; mostly historical |
| Zinc | The metallic element (its chemical symbol is Zn). |
| Zn | The chemical symbol for the element zinc. |
| W | The chemical symbol for the element tungsten. |
| Weathering | The processes by which rocks at or near the Earth's surface change in mineralogical and chemical composition due to the action of air, water, plants, and temperature changes. |
| Wolfram | The metallic element tungsten. |
| Wolframite | A tungsten mineral, of composition $(\text{Fe, Mn})\text{WO}_4$. |

6. Audited Financial Statements at 30 June 2006

Thor Mining PLC

Consolidated Income Statement for the year ended 30 June 2006

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

Continuing operations

All items relate to continuing operations

The comparatives are for the period 3 November 2004 to 30 June 2005.

Group Statement of Recognised Income and Expense for the year ended 30 June 2006

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

Thor Mining PLC
Balance Sheets
At 30 June 2006

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

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

John W Barr
Executive Chairman

John A Young
CEO

Thor Mining PLC
Consolidated Cash Flow Statement for the year ended 30 June 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

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

The accompanying notes form part of these financial statements.

1 Principal accounting policies

a) Accounting convention

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

b) Basis of consolidation

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

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

c) Goodwill

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

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

d) Fixed asset investments

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

e) Deferred taxation

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

f) Foreign currencies

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

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

g) Exploration and development expenditure

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

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

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

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

h) Share based payments

The share option programme allows the consolidated entity's employees and consultants to acquire shares of the Company. The fair value of options granted is recognised as an employee/consultants expense with a corresponding increase in equity. The fair value is

measured at grant date and spread over the period during which the employees/consultants become unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

2 Turnover and Segmental analysis

The Group had no turnover during the year.

Loss before taxation period ended 30 June

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

3 Operating loss

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

4 Revenue

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

5 Directors and Executive Disclosures

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

(a) Details of Key Management Personnel

(i) Executive Directors

Executive

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

(ii) Non-Executive Directors

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

(iii) Executives

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

(b) Compensation of Key Management Personnel

Compensation Policy

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

The compensation policy, setting the terms and conditions for the executive directors and other executives has been developed by the board after seeking professional advice and taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

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

Executive Directors and executives receive either a salary or provide their services via a consultancy arrangement. Directors and executives do not receive any retirement benefits.

All compensation paid to directors and executives is valued at cost to the Company and expensed.

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

Employment contracts

Mr John W Barr as the Executive Chairman is retained by a consultants contract with Kensington Consulting Pty Ltd, this contract is for a 12 month period until 17 May 2006 with option for extension. The contract may be terminated by either party on a 3 month notice.

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

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

| | Salary & Fees | Options | Total |
|---------------------|--------------------------|----------------|--------------|
| | £'000 | £'000 | £'000 |
| 30 June 2006 | | | |
| <i>Directors</i> | | | |
| John W Barr | 80 | 40 | 120 |
| John A Young | 6 | - | 6 |
| Gregory M Durack | 23 | - | 23 |
| P Mark Smyth | 12 | - | 12 |
| Andrew Bell | 10 | - | 10 |
| 30 June 2005 | | | |
| <i>Directors</i> | | | |
| John W Barr | - | - | - |
| Gregory M Durack | - | - | - |
| P Mark Smyth | - | - | - |
| Andrew Bell | - | - | - |
| <i>Executives</i> | | | |
| Stephen F Ronaldson | - | - | - |
| Damian P Delaney | - | - | - |
| Chris Bath | - | - | - |

(c) Compensation by category

| | Consolidated | | The Company | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 2006 £'000 | 2005 £'000 | 2006 £'000 | 2005 £'000 |
| <i>Key Management Personnel</i> | | | | |
| Short-term | 171 | - | 148 | - |
| Post-employment | - | - | - | - |
| | <u>171</u> | <u>-</u> | <u>148</u> | <u>-</u> |

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

Options which were granted over ordinary shares as remuneration during the years ended 30 June 2006 or 30 June 2005, details are set out in Note 5(e).

(e) Options holdings of Key Management Personnel

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

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

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

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

(f) Equity holdings and transactions of Key Management Personnel

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

(g) Other transactions and balances with related parties

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

- (i) The Company used the management consulting services of Kensington Consulting Pty Ltd, a company of which Mr John W Barr is a director.
- (ii) The Company used the consulting services of Mr Gregory M Durack.
- (iii) The Company used the consulting services of John A Young Geological Service, a company of which Mr John A Young is a director.

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

6 Taxation

| | 2006 £'000 | 2005 £'000 |
|--------------------------------------|-----------------------|-----------------------|
| Analysis of charge in year | - | - |
| Tax on profit on ordinary activities | - | - |

Factors affecting tax charge for year

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

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

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

7 Loss per share

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

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

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

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

8 Intangible fixed assets – Group

Deferred exploration costs

| | £'000 |
|-----------------------|--------------|
| Cost | |
| At 1 July 2005 | 685 |
| Additions | 760 |
| At 30 June 2006 | <u>1,445</u> |
| Amortisation | |
| At 30 June 2006 | <u>-</u> |
| Net book value | |
| At 30 June 2006 | <u>1,445</u> |

As at 30 June 2006 the Directors undertook an impairment review of the deferred exploration costs, as a result of which, no provisions were required.

9 Investments – Company

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

| Company | Country of registration or incorporation | Share Class | % |
|-------------------|---|-------------|-----|
| Sunsphere Pty Ltd | Australia | Ordinary | 100 |

| | 2006 £'000 | 2005 £'000 |
|--|---------------|---------------|
| Carrying value of investment in subsidiary | <u>700</u> | <u>700</u> |

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

| | £'000 |
|--|------------|
| Operating loss after taxation for the year ended 30 June 2006 | <u>242</u> |

10 Property, Plant and Equipment – Group

| | 2006 £'000 | 2005 £'000 |
|-------------------------------------|---------------|---------------|
| Plant and Equipment: | | |
| At cost | 12 | - |
| Accumulated depreciation | (3) | - |
| Total Property, Plant and Equipment | <u>9</u> | <u>-</u> |

Movements in Carrying Amounts

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

| | Plant and Equipment £'000 | Total £'000 |
|-------------------------------------|---------------------------------|----------------|
| Economic Entity: | | |
| 1 July 2005 | | |
| Additions | 12 | 12 |
| Disposals | - | - |
| Revaluation increments/(decrements) | - | - |
| Depreciation expense | (3) | (3) |
| 30 June 2006 | <u>9</u> | <u>9</u> |

11 Trade and Other Receivables

| | Group 2006 £'000 | Group 2005 £'000 | Company 2006 £'000 | Company 2005 £'000 |
|-----------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Current | | | | |
| Trade and other receivables | 32 | 79 | 12 | - |
| At 30 June | <u>32</u> | <u>79</u> | <u>12</u> | <u>-</u> |

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

12 Trade and other payables

| | Group 2006 £'000 | Group 2005 £'000 | Company 2006 £'000 | Company 2005 £'000 |
|--------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Current | | | | |
| Trade and other payables | 88 | 7 | 13 | 7 |
| At 30 June | <u>88</u> | <u>7</u> | <u>13</u> | <u>7</u> |

13 Issued Share Capital – Company

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

Share issues

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

Share options

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

| Exercise Price | Expires | Issued | |
|----------------|--------------|-------------------------|-----------|
| | | 2006 | 2005 |
| £0.0200 | 29 June 2010 | 4,090,000 | 4,090,000 |
| £0.0375 | 15 June 2009 | 10,000,000 ¹ | - |

¹Issued on 25 July 2006

Movement in share capital

| | 2006 £'000 | 2005 £'000 |
|---------------|---------------|---------------|
| At 1 July | 182 | - |
| Shares issued | 10 | 182 |
| At 30 June | <u>192</u> | <u>182</u> |

14 Share premium – Company

| | 2006 £'000 | 2005 £'000 |
|-------------------|---------------|---------------|
| At 1 July | 1,750 | - |
| Shares issued | 290 | 1,934 |
| Expenses of issue | (112) | (184) |
| At 30 June | <u>1,928</u> | <u>1,750</u> |

15 Foreign exchange reserve

| | Group 2006 £'000 | Group 2005 £'000 | Company 2006 £'000 | Company 2005 £'000 |
|--------------------------|------------------------|------------------------|--------------------------|--------------------------|
| At 1 July | 23 | - | - | - |
| Arising on consolidation | 36 | 23 | - | - |
| At 30 June | <u>59</u> | <u>23</u> | <u>-</u> | <u>-</u> |

16 Merger reserve

| | Group 2006 £'000 | Group 2005 £'000 | Company 2006 £'000 | Company 2005 £'000 |
|------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| At 1 July | 405 | - | 405 | - |
| On acquisition of subsidiary | - | 405 | - | 405 |
| At 30 June | <u>405</u> | <u>405</u> | <u>405</u> | <u>405</u> |

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

17 Option revaluation reserve

| | Group 2006 £'000 | Group 2005 £'000 | Company 2006 £'000 | Company 2005 £'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| At 1 July | - | - | - | - |
| Valuation of 10,000,000 options @ £0.01 | 100 | - | 100 | - |
| At 30 June | <u>100</u> | <u>-</u> | <u>100</u> | <u>-</u> |

The fair value of equity share options granted is estimated at the Balance Sheet dates using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted.

The following table lists the inputs to the model used for the years ended 30 June 2006 and 30 June 2005.

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

18 Retained loss

| | Group 2006 £'000 | Group 2005 £'000 | Company 2006 £'000 | Company 2005 £'000 |
|------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| At 1 July | (99) | - | (97) | - |
| Retained loss for year | (684) | (99) | (442) | (97) |
| At 30 June | <u>(783)</u> | <u>(99)</u> | <u>(539)</u> | <u>(97)</u> |

19 Reconciliation of movement in shareholders' funds

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

20 Gross cash flows

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

21 Cash Flow

Reconciliation of operating loss to net cash inflow from operating activities

| | 2006 £'000 | 2005 £'000 |
|--|---------------|---------------|
| Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax | | |
| Loss after income tax | (684) | (99) |
| Non-cash flows in profit | | |
| Depreciation | 3 | - |
| Option issue revaluation | 100 | - |
| Net cash used in operating activities before changes in assets and liabilities | (581) | (99) |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries | | |
| Decrease /(Increase) in trade and other receivables | 28 | (3) |
| Increase/(Decrease) in trade and other payables | 81 | (11) |
| Unrealised exchange gain | 36 | 23 |
| Net cash (used in) operating activities | (436) | (90) |

22 Reconciliation of net cash flow to movement in net debt

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

23 Analysis of changes in net debt

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

24 Post balance sheet events

As announced on 13 June 2006, Thor is seeking to acquire uranium exploration projects in the central region of Australia's Northern Territory. Thor will hold a shareholders meeting on 5 September 2006 to consider the acquisition of Hale Energy Limited from Batavia Mining Limited and a number of other proposals.

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

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

25 Contingent liabilities and commitments

a) Exploration commitments

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

b) Claims of native title

The Directors are aware of native title claims which cover certain tenement and tenement applications in the Northern Territory. The Group's policy is to operate in a mode that takes into

account the interests of all stakeholders including traditional owners' requirements and environmental requirements. At the present date no claims for native title have seriously affected exploration by the Company.

26 Financial instruments

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

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

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

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The currency and interest rate profile of the financial assets is as follows:

Cash and short term deposits

| | June 2006 £'000 | June 2005 £'000 |
|--------------------|--------------------|--------------------|
| Sterling | 268 | 1,179 |
| Australian Dollars | 216 | 325 |
| At 30 June | <u>484</u> | <u>1,504</u> |

The financial assets comprise interest earning bank deposits.

27 Related parties

There is no ultimate controlling party.

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

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

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

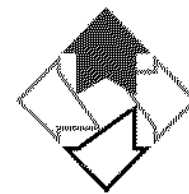
As of 30 June 2006 John A Young was appointed to the Chief Executive Officer and is a director of John A Young Geological Services which is related to the Group. During the period £6,072 was paid to John A Young Geological Services.

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

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

7. Independent Accountant's Report

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SomesandCooke

8 August, 2006

The Directors
Thor Mining PLC
55 Gower Street
LONDON WC1E 6HQ

Dear Sirs

RE: INDEPENDENT ACCOUNTANTS' REPORT

1. Introduction

This report has been prepared at the request of the Directors of Thor Mining PLC ("the Company"), for inclusion in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 8 August 2006 ("Prospectus"), relating to the proposed offer of up to 52,500,000 ordinary shares at an issue price of 20 cents each to raise \$10,500,000 before issue costs.

Every two Offer Shares will have one Offer Warrant attached at no extra cost. This offer relates only to shares and warrants on the Australian Stock Exchange and does not constitute an offer to sell, or an offer to buy shares on any other Stock Exchange.

In addition to the above placement the company will also acquire the company Hale Energy Ltd through the issue of 16,000,000 new shares and 8,500,000 warrants in the Company.

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results, the assets and liabilities of the Company as noted in the Thor financial accounts in section 6 of the Prospectus. The historic and pro forma financial information of the Company as at 30 June, 2006 is presented in abbreviated form in section 1.8 of the Prospectus, in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporation Act 2001.

This report does not address the rights attaching to the shares being issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an independent expert's opinion with respect to a valuation of the Company or a valuation of the share issue price of 20 cents per share or the value of the free offer warrant attached to each two shares acquired.

This report does not address whether the acquisition of Hale Energy Ltd is fairly priced.

This report does not consider the prospects for the Company nor the merits and risks associated with becoming a shareholder. Somes & Cooke accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

The company was incorporated on 3 November 2004 and was listed on the United Kingdom based Alternative Investment Market (AIM) in June 2005. It is an established mineral exploration and development company focussed on advancing its molybdenum and tungsten projects in the Northern Territory of Australia. The company has completed a resource and scoping study of its Molyhil tenements in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and

Ore Reserves – the JORC Code” A definitive feasibility study is underway and is scheduled for completion in the fourth quarter of 2006.

The Company has recently entered into an agreement to acquire Hale Energy from Batavia, and this acquisition is conditional on approval for the sale being received from the shareholders of Batavia and is also conditional on the listing of Thor on the ASX and raising a minimum of \$2,000,000. The acquisition of Hale Energy will be financed through the issue of 16,000,000 shares and 8,500,000 warrants in Thor.

4. Scope of our Review

The Directors are responsible for preparation of the historical actual financial information disclosed in section 6 and the pro forma financial information detailed in section 1.8 of this Prospectus.

We have performed a review of the financial information in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial information in section 1.8 is not presented fairly in accordance with the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company on the basis of the assumptions and transactions set out in note 1 to the Thor financial accounts disclosed in section 6 of the Prospectus.

Our review has been conducted in accordance with Australian Auditing Standard AUS902 “Review of Financial Reports”. Our review was limited primarily to:

- Inquiries of Directors, advisors and consultants of the Company ; and
- Consideration of the working papers, accounting records and other documentation supporting the historical financial information of the Company.

Our procedures have been limited to ensure that the:

- Actual income statements for the year ended 30 June 2006 and the balance sheet as at 30 June 2006 have been correctly extracted from the audited financial report for the year ended 30 June 2006;
- Pro forma financial information has been based on the extracted information; and
- Actual and pro forma financial information has been drawn up in accordance with the accounting policies and the assumptions set out in note 1 to the Thor financial accounts disclosed in section 6 of the Prospectus.

Our review of the historical financial information has not involved a study and evaluation of internal accounting controls, test of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

5. Exploration Expenditure

The principal asset of the Company is its exploration interests. Capitalised expenditure incurred is accumulated in respect of each identifiable area of interest in accordance with AASB 6. 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 that permits reasonable assessment of the existence of economically recoverable reserves. We have not performed a valuation of the exploration interests. The value of these interests is dependent upon successful development and commercial exploitation of the mineral tenements to which the interests relate.

6. Review Statement

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the financial information of the Company set out in Section 1.8 of the Prospectus does not present fairly the:

- Actual Balance Sheet as at 30 June 2006
- Pro forma balance sheet as at 30 June 2006; and
- Notes to the actual and financial information,

in accordance with the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company and on the basis of the assumptions and transactions set out in note 1 to the Thor financial accounts disclosed in section 6 of the Prospectus.

7. Subsequent Events

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that matters arising after 30 June 2006, other than the matters dealt with in this report, would require comment on, or adjustment to, the information contained in this report, or would cause such information to be misleading or deceptive or result in an omission of the financial or accounting matters require to be disclosed in this report.

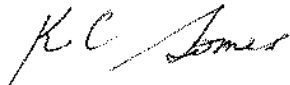
8. Declarations

Mr Kevin Somes, a partner of Somes & Cooke, is a registered company auditor and has qualifications and experience appropriate to this report.

Somes & Cooke has acted as independent accountants' for the Company and in no other capacity with respect to the Prospectus. Somes & Cooke has authorised or caused the issue only of its "Independent Accountants' Report" and has not authorised or caused the issue of any other part of this Prospectus. Somes & Cooke will be paid a professional fee for the preparation of this report based on actual hours spent on the assignment at normal professional rates. Neither Somes & Cooke, nor any of its Partners have any pecuniary interest in the Company. Somes & Cooke is the auditor of a subsidiary Company Sunsphere Pty Ltd. The Company has agreed to indemnify and hold harmless Somes & Cooke and its employees from any claims arising out of any misstatement or omission of information supplied by the Company.

Yours faithfully

SOMES & COOKE
Chartered Accountants



K C Somes
Partner

8. Report on Tenements

PETER WALKER

PROJECT LAWYER
NOTARY PUBLIC

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8 August 2006

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The Directors
Thor Mining PLC
Level 3, 55 Gower Street
London WC1E 6HQ
UK

Dear Sirs,

STATUS REPORT AND COMMENTARY - NORTHERN TERRITORY TENURE

This Report is prepared for inclusion in a Prospectus to be dated 8 August 2006 (*Prospectus*), and issued by Thor Mining PLC offering for subscription 52,500,000 ordinary shares of \$0.20 cents each with one free attaching listed warrant for every two shares issued to raise up to \$10,500,000.

The Report relates to tenements and applications for tenements being:

- (i) Exploration Licences (*EL*);
 - (ii) Authorisations (*A*); and
 - (iii) Mineral Leases (*ML*)
- as set out in Schedule 1 to this Report (collectively *Tenure*); and
- (iv) any native title claims lodged with the National Native Title Tribunal (*NNTT*) relating to the land the subject of the Tenure.

The Report does not relate to any material contract other than any specifically mentioned in this report.

1 Tenure

I have conducted a search of the Tenure in the registers maintained by the Northern Territory Department of Primary Industry, Fisheries & Mines pursuant to the *Mining Act 1980 (NT)* (*Department*);

As a result of these searches, I consider that this Report provides an accurate statement as to the status of the Tenure as at the date of this Report.

I have assumed the information in the register maintained by the Department is accurate and up to date. The reference in Schedule 1 to the respective areas of the Tenure is taken from details shown on the Department's register. No survey was conducted to verify the accuracy of those areas.

2 Native Title

From enquiries I have made of NNTT and the Department, I am aware of native title claims over the land covered by the Tenure. This is identified in Schedule 1.

It is possible that further claims may be made in the future. Where land is subject to native title, the *Native Title Act 1993 (Cth) (NTA)* imposes restrictions upon the grant of mining tenements in relation to that land, including the requirement to negotiate with native titleholders. As such, the existence and determination of native title in relation to the land the subject of the Tenure could inhibit exploration and mining operations, or cause significant delays in relation to future conversion of licences and applications for tenements over the subject land, or possibly challenge the validity of the grant of part or all of the rights conferred therein.

I have assumed the information in the registers maintained by the Department and NNTT are accurate and up to date.

3 Native Title Act

In 1992 the decision of the High Court in *Mabo v Queensland* recognised the concept of Aboriginal native title to land where those rights survived the acquisition of sovereignty by non-indigenous people. The NTA was enacted in response to the *Mabo* case to regulate dealings with native title lands, and its substantive provisions commenced on 1 January 1994.

The NTA was substantially amended in 1998 in response to the 1996 High Court decision of *Wik v Queensland*. The *Wik* case recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with rights held under a pastoral lease.

Accordingly, the NTA (as amended) now provides a legislative scheme which sets out how native title is validly extinguished, allows "past acts" (including tenements and ancillary titles granted before 1 January 1994, which might otherwise be invalid due to the native title) and "intermediate period acts" which took place between 1 January 1994 and 23 December 1996 to be validated, authorises valid acts in relation to native title lands occurring after the introduction of the NTA, provides for a negotiation process between government, native title and non-native title parties in relation to certain future uses of native title lands, and provides for compensation to be claimed for the extinguishment or impairment of native title.

In the Northern Territory, however, the NTA procedures continue to apply in conjunction with the *Validation (Native Title) Act* (as amended). This Act is consistent with the standards set by the NTA for future dealings affecting native title.

4 Validity of the Tenure

(a) Tenements granted prior to 1 January 1994

The NTA permits a State to validate 'past acts'. Under the NTA tenements granted in the Northern Territory prior to 1 January 1994 are deemed to be valid. With respect to the tenements that were granted prior to 1 January 1994, native title (if any exists) has been suspended by their grant. To the extent that the exercise of native title rights and interests is inconsistent with the exercise of the rights conferred by those tenements, the rights under each particular tenement will have priority for the term of the relevant grant.

The Schedule indicates that there were no tenements granted in this period.

(b) Tenements granted between 1 January 1994 and 23 December 1996

The Schedule indicates that there were no tenements granted in this period.

(c) Tenements granted since 23 December 1996

Tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the future act procedures set out in (d) below were followed by the relevant parties.

The Schedule provides details of those tenements that have been granted since 23 December 1996.

(d) Future Tenement Grants

The valid grant of any tenement, which may affect native title, requires full compliance with the provisions of the NTA in addition to compliance with the usual procedures under the Mining Act. The primary procedure prescribed under the NTA is the "right to negotiate" process.

The right to negotiate process involves the publishing or advertising of a notice of the proposed grant of a tenement followed by a 6-month period of negotiation between the Territory Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Federal Minister.

The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the expedited procedure applies. Under the NTA, a future act is an act attracting the expedited procedure if:

- (a) the act is not to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land; and
- (b) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land; and
- (c) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

When the proposed future act is considered to be one that attracts the expedited procedure, persons have until 3 months after the notification date to take steps to become a native title party in relation to the relevant act (for example the proposed granting of an exploration licence). The future act may be done unless, within four months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure. It has been the practice of the Company and the Territory administration to use the expedited procedure.

If there are no native title parties or no objections lodged within the four-month period, the act may be done. If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is, the Territory may do the future act (i.e. grant an exploration licence).

Further, the right to negotiate process does not have to be pursued in cases where an indigenous land use agreement (*ILUA*) is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement. These procedures will vary depending on the terms of the ILUA.

5 Renewals and Extensions of Tenements

As with the granting of tenements, renewals and extensions of tenements granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation.

Renewals made after 23 December 1996 of tenements validly granted before that date will not be subject to the right to negotiate process provided:

- (a) the area to which the earlier right is made is not extended;
- (b) the term of the new right is not longer than the term of the earlier right; and
- (c) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the Courts.

Other than as stated above, renewals of tenements are subject to the same right to negotiate process as is described in (a) above.

6 Native Title and Future Applications

For future purposes, it is important to note that where it is proposed to convert all or any part of an exploration licence to a mining lease it will be necessary to go through the right to negotiate process (discussed above) with any native title holders or claimants whose claims are accepted for registration at the relevant time.

The ELs are currently subject to several native title claims, and other claims may arise in future. The tenement holder may negotiate and enter into agreement(s) with native title claimants or holders in relation to the grant of mining lease applications in future. Any such agreements may, depending on their terms, affect the costs or economics of any mining project the tenement holder may wish to conduct. In the absence of a negotiated agreement with the native title claimants, there is no guarantee that passing through the native title future act processes will result in mining lease applications ultimately being granted.

The NTA provides for a right of compensation in favour of affected native title parties to the extent that the future acts extinguish or impair the relevant native title parties' rights to the continued enjoyment of their traditional rights over land comprised within the grants. The right to compensation only arises after the native title has been determined by the court to exist. At the date of this Report, it is not possible to assess the level of compensation which will be payable to native title parties in relation to any grant of a mineral lease made under the NTA procedures. The *Mining Act 1980 (NT)* provides that the applicant for, or holder of, a tenement is liable for compensation payable to native titleholders in connection with the grant of a tenement.

7 Tenure on Pastoral Leases – Native Title

Most of the Tenure is on pastoral leasehold land which admits the continued existence of native title rights and interests to the extent that such native title rights and interests have continued to exist in accordance with Aboriginal traditional law and custom and are not inconsistent with the rights of the holder of the pastoral lease and any other extinguishing event.

8 Sacred Sites

Sacred sites are sites that are sacred to Aboriginals or otherwise of significance according to Aboriginal tradition, and includes any land that, under a law of the Northern Territory, is declared to be sacred to Aboriginals or of significance according to Aboriginal tradition.

The *Northern Territory Aboriginal Sacred Sites Act (NT)* (**Sacred Sites Act**) protects sacred sites in the Northern Territory. Any explorer or miner is required to work within the sacred site protection regime created by this legislation being the Aboriginal Areas Protection Authority (**AAPA**) prior to any relevant ground disturbance and it is my experience that the relevant land council will also become involved.

From my previous experience in relation to the occurrence of sacred sites on exploration and mining tenure, there will undoubtedly be sacred sites in respect of the Tenure and there may be some sites registered on the Register kept under the Sacred Sites Act.

From my experience, inspecting the Register does nothing more than indicate that some sacred sites have been registered. The only definitive method of investigating the possibility of the existence, location and extent of sites is for there to be a specific sacred site survey undertaken taking into account the proposed activities on the land and it is therefore essential that the details of any proposed activity which generates the need for the survey encompasses the most likely greatest impact on the land if exploration is successful and a mine eventuates.

9 Exploration Licences – General Comments

Exploration Licences are issued subject to standard terms and conditions under the *Mining Act 1980 (NT)*.

The area of land in respect of which an EL may be granted must be contained in a single licence area and must not exceed 500 blocks. An EL may be granted for a term not exceeding 6 years, however there is provision for the EL to be renewed for 2 further periods of 2 years at the Minister's discretion.

The size of an EL must be reduced at 24 months from its grant and each 12 months after that date so that the number of blocks to be retained in the licensed area for the ensuing 12 months is not more than half the number of blocks contained in the area at the commencement of the initial 24 month period or subsequent 12 month period. The Minister on application can waive this reduction.

An EL is granted subject to certain standard conditions and includes obligations relating to rehabilitation, payment of rent, minimum expenditure, and reporting requirements.

Rent of an EL ranges from \$10/graticule block in the first year to \$160/graticule block in the sixth and subsequent years.

10 Applications for Exploration Licences – General Comments

An application for an Exploration Licence which has been lodged under the *Mining Act 1980 (NT)* confers priority over the subject area until such time as the Minister decides whether to grant or refuse the application, and there is a 21 day period after advertising the application for objections to be lodged.

11 Authorisations – General Comments

The Minister has power to reserve various lands from occupation under the Mining Act. The Minister can grant a person an authority to conduct exploration, mining and/or treatment of minerals on reserved lands by virtue of an Authorisation for a term and on such condition as the Minister thinks fit. The terms of most Authorisations are similar to the terms of a mineral lease.

12 Mineral Leases – General Comments

ML's are granted for the purpose of mining minerals and/or erecting infrastructure in support of a mine. They are granted for a maximum of 25 years and are renewable for terms of a maximum of 25 years.

A ML may require a bond or other security before a lease is granted in an amount to be determined by the Minister. Its purpose is to ensure that the leaseholder performs rehabilitation and stabilisation of the land after operations have been completed.

The rental for a ML is \$10.00 per hectare per year.

13 Applications for Mineral Leases – General Comments

An application for a Mineral Lease may be lodged over an area of land for the purpose of mining a particular mineral or minerals or. The application must be advertised and objections may be lodged. After considering the recommendation of the Warden, the Minister has

discretion in the grant of an ML, for such term and on such conditions as the Minister may determine

14 Mining Management Act (MMA)

It is necessary to recognise that the grant of any Mineral Lease does not by itself automatically permit mining.

The MMA provides that the Minister must grant a Ministerial Authorisation in respect to any activity (**Operation**) (other than for exploration that does not involve substantial disturbance) before that activity can commence.

Any Operation would need to be undertaken in accordance with a mining management plan (**MMP**), which is integral with the Ministerial Authorisation.

The MMA sets out certain procedures for applying for a MMP and imposes penalties on proprietors and their directors and officers.

15 Other Applicable Legislation

Other Territory and Commonwealth legislation applicable to operations on the Tenure includes:

- (a) The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* provides for the preservation of areas and objects which are of particular significance to Aboriginals in accordance with Aboriginal tradition, and may have the potential to halt exploration activities in the event that the Minister makes a declaration for protection and preservation of an area of Aboriginal significance under the Act.
- (b) The *Mining Act 1980 (NT)* includes obligations requiring tenements to be rehabilitated and this must be read in conjunction with any MMP.

16 Consent and Declarations

Peter Walker has no interest in or financial relationship with Thor. Other than a time-based fee for the preparation of this Report, no pecuniary or other benefit, direct or indirect, has been received by Peter Walker in connection with the making of this Report.

In providing this Report I have relied on (and have not sought to verify) the accuracy of information provided to me by the Department and the NNTT in response to my searches of their records and registers. In reliance upon this information, I believe this Report does not contain anything which is false in a material particular or which is materially misleading in the form and context in which it appears. I have not undertaken any additional searches of other government agencies or of courts or tribunals.

Yours faithfully



SCHEDULE 1 – TENURE

Glossary

| | |
|-----------|-------------------------------------|
| Hale | Hale Energy Limited |
| Sunsphere | Sunsphere Pty Ltd |
| Imperial | Imperial Granite & Minerals Pty Ltd |
| TCGNT | Tennant Creek Gold (NT) Pty Ltd |
| CLC | Central Land Council |

| Tenement | Status | Date Granted/ Applied | Expiry Date | Area (sq km) (unless otherwise specified) | Registered Holder / Applicant (100% unless otherwise stated) | Annual Statutory Expenditure Commitments | Material Contract(s)/ Registered Interest(s) | Native Title and Land Rights matters | Notes |
|---------------------------|-------------|--------------------------|-------------|--|---|---|---|---|-------|
| Harts Range | | | | | | | | | |
| EL 24734 | Current | 25/01/06 | 24/01/12 | 18 Blks | Hale | 1 | | | 2 |
| EL 24735 | Current | 25/01/06 | 24/01/12 | 48 Blks | Hale | 1 | | B | 2 |
| EL 24736 | Current | 25/01/06 | 24/01/12 | 19 Blks | Hale | 1 | | | 2 |
| EL 24765 | Current | 25/01/06 | 24/01/12 | 36 Blks | Hale | 1 | | | 2 |
| EL 24827 | Current | 25/01/06 | 24/01/12 | 8 Blks | Hale | 1 | | | 2 |
| AN A24766 | Current | 15/02/06 | 14/02/12 | 3 Blks | Hale | 1 | | | 2 |
| Hale River | | | | | | | | | |
| EL 24809 | Current | 02/08/06 | 01/08/12 | 114 Blks | Hale | \$22,100 for year 1 | | C | 2 |
| Plenty Highway | | | | | | | | | |
| EL 24810 | Current | 02/08/06 | 01/08/12 | 235 Blks | Hale | \$40,100 for year 1 | | D | 3 |
| Curtis Pound | | | | | | | | | |
| EL 24823 | Current | 02/08/06 | 01/08/12 | 227 Blks | Hale | \$41,600 for year 1 | | E | 2 |
| Bundy River | | | | | | | | | |
| ELA 25378 | Application | 19/05/06 | | 396 Blks | Hale | | | | 3 |

| Tenement | Status | Date Granted/ Applied | Expiry Date | Area (sq km) (unless otherwise specified) | Registered Holder / Applicant (100% unless otherwise stated) | Annual Statutory Expenditure Commitments | Material Contract(s)/ Registered Interest(s) | Native Title and Land Rights matters | Notes |
|----------------------|-------------|--------------------------|-------------|---|--|--|--|--------------------------------------|-------|
| Molyhil | | | | | | | | | |
| EL 22349 | Current | 17/05/02 | | 259 Blks | Sunsphere | 1 | | F | 3 |
| MLA 23825 | Application | 05/03/03 | | 97 ha | Imperial | | | G | 2 |
| MLA 24429 | Application | 20/10/04 | | 98 ha | TCGNT | | | G | 2 |
| EL 24392 | Current | 05/12/05 | 04/12/11 | 33 Blks | Sunsphere | 1 | | | 2 |
| Hatches Creek | | | | | | | | | |
| EL 22913 | Current | 21/08/02 | 20/08/08 | 244 Blks | Sunsphere | 1 | | H | 2 |
| ELA 22912 | Application | 18/12/00 | | 17 Blks | Imperial | | 5 | A | 4 |
| ELA 23463 | Application | 19/12/01 | | 3 Blks | Imperial | | 5 | A | 4 |

NOTES

1. Expenditure covenants are not available from the Departments Searches.
2. Tenement located on pastoral leasehold land
3. Tenement located on pastoral leasehold and Crown leasehold land
4. Tenement located on Aboriginal freehold land owned by the Anurrete Aboriginal Land Trust
5. Dealing No.91710 (being an Option Agreement whereby TCGNT was granted an option to purchase the tenement by Imperial) is approved against the application and cannot be registered until the tenement is granted. I am aware that that option was exercised by TCGNT and I have sighted a duly executed and stamped transfer of the tenement pursuant to that Option Agreement. I have also sighted: (a) a Sale and Purchase Agreement dated 23 February 2005 whereby TCGNT sold its interest in the tenement to Sunsphere; and (b) a duly executed and stamped transfer of the tenement pursuant to that Agreement. Those transfers cannot be registered until the tenement is granted at which time the tenement can be ultimately transferred to Sunsphere.

NATIVE TITLE AND LAND RIGHTS MATTERS

- A Consent to negotiate an exploration agreement with CLC under ALRA extended on 25/10/05 and currently expires on 24/10/06.
- B EL is situated on an area of pastoral leasehold that is covered by an Indigenous Land Use Agreement (ILUA) registered 05/09/02 between CLC & Tanami Exploration NL. Terms of ILUA undisclosed.
- C EL is situated on pastoral leasehold that is subject to an Indigenous Land Use Agreement (ILUA) registered 17/03/2005 between CLC & Northern Territory relating to the excision from the pastoral lease and subsequent grant of an Aboriginal Community Living Area.
- D EL is situated on an area of pastoral leasehold that is covered by an Indigenous Land Use Agreement (ILUA) registered 20/11/03 between CLC & Olympia Resources Ltd relating to certain tenure owned by Olympia.
- E Tenement on area of pastoral leasehold subject to:
- (a) Singleton native title claim (DC00/10) – Registered 21/07/00
 - (b) Kurundi native title claim (DC01/17) – Registered 26/03/01
 - (c) Sandover River native title claim (DC01/69) – Registered 18/01/02
 - (d) An Indigenous Land Use Agreement (ILUA) registered 20/11/03 between CLC & Northern Territory relating to the valid grant of certain tenure.
- F Tenement on area of pastoral leasehold subject to:
- (a) Molyhil native title claim (DC03/5) – Registered 11/08/04
 - (b) Dulcie Ranges native title claim (DC01/17) – Registered 26/03/01
 - (c) An Indigenous Land Use Agreement (ILUA) registered 11/11/02 between CLC & Imperial. Terms established a regime for exploration activity and consultation and cooperation with Native Title holders and provides for an annual payment by way of compensation to Native Title holders of 5% of annual inground exploration expenditure on the tenement commencing in the third year.
 - (d) An Indigenous Land Use Agreement (ILUA) registered 20/11/03 between CLC & Olympia Resources Ltd relating to certain tenure owned by Olympia.
 - (e) An Indigenous Land Use Agreement (ILUA) registered 03/10/05 between CLC & Northern Territory relating to Dulcie Range national Park.
- G Tenement on area of pastoral leasehold subject to:
- (a) Molyhil native title claim (DC03/5) – Registered 11/08/04
 - (b) An Indigenous Land Use Agreement (ILUA) registered 11/11/02 between CLC & Imperial. Terms not disclosed.
- H Tenement on area of pastoral leasehold subject to:
- (a) Kurundi native title claim (DC01/17) – Registered 26/03/01
 - (b) An Indigenous Land Use Agreement (ILUA) registered 20/11/03 between CLC & Northern Territory relating to the valid grant of certain tenure.

9. Material Contracts

9.1 Acquisition Agreement

Under the Acquisition Agreement the Company has agreed to purchase all of the issued capital of Hale Energy in consideration for the Batavia Securities ("**Acquisition**").

Completion of the Acquisition is conditional on:

- (a) approval of the Acquisition by Batavia shareholders;
- (b) approval of the Acquisition, Consolidation and issue of Warrants to Existing Shareholder (see Section 3.2);
- (c) Thor being given unconditional approval to be admitted to the Official List and for quotation of the Shares and Warrants; and
- (d) Thor raising a minimum of AUD\$2,000,000 under the Offer.

Batavia has only given limited warranties confirming:

- (a) title in the shares being acquired;
- (b) Hale Energy has no liabilities in excess of \$10,000; and
- (c) the only assets of Hale Energy are the uranium assets described in other parts of this Prospectus.

Thor has warranted to Batavia that the shareholders of Batavia will receive a priority offer to acquire at least 50% of the capital that Thor seeks to raise under this Prospectus.

The Company has agreed to reimburse the reasonable costs of Batavia in relation to the listing of Thor on ASX.

9.2 Broker Agreement

An Agreement dated 11 April 2005 between ARM and the Company pursuant to which ARM has agreed to act as the Company's broker from admission of the Company on AIM (the "Broker Agreement"). Under the Broker Agreement, the Company has agreed to pay to ARM an annual fee of £15,000 (plus VAT) payable quarterly in advance, to be reviewed upwards on completion of the first transaction following admission. This agreement is for an initial period of one year from the date of admission and thereafter, may be terminated by ninety days written notice by either party.

9.3 Nominated Adviser Agreement

An agreement dated 23 June 2005 between ARM and the Company pursuant to which ARM has been appointed to act as the Company's Nominated Adviser. Under the agreement the Company has agreed to pay ARM an ongoing Nominated Adviser fee of £20,000 per annum (plus VAT) payable quarterly in advance, to be reviewed upwards on completion of the first transaction following admission. This agreement is for an initial period of one year from the date of admission and thereafter, may be terminated by ninety days written notice by either party.

9.4 Deeds of Insurance, Indemnity and Access

The Company has entered into Deeds of Insurance, Indemnity and Access with each of the Directors under which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors while acting as a Director of the Company, to insure the Directors against certain risks to which they are exposed as a Director of the Company and to grant the Director a right of access to certain records of the Company for a period of up to seven years after the Director ceases to be a Director.

9.5 Underwriting Agreement

The terms and conditions under which Patersons will subscribe, or procure subscriptions, for the Shortfall Securities are in the Underwriting Agreement. See Section 11.11 for disclosure of the interests of Messrs John W Barr and John A Young and Tennant Creek as sub-underwriters.

The terms of the Underwriting Agreement provide:

- (a) Patersons' obligation to subscribe, or procure subscriptions, for the Shortfall Securities;
- (b) to pay Patersons AUD\$60,000, a management fee of 1% and an underwriting/placement fee of 4% of the total funds which may be raised from the Offer (i.e. \$525,000); and
- (c) to grant Patersons the Patersons Warrants.

The Underwriting Agreement is conditional upon:

- (a) Patersons being satisfied with the due diligence investigations and the due diligence results;
- (b) Patersons being satisfied with the form of the Prospectus (in its absolute discretion) and having given its consent to be named in the Prospectus;
- (c) a legal sign-off letter being provided to the Company's due diligence committee by the Company's solicitors, Hardy Bowen, to the satisfaction of Patersons;
- (d) the Prospectus being lodged with the ASIC;
- (e) Patersons entering into sub-underwriting agreements with sub-underwriters on terms and conditions satisfactory to Patersons (in its absolute discretion) for the Offer; and
- (f) Shareholders approving all resolutions to be put at the EGM.

Patersons may terminate the Underwriting Agreement if:

- (a) any of the S&P 200 Index or the S&P 200 Materials Index as published by ASX is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) the Company does not lodge the Prospectus on 8 August 2006 or the Prospectus or the Offer is withdrawn by the Company; or
- (c) Official quotation has not been granted by the Shortfall Notice Deadline Date (as defined in the Underwriting Agreement) or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (d) before midnight on the Exposure Date (as defined in the Underwriting Agreement) the ASIC notifies the Company of any deficiency of any kind in the Prospectus as lodged on the Lodgment Date or ASIC gives any notice, whether written or oral, to the Company extending (or further extending) the Exposure Date or giving notice of its intention to so extend; or
- (e) Supplementary prospectus:
 - (i) Patersons forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Patersons may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Patersons; or
 - (iii) it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the Offer Shares;
- (f) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 710, 711 and 716 of the Corporations Act) or if any statement in the Prospectus becomes or is misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (g) the Company is prevented from allotting the Offer Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (h) any person (other than the Patersons) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;

- (i) an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date (as defined in the Underwriting Agreement) has arrived, and that application has not been dismissed or withdrawn;
- (j) ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (k) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (l) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (m) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Patersons;
- (n) a director or senior manager of a Relevant Company (as defined in the Underwriting Agreement) is charged with an indictable offence;
- (o) any of the following events occurs:
 - (i) default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
 - (ii) any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
 - (iii) a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Patersons's reasonable opinion, unlikely to be met in the projected time;
 - (v) it transpires that any of the Due Diligence Results (as defined in the Underwriting Agreement) or any part of the Verification Material (as defined in the Underwriting Agreement) was false, misleading or deceptive or that there was an omission from them;
 - (vi) a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (vii) without the prior approval of the Patersons a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;
 - (viii) any information supplied at any time by the Company or any person on its behalf to the Patersons in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (ix) the official quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
 - (x) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
 - (xi) a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus;
 - (xii) the Company suspends payment of its debts generally;
 - (xiii) an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of a Relevant Company;
 - (xiv) a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;

- (xv) litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (xvi) there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Patersons;
- (xvii) there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) there is a delay in any specified date in the Indicative Timetable which is greater than 3 Business Days;
- (xix) a Force Majeure (as defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Patersons otherwise than as set out in the Notice of Meeting;
- (xxi) any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) any of the Material Contracts is terminated or substantially modified;
- (xxiii) any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;
- (xxiv) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (xxv) any of the sub-underwriters that are introduced by the Company do not comply with their obligations under the sub-underwriting agreements or threaten to not comply with their respective obligations under the sub-underwriting agreements

The Company agrees to indemnify Patersons, its related corporations and their respective directors, officers, employees, agents, representatives and advisors (Indemnified Parties) from and against all claims, actions, damages, losses, liabilities, costs or expenses, including costs for legal advice on a solicitor client basis, which any Indemnified Party incurs or suffers in respect of or any way relating to the Offer or the Underwriting Agreement.

9.6 Warrant Instrument

The Company proposes, subject to Shareholder approval at the EGM, to execute a Warrant Instrument for the purpose of granting the Warrants. The terms and conditions of the Warrants are in Section 11.5 of this Prospectus.

9.7 Option Deed

The Company proposes, subject to Shareholder approval at the EGM, to enter into Option Agreements with Messrs John W Barr, John A Young and Damian P Delaney. The Agreements are each in the same terms and provide for the Company to grant the Unlisted Options. The terms and conditions of the Unlisted Options are in Section 11.6 of this Prospectus.

10. Risk Factors

Any investment in the Company should be considered speculative.

The activities of the Company are subject to a number of risks and other factors, which may impact its future performance. Prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Offer Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

10.1 Risks specific to the Company's uranium assets

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

(a) **Government policy**

The Federal Government is ultimately responsible for uranium mining in the Northern Territory and currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Investors should note that the Federal Labour Party (currently in opposition) 2004 platform was to prevent the development of any new uranium mines although the Labour Party has recently suggested that this position in relation to the development of new mines may be changed.

In addition future changes in Governments, regulations and policies may have a significant adverse impact on the Company.

(b) **Approval Process**

Uranium mining is subject to extensive regulation by state and federal governments in relation to the exploration, development, production, exports, taxes, royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. The cost of compliance with such laws and regulations will ultimately increase the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. These approvals are more rigorous than for mining of other metals. There is a risk that should economic deposits of uranium be discovered, the government approvals may not be granted, or may be significantly delayed or may make the deposit uneconomic.

(c) **Competition from alternative energy and public perception**

Nuclear energy is in direct competition with other more conventional sources of energy which include gas, coal and hydro-electricity.

Furthermore, any potential growth of the nuclear power industry (with any attendant increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have very low levels of carbon emissions, if any, however to date these have not been efficient enough to be relied upon for large scale base load power. Technology changes may occur that make alternative energy systems more efficient and reliable.

(d) **Environmental risks**

Uranium mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk.

Exploration work will be carried out in such a way as to minimise the impact on the environment.

10.2 Risks specific to the Molyhil Project

- (a) **Completion of the Definitive Feasibility Study**

The Company has committed to complete the Definitive Feasibility Study in December 2006. Completion of the Definitive Feasibility Study will be done to certain parameters designed to determine the economic feasibility of the Molyhil project within certain limits. There can be no guarantee that the Definitive Feasibility Study will confirm the economics of the project or the results of the Scoping Study. Further even if the Definitive Feasibility Study determines the economics of the Molyhil project, there can be no guarantee that the project will be successfully brought into production. In addition the ability of Thor to complete the Definitive Feasibility Study may be dependent on the Company's ability to raise further funds to complete the study if required
- (b) **Commodity price**

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. The economics of the Molyhil project will be greatly affected by a drop in Tungsten and Molybdenum prices. Any revenues to be derived from the Molyhil project, once developed, will be very sensitive to the price of the commodities to be mined.
- (c) **Off take agreement**

Thor has not at this stage entered into any off take agreements for potential production from the Molyhil project. The terms of any off take agreement entered into by Thor will have a significant impact on the economics of the potential development of the project. Failure to find a suitable off take partner will also have a significant effect on the potential development of the project.
- (d) **Project Finance**

Thor has not at this stage made financial arrangements to fund the potential operation of the Molyhil project. The terms of any financing entered into by Thor will have a significant impact on the economics of the potential development of the project. Failure to find suitable financing will also have a significant effect on the potential development of the project.

10.3 Mineral industry risks

- (a) **Exploration and development risks**

Mineral exploration and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development mineral interests owned by the Company, or any other projects that may be acquired in the future, can be profitably exploited.
- (b) **Operational risks**

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of Thor, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

- (c) **Metallurgy**
Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:
- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
 - (ii) developing an economic process route to produce a metal and/or concentrate; and
 - (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.
- (d) **Resource estimates**
Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.
- In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.
- (e) **Payment obligations**
Under the mining and exploration tenements and licences and certain other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. In particular, the Company has an obligation to meet the agreed expenditure budgets for each of its interests in the Northern Territory. In addition where the Company is not the manager it is reliant on the manager to maintain the exploration tenements and licences in 'good standing' and the relevant Mines Departments expenditure commitments. Failure to meet these work commitments will render the tenement or licence liable to be cancelled.
- (f) **Commodity price volatility**
It is anticipated that any revenues derived are likely to be closely related to the price of the commodities which are prospective on the Company's tenements and the terms of any off-take agreements that the Company enters into.
- Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for base metals, forward selling by producers, and production cost levels in major metal-producing regions.
- Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
- The prices of Tungsten and Molybdenum have been volatile, and although current prices are reasonably good from a historical point of view, it cannot be assumed this level of pricing will be maintained.
- In addition, at the date of this Prospectus Thor has not entered into a contract for the sale of its commodities including the Tungsten and Molybdenum identified on the various prospects summarised in Section 1.
- (g) **Competition**
The Company competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than Thor and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(h) **Title**
All of the Tenements in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each Tenement is usually at the discretion of the relevant government authority. Failure by the Company to have Tenements granted or renewed may have a serious impact on the value of the Company's assets.

(i) **Native title**
The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a native title claim is not an indication that native title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(j) **Environmental**
The Company's projects are subject to Northern Territory and Federal Australian regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the projects of the Company have a variety of environmental impacts. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although Thor believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

10.4 General Risks

- (a) **Securities investment**
Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer Price, and may fluctuate in response to a number of factors.
- Further, the stock market has experienced price and volume fluctuations. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of Thor's operational performance.
- (b) **Share market conditions**
The market price of the Offer Securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither Thor nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- (c) **Economic risk**
Changes in the general economic climate in which Thor operates may adversely affect the financial performance of Thor. Factors that may contribute to that general economic climate include the level of direct and indirect competition against Thor, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.
- (d) **Future capital needs and additional funding**
The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of this Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.
- Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.
- (e) **Policies and legislation**
Any material adverse changes in Federal or State government policies or legislation of Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.
- (f) **Enforcement of judgements in the United Kingdom**
As a Company incorporated in the United Kingdom, the rights of Shareholders will be governed by English Law. Some of the named advisors in this Prospectus are not residents of Australia. As a result it may be difficult for Shareholders to obtain service of process on those persons in Australia or the United Kingdom or to enforce in Australia or the United Kingdom judgements obtained in the respective countries courts against the Company or those persons who may be liable under Australian or English Law.
- (g) **Exchange Risk**
The Company's capital expenditure and ongoing expenditure is denominated in Australian dollars, whereas the income and expenditure of the Company are and will be taken into account in United Kingdom pounds, exposing the Company to the fluctuations and volatility of the rate of exchange between the Australian Dollar and the United Kingdom pound as determined in international markets.

11. Additional Information

11.1 Corporate Information

The Company was registered in England and Wales, having been incorporated on 3 November 2004. The liability of the members of the Company is limited.

11.2 Foreign Company Registration in Australia

On 7 August 2006 the Company registered as a foreign company in Australia pursuant the provisions of the Corporations Act. As part of this process, Thor has appointed Sunsphere to act as its local agent.

11.3 Information about and rights attaching to CDIs

The United Kingdom does not recognise the CHES system of holding shares or electronic transfer of legal title. Accordingly, as required by the ASX Listing Rules, under the Offer the Company will offer Applicants CHES Depository Interests ("**CDIs**") as an alternative to holding UK registered share certificates. No share certificates will be issued in Australia and the only security tradeable on the ASX will be CDIs. CDIs are units of beneficial ownership in foreign securities the legal title of which is vested in CHES Depository Nominees Pty Ltd. The main difference between holding CDIs and holding Shares or Warrants is that the holder of CDIs has beneficial ownership of the equivalent number of Shares in the Company instead of legal title. The Shares are registered in the name of CHES Depository Nominees Pty Ltd and held by that entity on behalf of and for the benefit of the Shareholder.

The CDIs of the Company will be CHES approved from the date of quotation on ASX, in accordance with the ASX Listing Rules and the ASTC Business Rules. Purchasers of the Company's CDIs will be issued with a CDI holding statement either:

- (a) by the Company which sets out the number of CDIs held on the issuer sponsored sub-register. The Company's issuer sponsored sub-register is maintained by Computershare; or
- (b) by ASTC (acting on behalf of the Company) (which sets out the number of CDIs held on the CHES subregister).

A holding statement (whether issued by ASTC or the Company will provide details of the holding). Following distribution of these initial holding statements to all Shareholders, a holding statement will only be provided to a CDI holder at the end of any subsequent month during which the balance of the Shareholder's holding changes. Holders may also request statements at any other time (although the Company or ASTC may charge a fee for such statements).

The ASTC Business Rules, which are recognised under the Corporations Act, contain provisions to ensure that CDI holders have all the direct economic benefits of holding Shares. With the exception of voting arrangements, CDI holders have the same rights as holders whose securities are legally registered in their own name. The voting exception relates to attending Shareholder meetings and voting on a show of hands. While CDI holders have the right to vote on a poll (whereupon proxies previously lodged can be counted) they are not able to personally vote on a show of hands. However the ASTC Business Rules require the Company to give notice to any meeting of Shareholders. The notice must include a form permitting the Shareholders to direct CHES Depository Nominees Pty Ltd to cast proxy votes according to the wishes of the Shareholders for whom it hold Shares on behalf of. The Company is obliged to collect and process these directions. Shareholders wishing to attend personally and vote at a Shareholder meeting must convert their CDIs into certificated Shares prior to the meeting. The Shareholder should contact Computershare in advance to find out how long the conversion process will take.

If a holder of CDIs wishes to convert to holding certificated Shares they may do so at any time by contacting either their stockbroker or Computershare (in Australia), in which case the Shares will be transferred from CHES Depository Nominees Pty Ltd into the name of the holder and either a UK registered certificate will be issued or an application will be made for the Shares to

be admitted to CREST (a paperless settlement procedure). This will cause your Shares to be registered on the UK branch register, and trading will no longer be possible on the ASX.

A holder of certificated Shares may also convert to holding CDIs by either contacting their stockbroker, Computershare in Australia or in the United Kingdom, in which case the Shares will be transferred from the Shareholder's name into the name of the depositary nominee and a holding statement will be issued for the CDIs.

11.4 Powers of the Company and rights attaching to Shares

Memorandum and Articles of Association

The Memorandum and Articles provide that the principal objects of the Company include carrying on the business of a general commercial company.

A summary of the rights attaching to ordinary Shares in Thor is set out below. This summary is qualified by the full terms of Thor's Memorandum and Articles (a full copy is available from Thor on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of Thor's constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

There is only one class of Shares on issue in the Company being fully paid Shares. The rights attaching to Shares in the Company are:

- (a) set out in the Articles of Association of the Company; and
- (b) in certain circumstances, regulated by the laws of the United Kingdom, the AIM Rules and the ASX Listing Rules.

The following is a summary of the principal rights of the holders of Shares and CDIs in the Company.

(a) Meeting and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Articles of Association of the Company, the laws of the United Kingdom, the ASX Listing Rules or the regulations applicable to AIM. The ASTC Business Rules require the Company to give notice of any meeting of Shareholders to all Shareholders.

(b) Issue of Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, at the times and at such premium discount that the Directors shall in their absolute discretion, determine.

The Directors must also act in accordance with the restrictions imposed by the Articles of Association, the ASX Listing Rules, the laws of the United Kingdom and any rights for the time being attached to any issued Shares. There are no rights of pre-emption attaching to the Shares.

The Company cannot issue partly paid Shares.

(c) Variation of Rights

At present, the Company has on issue only one class of Shares. Unless otherwise provided by the Articles of Association or by the terms of issue of a class of Shares, the rights and privileges attached to the Shares in any class may be varied with the consent in writing of the holders of three quarters of the issued Shares of that class or if authorised by a special resolution passed at a separate meeting of the holders of the issued Shares of the affected class. Any variation of rights shall be subject to the United Kingdom statutes. The provisions of the Articles of Association relating to general meetings shall apply so far as they are capable of application except that a quorum is constituted by two persons who together hold or represent by proxy one-third of the issued Shares of the class.

If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of the act, be varied or abrogated either (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of

any such provision either with the consent in writing of the holders of three fourths of the nominal amount of the issued shares of the class or with the sanction of an extraordinary resolution passes at a separate meeting of the holds of the issued shares of that class.

The Company may by ordinary resolution increase its share capital, cancel any unissued shares, consolidate all or any of its share capital into shares of larger amounts and subdivide its shares into shares of smaller amounts. Subject to the provisions of the UK statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised by law.

Subject to the provisions of the UK statutes, the Company may purchase its own shares.

(d) Dividend Reinvestment and Share Plans

Subject to the requirements of the United Kingdom statutes and the ASX Listing Rules, the Directors may in their absolute discretion establish and maintain one or more dividend plan pursuant to which a member may elect that all or some of the Shares held by that member will participate in the relevant dividend plans.

The Directors may declare the dividend wholly or partly in kind (i.e. by distribution of specific assets (including paid up Shares)) or from time to time grant to members, or any class of members, the right to elect to receive Shares in lieu of dividends or to reinvest all or part of the dividend in the Company and may implement or maintain schemes or plans for that purpose.

(e) Alteration of Capital

The Company may by resolution alter its capital in any manner permitted by law, including reducing or increasing its capital, consolidating and dividing any or all of its capital, cancelling Shares which have not been taken or agreed to be taken by any person, issuing Shares entitling the Shareholder to either no voting right or a restricted voting right, or converting all or any of its fully paid Shares, the nominal amount of which is expressed in a particular currency, into fully paid Shares of a nominal amount of a different currency.

(f) Transfer

Title to and interests in securities of the Company may be transferred without a written instrument in accordance with statutory regulations from the time to time made under the UK statutes. Except as may be required by any procedures implemented pursuant to the Articles in accordance with the UK statutes, all transfer of shares may be effected by transfer in writing in any usual or common form or in such other form as shall be approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, if the shares being transferred are partly paid, by the transferee. The Directors may refuse to register any transfer of any share that is not fully paid and they may refuse to register the transfer of any share on which the Company has a lien. They may also refuse to register a transfer of any share in favour of more than four joint holders as transferees, a transfer in respect of more than one class of share and a transfer which has not been lodged at the Company's registered office or such place as the board may determine and which is not accompanied by the certificates for the shares to which it relates.

(g) Voting Rights

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present) every member present in person or by proxy shall upon a show of hands have one vote and every member present in person or by proxy shall upon a poll have one vote for every share held by him.

Shareholders holding Shares in CDI form cannot vote personally at a meeting of the Shareholders. Rather they must convert them into Shares in sufficient time before the meeting to enable them to vote personally. A Shareholder can direct CHES Deposit Nominees Pty Ltd to cast proxy votes in accordance with the written direction of the Shareholder.

(h) Dividends

The profits of the Company available for distribution and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and interests. No dividend may exceed the amount recommended by the Board of Directors.

(i) Return of Capital

If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution, divide among the members in kind the whole or any part of the assets of the

Company and may determine how such division shall be carried out between members or classes of members.

(j) Unclaimed Dividends

Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

(k) Borrowing Powers

The Directors may exercise all powers of the Company to borrow and, subject to the UK statutes, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral for any debt, liability or obligation of the Company or of any third party.

(l) Directors

Unless otherwise determined by ordinary resolution, the number of directors shall be not less than two.

(m) General meetings

Each ordinary shareholder is entitled to, receive notice of, attend and vote at general meetings of Thor and to receive all notices, financial statements and other documents required to be sent to ordinary shareholders under the constitution of Thor, the Corporations Act and the ASX Listing Rules.

(n) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote

(o) Issue of further Shares

Subject to Thor's constitution, the UK statutes and the Listing Rules, the Directors may issue, or grant options in respect of Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(p) Officers' indemnity

To the full extent permitted by the law and to the extent not covered by insurance, Thor must indemnify each officer of the Company against all losses and liabilities incurred by the person as an officer of the Company, including costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act in respect to such proceedings.

(q) Alteration to the Memorandum and Articles of Association

Thor's Memorandum and Articles can only be amended by a special resolution passed by at least 75% of ordinary shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(r) Compliance with ASX Listing Rules

The Shareholders will at the EGM be asked to approve the amendments to the Company's Articles so that the ASX Listing Rules prevail over the Company's Memorandum and Articles to the extent that the Company's Memorandum and Articles are inconsistent with the Listing Rules.

11.5 Terms and conditions attaching to Warrants

(a) Entitlement

The Warrants entitle the holder to subscribe for one (1) unissued Share upon the exercise of each Warrant.

(b) Exercise Price

The exercise price of each Warrant is £0.08.

(c) Expiry Date

Each Warrant expires 15 June 2009.

(d) Exercise Period

The Warrants are exercisable at any time on or prior to the Expiry Date.

(e) **Notice of Exercise**

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

(f) **Shares issued on exercise**

Shares issued on exercise of the Warrant rank equally with the Shares of the Company.

(g) **Quotation of Shares on exercise**

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

(h) **Timing of issue of Shares**

After a Warrant is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX and AIM no later than 5 days from the date of exercise of the Warrant.

(i) **Participation in new issues**

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

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

(j) **Adjustment for bonus issues of Shares**

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

- (i) the number of Shares which must be issued on the exercise of an Warrant will be increased by the number of Shares which the Warrant Holders would have received if the Warrant Holders had exercised the Warrant before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for rights issue**

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

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

- O = the old Exercise Price of the Warrant.
- E = the number of underlying Shares into which one (1) Warrant is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(l) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Warrant Holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) **Quotation of Warrants**

Application for quotation of the Warrants will be made by the Company on AIM and ASX (in CDI form).

(n) **Warrants transferable**

The Warrants are transferable.

(o) **Lodgement Instructions**

Cheques shall be in UK pounds made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Warrants with the appropriate remittance should be lodged at the Company's share registry.

11.6 Unlisted Options

The Unlisted Options are exercisable at any time until 15 June 2009 at an exercise price of £0.08 per Share with the written consent of Thor not to be unreasonably withheld. In the event of a reorganisation the Company shall instruct its auditors to report on what adjustment is appropriate to the number and exercise price of the Unlisted Options.

The Unlisted Options are not assignable save to a nominee of the Unlisted Option holder in which the Unlisted Option holder has a beneficial interest or a family trust or a similar pension arrangements.

Otherwise the Unlisted Options have the same terms and conditions as the Warrants except that no application for quotation of the Unlisted Options will be made.

11.7 Principal differences between holding shares in an Australian company and an English company

Thor is incorporated under the laws of England and Wales. The material differences between the rights of Shares and holders of shares in an Australian company resulting from the differences in their governing documents and governing laws are summarised below.

The summary is a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in England and Wales as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interests in such shares. The laws, regulations, policies and procedures described are subject to change from time to time, and Applicants should seek their own independent advice if they have any doubt as to their own legal position.

English position

Pre-emptive rights

When making an offer of unissued shares for cash consideration, English law, the Listing Rules of the London Stock Exchange and institutional guidelines require the offer of such shares be made first to existing shareholders in proportion to their holdings, unless shareholders resolve to dis-apply those rights (although there is no binding limit on the dis-application of these rights, it is common to limit any such dis-application to between 10 and 15% of the issued share capital in any 12 month period). Pre-emptive rights do not apply if shares are allotted for non-cash consideration

Auditors

English law requires shareholder to approve the appointment of a company's auditors each year.

Australian position

The Listing Rules of ASX permit directors to allot unissued shares without shareholder approval (and without first offering them to existing shareholders) up to a maximum number equivalent of 15% of the issued capital of the company prior to the allotment in any 12-month period.

There is no such requirement in Australia, although shareholders are required to approve the appointment of a company's auditors at the first annual general meeting after their appointment by the board.

English position

Australian position

Purchase of own securities

If a company wants to buy back its own shares, under English law the proposal must be approved by a resolution of the shareholders. Such resolution must set out the amount of shares that the company can purchase and set guidelines for price.

A company has the right to buy back its shares under the Corporations Act. A company may conduct a number of different buy-backs. Depending on the type of share buy-back conducted and the number of shares company proposes to buy-back, the proposal may need to be approved by resolution of shareholders.

Takeovers

In the UK the City Code on Takeovers and Mergers ("Code") sets out the provisions if a person (on his own or together with his concert partners) makes an offer to acquire all the issued securities of a public limited company. Its purpose is to ensure commercial fairness for all shareholders of the target company.

The Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a 'relevant interest' in issued voting shares of a company if, because of the transaction, a person's voting power in the company:

If an acquisition results in a person holding shares over 30% of the voting rights of the company, under the Code the shareholder will, subject to certain limitations, be required to make a mandatory offer for the company.

- increases from 20% or below to more than 20%; or
- increases from a starting point which is above 20% but less than 90%.

A person who holds 90% of the shares in a company may conduct a compulsory acquisition of all remaining shares under the UK Companies Act.

Certain exceptions apply, such as acquisitions of relevant interests in voting shares made under takeover bids or made with shareholder approval or creeping acquisitions of 3% per 6 months.

Australian law similarly permits compulsory acquisition by 90% holders.

Thor is not subject to the provisions of the Corporations Act relating to changes in control and takeover of public companies.

Substantial shareholdings

Under English law a shareholder in a listed company has a substantial and disclosable interest in shares when he increases his shareholding to over 3% of the nominal value of the share capital of the company; when he increases his shareholding to over 10% of the nominal value of share capital; or where there is any movement by at least 1% of his holding over 3% of the nominal value of share capital in the company.

Under the Corporations Act a shareholder who begins or ceases to have a substantial holding in a listed company or has a substantial holding in a listed company and there is a movement by at least 1% in their holding, must give notice to the company and to ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the company.

These interests must be disclosed to the relevant company, the UKLA and the London Stock Exchange.

11.8 Directors and Employees Unlisted Options

The Company offers up to 15,000,000 Unlisted Options to Directors and employees.

The Company will send to nominated Directors and employees to whom the offer of Unlisted Options is being made a Prospectus together with an Application Form and option deed for the Unlisted Options.

Those Directors and employees who wish to accept the offer of the Unlisted Options should complete and return the Application Form and option deed sent with a copy of this Prospectus to the Company.

11.9 Offer of Shares

The Company will offer under this Prospectus 100 Shares with one free attaching listed Warrant for every two Shares to parties nominated by the Directors.

Application for the Shares and listed Warrant under this offer can be made by completing and returning an Application Form (which will accompany this Prospectus when the Company makes the offer) to the Company, Level 3, 30 Richardson Street, West Perth, Western Australia by the Closing Date or such other date as the Directors may nominate.

11.10 Offer of Warrants

The Company offers 2,000,000 Warrants to Patersons.

The Company will send to Patersons a Prospectus together with an Application Form for the listed Warrants. To accept the offer Patersons should complete and return the Application Form sent with a copy of this Prospectus to the Company.

11.11 Sub-underwriting obligations

Patersons' obligations under the Underwriting Agreement are fully sub-underwritten. Messrs John W Barr and John A Young and Tennant Creek have agreed to act as sub-underwriters and as such will subscribe for part of the Shortfall Securities.

The terms on which Messrs John W Barr and John A Young and Tennant Creek have agreed to sub-underwrite the Underwriting Agreement are identical terms as all other sub-underwritings. Patersons will determine the sub-underwriting fees payable to its sub-underwriters. Messrs John W Barr and John A Young's and Tennant Creek's sub-underwriting commitments are unconditional and irrevocable. However, if the Offers do not proceed, or if Patersons terminates its obligations under the Underwriting Agreement, then the sub-underwriting arrangements (including any entitlement to fees) immediately terminate.

Mr Barr and his associates have agreed to sub-underwrite up to approximately 8.75% of the Shortfall Securities to a maximum of 4,375,000 Shortfall Securities. Under the sub-underwriting agreement Mr Barr will be paid a sub-underwriting fee by Patersons of 3.5% of the amount he has agreed to sub-underwrite (approximately \$30,625).

Mr Young and his associates have agreed to apply for or sub-underwrite up to approximately 3.3% of the Shortfall Securities to a maximum of 1,650,000 Shortfall Securities. Under the sub-underwriting agreement Mr Young will be paid a sub-underwriting fee by Patersons of 3.5% of the amount he has agreed to apply for or sub-underwrite (approximately \$11,550).

Tennant Creek has agreed to sub-underwrite up to approximately 9.45% of the Shortfall Securities to a maximum of 4,725,000 Shortfall Securities. Under the sub-underwriting agreement Tennant Creek will be paid a sub-underwriting fee by Patersons of 3.5% of the amount agreed it has to sub-underwrite (approximately \$33,075).

11.12 Interests of Directors

Except as disclosed in this Prospectus, no Director (or an entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer.

Except as disclosed in this Prospectus, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer.

Shareholding Qualifications

The Directors are not required to hold any Shares in the Company under the Company's Constitution.

Director's interests in Thor securities

The interests of the Directors in the securities of Thor at the date of this Prospectus are set out below.

| Director | No. of Shares held | No. Unlisted Options held | No. of Unlisted Options offered under this Prospectus |
|---------------------|--------------------|---------------------------|---|
| Mr John W Barr | - ¹ | 4,000,000 | 6,000,000 |
| Mr P Mark Smyth | 4,150,000 | - | - |
| Mr Gregory M Durack | - ² | - | - |
| Mr John A Young | - | - | 5,000,000 |

Note: ¹ Mr John W Barr is a director of Tennant Creek which holds 45,000,000 Shares at the date of this Prospectus. ² Mr Gregory M Durack is a director of Batavia and holds 2,321,800 shares in Batavia.

Remuneration of Directors

Directors are paid a fixed sum for their services as Directors, such sum not to exceed a maximum as agreed from time to time by the Board of Directors. The current collective limit is £120,000 per annum. Directors will also be reimbursed for out of pocket expenses incurred as a result of carrying out their duties on behalf of the Company.

The Company uses the management consulting services of Kensington Consulting Pty Ltd, a company of which Mr John W Barr is a director. Under the agreement Kensington is entitled to charge Thor GBP8,000 per month and be reimbursed for all expenses incurred by Kensington in performing its obligations under the agreement. Save for limited circumstances, Thor may terminate the agreement by giving 3 months notice.

The Company has entered into an employment contract with Mr John A Young for the position of chief executive officer of the Company. Mr Young's salary is \$165,000 per annum and the statutory minimum superannuation contributions. Save for limited circumstances, the Company may only terminate the contract by giving 6 months notice.

Directors intentions with respect to the Offer

If the Directors qualify for the Priority Offer it is their intention to subscribe for the Priority Offer Securities to which they are entitled.

The following table sets out the interests of each of the Directors in the ordinary issued shares of Batavia.

| Director | No. of Batavia shares held |
|---------------------|----------------------------|
| Mr John W Barr | 1,120,326 |
| Mr P Mark Smyth | - |
| Mr Gregory M Durack | 2,321,800 |
| Mr John A Young | - |

All Directors may participate in the Public Offer up to a maximum of 10,000,000 Offer Shares together with 5,000,000 Offer Warrants (this does not include Offer Securities subscribed for under the Shortfall Issue).

11.13 Interests of promoters, experts and advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows:

- (a) Hardy Bowen have acted as solicitors to the Company and in that capacity have been involved in providing legal advice to the Company in relation to the Offer and will be paid approximately \$65,000 for these services. In the past two years Hardy Bowen has acted as lawyers to the Company and has provided general legal services and paid fees of \$566 for these services. Members of Hardy Bowen together own 2,550,000 Shares.
- (b) Ronaldsons have acted as solicitors to the Company and in that capacity have been involved in providing legal advice to the Company in relation to the Offer and will be paid approximately £17,500 for these services. In the past two years Ronaldsons has acted as lawyers to the Company and have provided general legal services and been paid fees of £32,800 for these services. In addition one of the principals of Ronaldsons, Mr Stephen F Ronaldson, is a joint company secretary of the Company for which fees have been included in the above charges.
- (c) Peter Walker Project Lawyer has acted as solicitors to the Company in the preparation of the Tenement report contained in Section 8 and in that capacity has been involved in providing legal advice to the Company in relation to the Offer and will be paid approximately \$6,500 for these services.
- (d) Somes & Cooke Chartered Accountants has prepared the Independent Accountant's Report included in Section 7 and will be paid approximately \$6,000 in respect of this work. In the past two years Somes Cooke Chartered Accountants have assisted in the preparation of the audit of Sunsphere Pty Ltd, an Australian Subsidiary of Thor, and has been paid fees in the amount of \$8,690 for these services.
- (e) Chapman Davis LLP are the Company's auditors. In the last two years Chapman Davis have been paid fees of £2,000 for these services.
- (f) CRM has prepared the Independent Geologist's Report included in Section 5 and will be paid \$18,675 in respect of this work. In the past two years CRM has prepared the competent persons report in relation to the listing of the Company on the AIM market and has also been involved in the calculation of the Company's resource statements on the Molyhil project and provided other general geological services. For these services CRM has been paid \$15,809.
- (g) ARM has provided advice in respect to the preparation of this Prospectus and will be paid £35,000 in respect of this work. In the past two years ARM has prepared services as the nominated adviser of the Company including assisting with the AIM listing and has been paid fees of £86,276 for these services.
- (h) Patersons has acted as lead manager and underwriter for the Offer. The fees for this service are set out in Section 9.5 of this Prospectus.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

11.14 Expenses of Offer

The total expenses of the Offer payable by the Company will be approximately \$865,000 (assuming full subscription). These expenses include accounting fees, legal fees, geologist

fees, broker fees, ASX and ASIC fees, the cost of advertising, printing and distributing this Prospectus and other miscellaneous expenses.

11.15 Privacy

If you apply for Offer Securities, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

Company and tax law requires some of this information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers and third parties (which may be located outside Australia) including those listed below or as otherwise authorised under the Privacy Act:

- (a) the Share Registry for ongoing administration of the register;
- (b) legal, financial and professional advisers; and
- (c) the printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail.

If an Applicant becomes a security holder, the Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

11.16 Company tax status and financial year

The Company is registered and domiciled in the United Kingdom.

The Directors do not expect the Company will be taxed in Australia as a public company.

The financial year of the Company ends on 30 June annually.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

11.17 Taxation implications

The acquisition and disposal of Shares and Warrants will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Thor are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the above securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

11.18 Litigation and claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

11.19 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Somes & Cooke Chartered Accountants have consented to being named as independent accountants to the Offer and to the inclusion of its independent accountant's report (in the form and content in which it appears) in this Prospectus. Somes & Cooke Chartered Accountants have not authorised or caused the issue of the Prospectus and takes no responsibility for any part of the Prospectus other than the references to its name.

Chapman Davis LLP has given and has not withdrawn its written consent to being named in the corporate directory of this Prospectus as auditor to the Company and elsewhere in the form and content in which it is named. Chapman Davis LLP was not involved in the preparation of this Prospectus and did not cause the issue of this Prospectus and takes no responsibility for any material omission from this Prospectus.

Hardy Bowen has consented to being named as solicitors to the Offer in this Prospectus. Hardy Bowen has not authorised or caused the issue of the Prospectus and takes no responsibility for any part of the Prospectus other than the references to its name.

Ronaldsons has consented to being named as solicitors to the Offer in this Prospectus. Ronaldsons has not authorised or caused the issue of the Prospectus and takes no responsibility for any part of the Prospectus other than the references to its name.

Peter Walker Project Lawyer has consented to being named in the Prospectus, as the solicitor preparing the report on the Tenements and to the inclusion of Tenement report and all statements referring to that report or matters derived from that report in this Prospectus in the form and context in which they are included. Peter Walker Project Lawyer has not authorised or caused the issue of the Prospectus and takes no responsibility for any part of the Prospectus other than the references to their name.

CRM has consented to being named in the Prospectus, as the Independent Consulting Geologist for the Company to inclusion of his Independent Consulting Geologist's Report and all statements referring to that Report or matters derived from that Report in this Prospectus and the inclusion of the amounts on valuation prepared by CRM in the form and context in which they are included. CRM has not authorised or caused the issue of the Prospectus and takes no responsibility for any part of the Prospectus other than the references to their name.

ARM has consented to being named as nominated advisor to Thor in this Prospectus. ARM has not authorised or caused the issue of the Prospectus and takes no responsibility for any part of the Prospectus other than the references to its name.

Computershare Investor Services Pty Ltd has given and has not withdrawn its written consent to being named in this Prospectus as share registry to the Company and elsewhere in the form and content in which it is named. Computershare Investor Services Pty Ltd was not involved in the preparation of the Prospectus and did not cause the issue of this Prospectus and takes no responsibility for any material omission from this Prospectus.

Computershare Investor Services plc has given and has not withdrawn its written consent to being named in the Prospectus as share registry to the Company and elsewhere in the form and content in which it is named. Computershare Investor Services plc was not involved in the preparation of this Prospectus and did not cause the issue of this Prospectus and takes no responsibility for any material omission from this Prospectus.

Patersons has consented to being named as lead manager and underwriter to the Offer in this Prospectus.

11.20 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

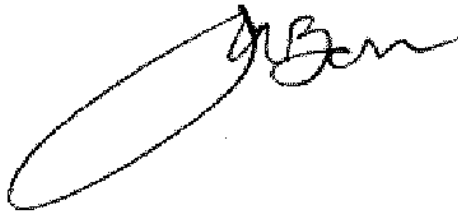
11.21 Disclosure and reporting obligations

Thor is listed on AIM and the Shares trade on the AIM market and will be quoted by ASX and as such are subject to regular reporting and disclosure obligations. Information on Thor including half yearly and annual reports and accounts and announcements to AIM and ASX required to be lodged pursuant to these reporting obligations may be obtained from Thor's website www.thormining.com.

12. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Thor by:

A handwritten signature in black ink, appearing to read 'JW Barr', written over a large, loopy oval scribble.

John W Barr
Executive Chairman

Dated 8 August 2006

13. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

| | |
|---|--|
| "Acquisition" | Has the meaning in section 9.1. |
| "Acquisition Agreement" | The share sale deed between Batavia and Thor dated 12 June 2006 pursuant to which Thor has agreed to acquire the entire issued share capital of Hale Energy. |
| "AIM" | The AIM Market of the London Stock Exchange. |
| "AIM Rules" | The rules governing the admission to and operation of AIM published by the London Stock Exchange from time to time. |
| "Applicant" | A person who submits an Application Form. |
| "Application" | A valid application for Offer Securities made pursuant to an Application Form. |
| "Application Form(s)" or "Form(s)" | Priority Offer Application Form and Public Offer Application Form. |
| "Application Monies" | Application monies for Offer Securities received and banked by the Company. |
| "ARM" or "Nomad" | ARM Corporate Finance Limited, the Company's nominated adviser and broker, which is regulated by the Financial Services Authority. |
| "ASIC" | Australian Securities and Investments Commission. |
| "ASTC" | ASX Settlement and Transfer Corporations Pty Ltd ACN 008 504 532. |
| "ASTC Operating Rules" | Operating rules of ASTC, except to the extent of any relief given by ASTC. |
| "ASX" | Australian Stock Exchange Limited ACN 008 624 691. |
| "ASX Listing Rules" | The listing rules of the ASX. |
| "Batavia" | Batavia Mining Limited ACN 009 075 861. |
| "Batavia Priority Shareholder" | Has the meaning in Section 4.4. |
| "Batavia Securities" | The 16,000,000 new Shares and 8,500,000 Warrants to be issued pursuant to the terms of the Acquisition Agreement. |
| "Board" | Directors of the Company as at the date of this Prospectus. |
| "Business Day" | A day on which ASX is open for trading. |
| "CDIs" | CHES Depository Interests, being a unit of beneficial ownership in a Principal Financial Product (as defined in the ASTC Operating Rules). |
| "CHES" | Clearing House Electronic Subregistry System. |

| | |
|---------------------------------------|--|
| "CREST" | CRESTCo. |
| "Closing Date" | Means either or both the Priority Offer Closing Date and the Public Offer Closing Date, as applicable. |
| "Company" or "Thor" | Thor Mining PLC (Registered No. 05276414). |
| "Consolidation" | The consolidation referred to in Section 3.1. |
| "Constitution" | Means the Company's memorandum and articles of association. |
| "Corporations Act" | Corporations Act 2001 (Cth). |
| "CRM" | Continental Resource Management Pty Limited. |
| "Definitive Feasibility Study" | The study currently being carried out by Thor to enable to the Directors to make a decision whether to proceed to a decision to mine the Molyhil project. |
| "Directors" | The Directors of the Company as at the date of this Prospectus. |
| "EGM" | The extraordinary general meeting of the Company to be held on 5 September 2006. |
| "Electronic Prospectus" | An electronic version of this Prospectus. |
| "Enlarged Group" | The Company and controlled entities as enlarged by the Acquisition. |
| "Enlarged Share Capital" | The number of Shares on issue following the Consolidation, Acquisition and issue of Offer Shares. |
| "Existing Shareholder" | A Shareholder at the record date for the purposes of the Consolidation. |
| "GST" | Goods and Services Tax. |
| "Indicative Timetable" | The timetable on page (iv) of this Prospectus. |
| "Hale Energy" | Hale Energy Limited (ACN 114 933 998). |
| "JORC" | Joint Ore Reserves Committee, is an Australian Professional Body which administers the JORC Code a set of guidelines for the public reporting of mining resources and reserves. |
| "Listing Date" | The listing date as defined in the Indicative Timetable. |
| "Listing Rules" | The official Listing Rules of ASX and any other rules of ASX which are applicable while any Shares are admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX. |
| "Native Title Act" | Native Title Act 1993 (Cth). |
| "Offer" | The Priority Offer and the Public Offer. |

| | |
|--|---|
| "Offer Period" | The period from the Opening Date up to and including the Closing Date. |
| "Offer Price" | AUD 20 cents per Share. |
| "Offer Securities" | The Shares and Warrants offered under this Prospectus. |
| "Offer Shares" | Up to 52,500,000 new Shares to be issued pursuant to this Prospectus. |
| "Offer Warrants" | Up to 26,250,000 Warrants to be issued pursuant to the terms of the Offer on the basis of one free attaching Warrant for every two Offer Shares issued. |
| "Official List" | The official list of ASX. |
| "Opening Date" | The opening date specified in the Indicative Timetable. |
| "Ordinary Shares" or "Shares" | Ordinary shares in the capital of the Company and includes shares existing in CDI form. |
| "Oversubscriptions" | Any amount raised under this Prospectus in excess of \$10,000,000 and up to \$10,500,000. |
| "Patersons" | Patersons Securities Limited ABN 69 008 896 311 |
| "Patersons Warrants" | 2,000,000 Warrants. |
| "Priority Entitlement Date" | The priority entitlement date specified in the Indicative Timetable. |
| "Priority Offer" | The priority offer to Batavia Priority Shareholders in accordance with Section 4.4. |
| "Priority Offer Application Form" | The yellow application form sent to Batavia Priority Shareholders with a copy of this Prospectus. |
| "Priority Offer Closing Date" | The Priority Offer Closing Date specified in the Indicative Timetable. |
| "Prospectus" | This prospectus with the date in Section 12. |
| "Public Offer" | The public offer in accordance with Section 4.5. |
| "Public Offer Application Form" | The white Public Offer Application form attached to this Prospectus. |
| "Public Offer Closing Date" | The public offer closing date specified in the Indicative Timetable. |
| "Scoping Study" | A high level study carried out by Thor on the Molyhil project. |
| "Section" | A section of this Prospectus. |
| "securities" | Has the same meaning as in the Corporations Act. |
| "Share Registry" | Computershare Investor Services PLC. |
| "Shareholders" | A holder of Shares. |

| | |
|---------------------------------|---|
| "Shortfall Issue" | The issue of Shortfall Securities. |
| "Shortfall Securities" | The number of Shares, being the difference between 50,000,000 and the number of Shares issued as a result of Applications being received under the Offer, with one free attaching Warrant for every two Offer Shares. |
| "Sunsphere" | Sunsphere Pty Ltd (ACN 112 922 497). |
| "Tennant Creek" | Tennant Creek Gold Limited ABN 12 000 817 023. |
| "Tenements" | The tenements referred to in the Independent Report on the Tenements in Section 8. |
| "Thor Mining Group" | A reference to Thor Mining Group includes the Company and its subsidiaries Hale Energy and Sunsphere Pty Ltd. |
| "Underwriting Agreement" | The underwriting agreement dated 7 August 2006 between Patersons and the Company. |
| "Unlisted Options" | An option to acquire one Share on exercise of the option on the terms and conditions in Section 11.6. |
| "Warrant Holders" | A holder of Warrants. |
| "Warrants" | The warrants to be issued by the Company on the terms and conditions in Section 11.5 and includes warrants in CDI form. |
| "WST" | Western Standard Time, being the time in Perth, Western Australia. |
| "AUD\$" or "\$" | Means Australian dollars. |
| "US\$" | Means dollars of the United States. |
| "£" | Means UK Pounds. |

Annexure 1 – Information required by AIM Rules



■ The Ernst & Young Building
11 Muggah Bay Road
Perth WA 6006
Australia

■ Tel: 61 8 9429 2222
Fax: 61 8 9429 2436

GPO Box 34639
Perth WA 6043

Independent audit report to members of Hale Energy Limited

Scope

The financial report and directors' responsibility

The financial report is a special purpose financial report and comprises the balance sheet, income statement, statement of changes in shareholders' equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Hale Energy Limited (the company), for the year ended 30 June 2006.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia to the extent described in Note 1 to the financial statements, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the needs of the members. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia to the extent described in Note 1 to the financial statements, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

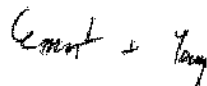
Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

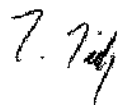
Audit opinion

In our opinion, the financial report of Hale Energy Limited is in accordance with:

- (a) the *Corporations Act 2001*, including
 - (i) giving a true and fair view of the financial position of Hale Energy Limited at 30 June 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
 - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia to the extent described in Note 1 to the financial statements.



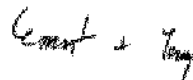
Ernst & Young



V W Tidy
Partner
Perth
7 August 2006

Auditor's Independence Declaration to the Directors of Hale Energy Limited

In relation to our audit of the financial report of Hale Energy Limited for the financial year ended 30 June 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



V W Tidy
Partner
Perth
7 August 2006

Financial Report for the Year Ended 30 June 2006

INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2006

| | Note | 2006 \$ | 2005 \$ |
|--|------|------------|------------|
| Continuing operations | | | |
| Revenue | | - | - |
| Administrative expenses | | (8,070) | - |
| Corporate expenses | | (7,762) | - |
| Loss before income tax | 3 | (15,832) | - |
| Income tax expense | 4 | - | - |
| Loss attributable to members of the entity | | (15,832) | - |

BALANCE SHEET AS AT 30 JUNE 2006

| | Note | 2006 \$ | 2005 \$ |
|--------------------------------------|------|------------|------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 8(b) | 1 | 1 |
| TOTAL CURRENT ASSETS | | 1 | 1 |
| NON-CURRENT ASSETS | | | |
| Exploration & Evaluation | 9 | 517,009 | - |
| TOTAL NON-CURRENT ASSETS | | 517,009 | - |
| TOTAL ASSETS | | 517,010 | 1 |
| NON-CURRENT LIABILITIES | | | |
| Loan Batavia Mining Ltd | 6 | 532,841 | - |
| TOTAL NON-CURRENT LIABILITIES | | 532,841 | - |
| TOTAL LIABILITIES | | 532,841 | - |
| NET ASSETS | | (15,831) | 1 |
| EQUITY | | | |
| Issued capital | | 1 | 1 |
| Accumulated losses | | (15,832) | - |
| TOTAL EQUITY | | (15,831) | 1 |

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

| | Note | Issued Capital | Retained Earnings | Total |
|-------------------------------|------|----------------|-------------------|----------|
| | | \$ | \$ | \$ |
| 1 July 2004 | | | - | - |
| Share Issue | | 1 | - | 1 |
| Loss attributable to members | | - | - | - |
| 30 June 2005 | | 1 | - | 1 |
| 1 July 2005 | | 1 | - | 1 |
| Shares issued during the year | | - | - | - |
| Loss attributable to members | | - | (15,832) | (15,832) |
| 30 June 2006 | | 1 | (15,832) | (15,831) |

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

| | Note | 2006 | 2005 |
|--|------|-----------|------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers | | (15,832) | - |
| Net cash (used in) operating activities | 8(a) | (15,832) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | - | - |
| Payments for Exploration & Development Expenditure | | (517,009) | - |
| Net cash (used in) investing activities | | (517,009) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from shares issued | | - | 1 |
| Loan advances from parent | | 532,841 | - |
| Net cash from financing activities | | 532,841 | 1 |
| Net increase in cash held | | - | 1 |
| Cash at beginning of financial year | | 1 | - |
| Cash at end of financial year | 8(b) | 1 | 1 |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1: Statement of Significant Accounting Policies

The financial report is a special purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Hale Energy Limited as an individual entity. Hale Energy Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Hale Energy Limited (the "Company") complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time adoption of Australian equivalents to International Financial Reporting Standards.

Hale Energy Limited has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Hale Energy Limited to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The company has elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 2 for further details.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report has been prepared on a going concern basis as the Company has received confirmation from its parent that the loan will not be called and continued financial support will be provided.

Accounting Policies

a. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Related Party Payable

Related party payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. The terms and conditions are set out in note 6.

c. Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

d. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

e. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

h. Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

i. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward when the rights to tenure of that area of interest are current and either such expenditure is expected to be recouped through the successful development and commercial exploitation of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations are continuing.

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

The Directors review the carrying value of each area of interest at balance date and exploration expenditure which no longer satisfies the above policy is written off.

AASB 6 Exploration for and Evaluation of Mineral Resources has been applied effective 1 July 2004.

j. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2: First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Reconciliation of Equity at 30 June 2005

| | Previous GAAP at 30 June 2005 \$ | Effect of transition to AIFRS \$ | AIFRS at 30 June 2005 \$ |
|---------------------------|--|---|-----------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 1 | - | 1 |
| TOTAL CURRENT ASSETS | 1 | - | 1 |
| TOTAL NON-CURRENT ASSETS | - | - | - |
| TOTAL ASSETS | 1 | - | 1 |
| NET ASSETS | 1 | - | 1 |
| EQUITY | | | |
| Issued capital | 1 | - | 1 |
| Retained earnings | - | - | - |
| TOTAL EQUITY | 1 | - | 1 |

Reconciliation of Profit or Loss for 2005

| | Previous GAAP 30 June 2005 \$ | Effect of transition to AIFRS \$ | AIFRS 30 June 2005 \$ |
|---|---|---|--------------------------------|
| Revenue | | | |
| Expenses from ordinary activities | - | - | - |
| Profit before income tax expense | - | - | - |
| Income tax expense | - | - | - |
| Profit after related income tax expense | - | - | - |

3: Revenue Expenses

| | 2006 \$ | 2005 \$ |
|------------------------------|------------|------------|
| (a) Revenue | - | - |
| (b) Other expenses | - | - |
| Corporate and Administration | (15,832) | - |
| Loss | (15,832) | - |

4: Income Tax Expense

| | Note | 2006 \$ | 2005 \$ |
|--|------|------------|------------|
| (a) The components of tax expense comprise: | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Recoupment of prior year tax losses | | - | - |
| Under/(over) provision in respect of prior years | | - | - |
| (b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows: | | | |
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%) | | (4,750) | - |

| | Note | 2006 | 2005 |
|--|-------------|-------------------|-------------------|
| | | \$ | \$ |
| Unused tax losses not recognised as deferred tax assets. | | 4,750 | - |
| | | <u> </u> | <u> </u> |
| | | <u> </u> | <u> </u> |

5: Commitments and Contingencies

(a) Exploration Commitments

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

Expenditure commitments are as follows:

| | 2006 | 2005 |
|-----------------------|------------------|-------------------|
| - Within one year | 287,000 | - |
| - later than one year | 1,435,000 | - |
| | <u>1,722,000</u> | <u> </u> |

(b) Claims of Native Title

The Company is aware of Native Title claims, which cover certain permits in Northern Territory. At the present date no claims for Native Title have seriously affected exploration by the Company.

6: Related Party Transactions

Wholly owned group

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

| | 2006 | 2005 |
|--|----------------|-------------------|
| | \$ | \$ |
| Batavia Mining Limited is the ultimate parent entity of Hale Energy Limited and has provided interest free loans to the company unsecured and at call. | <u>532,841</u> | <u> </u> |

7: Events After the Balance Sheet Date

Three tenements have been granted subsequent to 30 June 2006, being Harts Range, Plenty Highway and Curtis Pound.

On 13 June 2006, Batavia Mining Limited (Parent Company) announced it had reached conditional agreement to dispose of its uranium portfolio via the sale of Hale Energy Limited to Thor Mining PLC, a company listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

As of the date of this report, the conditions of the sale have not been met being the listing of Thor Mining PLC on the Australian Stock Exchange (ASX) and on initial public offering to raise at least \$2M.

There were no material events arising subsequent to 30 June 2006 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 there after.

8: Cash Flow Information

| | 2006 | 2005 |
|--|-----------------|----------|
| | \$ | \$ |
| (a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax | | |
| Loss after income tax | (15,832) | - |
| Non-cash flows in profit | - | - |
| Net cash provided by operating activities before changes in assets and liabilities | (15,832) | - |
| Changes in assets and liabilities | - | - |
| Net cash (used in) operating activities | <u>(15,832)</u> | <u>-</u> |
| (b) Cash and cash equivalents | | |
| Cash at bank | <u>1</u> | <u>1</u> |

9: Exploration and evaluation expenditure

| | 2006 | 2005 |
|---|----------------|----------|
| | \$ | \$ |
| (c) Balance at 1 July | - | - |
| (d) Acquisition costs | 434,000 | - |
| (e) Exploration and evaluation phase | 83,009 | - |
| (f) Balance at 30 June | <u>517,009</u> | <u>-</u> |

10: Financial Instruments

a. Financial Risk Management

The Hale Energy Limited financial instruments consist of non-interest bearing loans from the holding company and cash.

The main purpose of non-derivative financial instruments is to raise finance for Hale Energy Limited operations.

Hale Energy Limited does not have any derivative instruments at 30 June 2006.

Financial Risks

The main risk that Hale Energy Limited may be exposed to through its financial instruments is liquidity risk.

i. Interest rate risk

The company is not exposed to any material interest rate risk.

ii. Foreign currency risk

Hale Energy Limited is not exposed to fluctuations in foreign currencies.

iii. Liquidity risk

Hale Energy Limited manages liquidity risk by monitoring forecast cash flows.

iv. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

v. Price risk

Hale Energy Limited is not exposed to any material commodity price risk.

b. Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

| | Interest Rate | | Interest Bearing | | Non Interest Bearing | | Total | |
|------------------------------------|---------------|------|------------------|----------|----------------------|------|-------|------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | % | % | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Assets: | | | | | | | | |
| Cash and cash equivalents | 5.4 | - | 1 | 1 | - | - | 1 | 1 |
| Total Financial Assets: | | | 1 | 1 | - | - | 1 | 1 |
| Financial Liabilities | | | | | | | | |
| Amounts payable related parties | | | - | -532,841 | -532,841 | | - | - |
| Total Financial Liabilities | | | - | -532,841 | -532,841 | | - | - |

c. Net Fair Values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

11: Change in Accounting Policy

a. The entity has adopted the following accounting standards for application on or after 1 January 2005:

- AASB 132: Financial Instruments: Disclosure and Presentation
- AASB 139: Financial Instruments: Recognition and Measurement

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

The adoption of AASB 139 has not resulted in any material differences in the recognition and measurement of the entity's financial instruments.

b. The following Australian Accounting Standards issued or amended which are applicable to the but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

| AASB Amendment | AASB Standard Affected | Nature of Change in Accounting Policy and Impact | Application Date of the Standard | Application Date for the Group |
|-----------------------|--|---|---|---------------------------------------|
| 2005-5 | AASB 1: First-time Adoption of AIFRS | No change, no impact | 1 January 2006 | 1 July 2006 |
| | AASB 139: Financial Instruments: Recognition and Measurement | No change, no impact | 1 January 2006 | 1 July 2006 |
| 2005-06 | AASB 3: Business Combinations | No change, no impact | 1 January 2006 | 1 July 2006 |
| 2005-10 | AASB 139: Financial Instruments: Recognition and Measurement | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 101: Presentation of Financial Statements | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 114: Segment Reporting | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 117: Leases | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 132: Financial Instruments: Disclosure and Presentation | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 133: Earnings per Share | No change, no impact | 1 January 2007 | 1 July 2007 |

11: Change in Accounting Policy

| AASB Amendment | AASB Standard Affected | Nature of Change in Accounting Policy and Impact | Application Date of the Standard | Application Date for the Group |
|-----------------------|---|---|---|---------------------------------------|
| | AASB 1: First-time Adoption of AIFRS | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 4: Insurance Contracts | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 1023: General Insurance Contracts | No change, no impact | 1 January 2007 | 1 July 2007 |
| | AASB 1038: Life Insurance Contracts | No change, no impact | 1 January 2007 | 1 July 2007 |
| New Standard | AASB 7: Financial Instruments: Disclosure | No change, no impact | 1 January 2007 | 1 July 2007 |

All other pending Standards issued between the previous financial report and the current reporting date have no application to Company.

| AASB Amendment | AASB Standard Affected |
|---------------------------|---|
| 2004-3 | AASB 1: First-time Adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 124: Related Party Disclosures |
| 2005-1 | AASB 139: Financial Instruments: Recognition and Measurement |
| 2005-2 | AASB 1023: General Insurance Contracts |
| 2005-4 | AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation |
| 2005-9 | AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation |
| 2006-1 | AASB 121: The Effects of Changes in Foreign Exchange Rates New Standard AASB 119: Employee Benefits: December 2004 |

Guide to Thor Mining PLC Public Offer Application Form

This Public Offer Application Form relates to the Public Offer of up to 20,000,000 Shares, plus any Shares not subscribed for under the Priority Offer, in Thor Mining PLC at \$0.20 per Share pursuant to the Prospectus dated 8 August 2006. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Public Offer Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and a Public Offer Application Form, on request and without charge.

Please complete all relevant sections of the Public Offer Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Public Offer Application Form. Further particulars and the correct forms of registrable titles to use on the Public Offer Application Form are contained below.

- A** Insert the number of Shares you wish to apply for.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of \$0.20.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited.
If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHES subregister, complete Section G or forward your Public Offer Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to section 4.16 of the Prospectus.
- H** Please complete cheque details as requested:
Make your cheque payable to "**Thor Mining PLC – Subscription Account**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I** Before completing the Public Offer Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Public Offer Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Public Offer Application Form.
Privacy – Please refer to Section 11.15 of the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Public Offer Application Form, the Company may not be able to accept or process your Application.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of investor | Correct form of Registrable Title | Incorrect form of Registrable Title |
|---|--|-------------------------------------|
| Individual Use names in full, no initials | Mr John Alfred Smith | JA Smith |
| Minor (a person under the age of 18) Use the name of a responsible adult; do not use the name of a minor. | John Alfred Smith <Peter Smith> | Peter Smith |
| Company Use company title, not abbreviations | ABC Pty Ltd | ABC P/L ABC Co |
| Trusts Use trustee(s) personal name(s), do not use the name of the trust | Mrs Sue Smith <Sue Smith Family A/C> | Sue Smith Family Trust |
| Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased | Ms Jane Smith <Est John Smith A/C> | Estate of late John Smith |
| Partnerships Use partners personal names, do not use the name of the partnership | Mr John Smith and Mr Michael Smith <John Smith and Son A/C> | John Smith and Son |

Return your completed Public Offer Application Form to:

By mail

Computershare Investor Services Pty Ltd
GPO Box D182
Perth WA 6840
Australia

By delivery

Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
PERTH WA 6000

Public Offer Application Forms must be received no later than 5.00 pm WST time on the Public Offer Closing Date.

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MINING PLC