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**Half-yearly Report**

**31 December 2007**

## THOR MINING PLC

Half-yearly report for the six months ended 31 December 2007.

Thor is a mineral exploration and development company focused on advancing molybdenum, tungsten and uranium projects in the Northern Territory of Australia.

### CEO Report

The CEO presents his review together with the consolidated financial report for the six months ended 31 December 2007.

The first half of the 2008 financial year has been one of solid progress. The Company has continued to focus on the development of its 100% owned Molyhil Tungsten-Molybdenum Project located in Central Australia.

The strategy of moving the Molyhil Project in to production requires an off-take agreement for the planned production and suitable financing to be completed, as well as securing all necessary mining approvals. Progress on all matters continues.

During the period Thor expended in excess of £210,000 on mine development and £430,000 on exploration of the extensive portfolio of tenements.

## OPERATING REVIEW

### MOLYHIL TUNGSTEN-MOLYBDENUM PROJECT

In August 2007, following the receipt of the final results from the resource drilling program independent geological consultants completed a revised resource for the Molyhil Project.

The revised resource represented a 55% increase in overall tonnage to **3.73 million tonnes** at **0.51% combined tungsten (WO<sub>3</sub>) and molybdenum (MoS<sub>2</sub>)** with a substantial tonnage upgrade to the Measured and Indicated categories – increasing the overall level of confidence in the resource. The revised resource now comprises:

- **Measured Resource of 530,000 tonnes at 0.42% WO<sub>3</sub> and 0.27% MoS<sub>2</sub>**, a 43% tonnage increase over the previous Measured resource;
- **Indicated Resource of 2.4 million tonnes at 0.39% WO<sub>3</sub> and 0.17% MoS<sub>2</sub>**, a 37% tonnage increase over the previous Indicated resource; and
- **Inferred Resource of 800,000 tonnes at 0.15% WO<sub>3</sub> and 0.1% MoS<sub>2</sub>**, more than three times higher than the previous resource.

### Mining Reserve

A new mining reserve was then completed. The new mining reserve is based on the Measured and Indicated categories of the revised resource. Approximately 73% of these resource tonnages converted to reserve status, which now totals:

	Tonnes	Grade <b>WO<sub>3</sub></b>	Grade <b>MoS<sub>2</sub></b>
Proven	456,000	0.47%	0.30%
Probable	1,690,000	0.49%	0.20 %
Total	<b>2.15 million tonnes</b>	<b>0.49%</b>	<b>0.22%</b>

This represents a reserve tonnage increase of 98%.

The mining reserve contains a total of 4.9 million pounds of molybdenum metal and 700,000 mtu's of tungsten which will be produced over the expected 5.7 year life of the open pit design.

#### **Financial Model**

The previous financial model has been updated, using new input parameters, including costs based on a processing throughput of 400,000 tonnes per annum. A number of assumptions were used based on current industry available information, including prices of USD\$32 per lb of Molybdenum and USD\$240 per mtu, with conservative industry discounts of 15% and 28% for concentrate sales respectively. The financial model uses a USD\$/AUD\$ exchange rate of 0.85. Importantly included in this detailed model is expected tax and royalties.

The capital expenditure totals AUD\$71m, including additional working capital and operator fleet, power and camp. This outright purchase of equipment has the effect of significantly reducing operating costs, now estimated to be AUD\$76 per tonne of ore treated.

The net cashflow (prior to capex) of the project is estimated to be AUD\$116m, after tax and royalties.

#### **Engineering Review**

Perth-based consulting engineering group, GR Engineering Pty Ltd, has completed a review of the capital cost estimate for the Molyhil Project. The review included the previously announced, proposed upgrade in the processing capacity of the plant to 400,000 tonnes per annum. This, plus the purchased additional capital equipment has reduced forecast processing and mining operating costs.

#### **Off-take Negotiations**

Thor has focused on a strategy of securing an off-take agreement for Molyhil and achieving assistance in funding of the project. Financing alternatives are currently being considered with several interested parties from Australia and China

#### **Environmental and Notice of Intent (NOI)**

The Mining Management Plan has been submitted to the Northern Territory mines department for approval along with the granting of the mining leases.

#### **Native Title**

Thor recently signed a landmark Native Title Mining Agreement which should enable the Molyhil Mining Leases to be granted. The Agreement was signed with representatives of the community of the Eastern Arrernte people of the Northern Territory, one of the largest Indigenous groups in Central Australia.

#### **Molyhil IP Survey**

An extensive Induced Polarisation ("IP") Geophysical Survey was completed at Molyhil. This survey successfully identified the Molyhil skarn mineralisation.

The completion of this IP survey represents the first stage in increasing the regional exploration effort at Molyhil to target additional deposits. Chargeable responses have been identified south, along strike beyond current drilling and 500m to the west of the Molyhil mineralisation.

The Molyhil deposit itself remains open at depth with potential to increase resources with deeper drilling. A plan to drill these deeper targets will be finalised once results from the

underground conceptual study are completed. Drilling of these and regional targets will commence in 2008.

### **Oorabra Reefs**

A total of 58 rock chip samples were collected during the quarter from barite/fluorite veining east of Molyhil near Gap Bore. Assay results have confirmed significant barite (Ba) mineralisation with assays up to 9.37% Ba returned. Many others range between 3.5 to 4.5% Ba. Visually massive fluorite (CaF<sub>2</sub>) was noted in most samples. Historically values ranged from 5.7% CaF<sub>2</sub> to 85% CaF<sub>2</sub> (Central Pacific Minerals). Further check assaying for other elements will need to be carried out including F as CaF<sub>2</sub> (fluorite or fluorspar). In 1972 Central Pacific Minerals identified an inferred resource of 250,000 short tonnes at 37% CaF<sub>2</sub>, this resource is excised from the Molyhil tenement EL23825.

The area in general seems to be under explored and has potential for rare earth ("REE"), barite, fluorite, gold, silver and base metals. Given the recent price increases of barite and fluorite and the proximity to infrastructure at Molyhil the area is worthy of further investigation.

### **URANIUM EXPLORATION**

#### **Hale River Uranium Project**

An air core drilling program was completed in the September quarter at the Hale River Uranium Project with a total of 28 holes completed for 1,829 metres of drilling. Geological logging of the drill holes confirmed the presence of downward coarsening sandy sequences and carbonaceous horizons within the targeted channels. Results from the upper carbonaceous horizon returned values up to 100ppm U confirming the presence of weak redox style mineralisation. Existing anomalies need further drill testing and work to date has confirmed the presence of suitable "trap sites" for roll front style Uranium mineralization.

#### **Plenty Highway Project**

During the last quarter of 2007 a program of reconnaissance air core drilling was completed at the Plenty Highway Uranium Project with a total of 16 holes completed for 1,582 metres drilled.

A number of the holes did not reach bedrock due to the intersection of deep clay horizons which exceeded the capabilities of the drill rig. The HoistEM data appears to have correctly defined the extent and approximate depth of the palaeo-channels in the area. Further analysis of the EM survey is required to develop new drilling targets in this area.

#### **Harts Range Project**

The Harts Range project area lies on the eastern margin of the Entia Dome. The Entia Gneiss forms the core of the Entia Dome, which is located on the western part of the Exploration License area.

Reconnaissance rock chip samples were taken on pegmatite veins mapped at the Daicos prospect area returned a best assay of 19.37% U from highly radioactive samples with visible uraninite and columbite. Other highly anomalous elements associated with these samples included assays up to 28.32% Nb and 25.52% Ta.

A total of 374-80 mesh soil samples were collected over a 100m x 50m contact zone covering the Daicos prospect area during October. A further 24 additional rock chip samples were collected from veining in the area. No results have been received as yet.

Drilling is being planned to determine the thickness and strike extent of the individual zones.

**Bundey River Project**

An airborne EM survey was scheduled to be flown in late 2007. The survey was completed by the end of January 2008 by Geoforce using the latest generation SkyTEM equipment.

Montana GIS have been contracted to model the data as soon as it becomes available.

**OTHER PROJECTS**

Exploration has been held up at Hatches Creek, as the Central Land Council was unable to organise a final clearance meeting with traditional owners. This is now expected to occur prior to June 2008.

No work has been completed at the Hatches Creek and Curtis Pound Projects.

**CORPORATE**

**Capital Raising**

During July 2007 a placement of 6,800,000 shares at 11 pence per share was completed on the Alternative Investment Market ("AIM") of the London Stock Exchange. These shares have been placed with Sophisticated Investors based in the UK for trading on the AIM market.

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

Yours faithfully

**THOR MINING PLC**



**John A Young**  
Chief Executive Officer

**15 February 2008**

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## **INDEPENDENT REVIEW REPORT TO THOR MINING PLC**

### **Introduction**

We have been engaged by the company to review the financial information for the six months ended 31 December 2007 which comprises the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Cash Flow Statement, and the related notes. We have read the other information contained in the half-year report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 1, the accounting policies are consistent with those that the directors intend to use in the next financial statements. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

### **Our Responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.



**CHAPMAN DAVIS LLP**  
**Chartered Accountants**  
**2 Chapel Court**  
**London SE1 1HH**  
**15 February 2008**

The maintenance and integrity of the Thor Mining Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.

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**Consolidated Income Statement**  
For the 6 months ended 31 December 2007

	Notes	£'000 Six months ended 31 December 2007 (Unaudited)	£'000 Six months ended 31 December 2006 (Unaudited)	£'000 Year ended 30 June 2007 (Audited)
Administrative expenses		(205)	(130)	(323)
Corporate expenses		(315)	(671)	(1,190)
Other expenses		(67)	-	-
<b>OPERATING LOSS</b>		<b>(587)</b>	<b>(801)</b>	<b>(1,513)</b>
Interest receivable		50	19	126
Other income		35	-	-
<b>LOSS BEFORE TAXATION</b>		<b>(502)</b>	<b>(782)</b>	<b>(1,387)</b>
Taxation		-	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(502)</b>	<b>(782)</b>	<b>(1,387)</b>
Loss per share :				
Basic	2	(0.36)p	(0.80)p	(1.27)p

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**Consolidated Statement of Changes in Equity**  
For the 6 months ended 31 December 2007

	Issued Capital £'000	Share Premium £'000	Retained Earnings £'000	Foreign Currency Translation Reserve £'000	Merger Reserve £'000	Option Reserve £'000	Total £'000
<b>At 1 July 2006</b>	192	1,928	(783)	59	405	100	1,901
Loss for the period	-	-	(782)	-	-	-	(782)
Foreign currency translation reserve	-	-	-	47	-	-	47
Total recognised income and expense	-	-	(782)	47	-	-	(735)
Share based payments expense	-	-	-	-	-	413	413
Shares issued	198	3,482	-	-	1,229	-	4,909
<b>At 31 December 2006</b>	<b>390</b>	<b>5,410</b>	<b>(1,565)</b>	<b>106</b>	<b>1,634</b>	<b>513</b>	<b>6,488</b>
<b>At 1 July 2006</b>	192	1,928	(783)	59	405	100	1,901
Loss for the period	-	-	(1,387)	-	-	-	(1,387)
Foreign currency translation reserve	-	-	-	372	-	-	372
Total recognised income and expense	-	-	(1,387)	372	-	-	(1,015)
Share based payments expense	-	-	-	-	-	683	683
Shares issued	207	3,688	-	-	1,229	-	5,124
<b>At 30 June 2007</b>	<b>399</b>	<b>5,616</b>	<b>(2,170)</b>	<b>431</b>	<b>1,634</b>	<b>783</b>	<b>6,693</b>
<b>At 1 July 2007</b>	399	5,616	(2,170)	431	1,634	783	6,693
Loss for the period	-	-	(502)	-	-	-	(502)
Foreign currency translation reserve	-	-	-	327	-	-	327
Total recognised income and expense	-	-	(502)	327	-	-	(175)
Share based payments expense	-	-	-	-	-	79	79
Shares issued	22	775	-	-	-	-	797
<b>At 31 December 2007</b>	<b>421</b>	<b>6,391</b>	<b>(2,672)</b>	<b>758</b>	<b>1,634</b>	<b>862</b>	<b>7,394</b>

**Consolidated Balance Sheet**  
At 31 December 2007

	Notes	£'000 31 December 2007 (Unaudited)	£'000 31 December 2006 (Unaudited)	£'000 30 June 2007 (Audited)
<b>NON-CURRENT ASSETS</b>				
Intangible assets – deferred exploration costs		4,621	3,582	4,191
Mine development costs		939	231	726
Property and equipment	3	92	24	95
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,652</b>	<b>3,837</b>	<b>5,012</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		1,871	2,603	1,836
Trade and other receivables		71	94	96
Other		20	14	10
<b>TOTAL CURRENT ASSETS</b>		<b>1,962</b>	<b>2,711</b>	<b>1,942</b>
<b>TOTAL ASSETS</b>		<b>7,614</b>	<b>6,548</b>	<b>6,954</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing liabilities		(57)	-	(60)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(57)</b>	<b>-</b>	<b>(60)</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		(133)	(60)	(181)
Provisions		(18)	-	(9)
Interest bearing liabilities		(12)	-	(11)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(163)</b>	<b>(60)</b>	<b>(201)</b>
<b>TOTAL LIABILITIES</b>		<b>(220)</b>	<b>(60)</b>	<b>(261)</b>
<b>NET ASSETS</b>		<b>7,394</b>	<b>6,488</b>	<b>6,693</b>
<b>EQUITY</b>				
Issued share capital		421	390	399
Share premium		6,391	5,410	5,616
Merger reserve		1,634	1,634	1,634
Foreign exchange reserve		758	106	431
Option revaluation reserve		862	513	783
Retained losses		(2,672)	(1,565)	(2,170)
<b>TOTAL EQUITY</b>	5	<b>7,394</b>	<b>6,488</b>	<b>6,693</b>

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**Consolidated Cash Flow Statement**  
For the 6 months ended 31 December 2007

Notes	£'000 Six months ended 31 December 2007 (Unaudited)	£'000 Six months ended 31 December 2006 (Unaudited)	£'000 Year ended 30 June 2007 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating loss	(502)	(782)	(1,387)
(Increase)/decrease in trade and other receivables	17	(80)	(56)
Increase/(decrease) in trade and other payables	(191)	(31)	22
Depreciation	17	4	29
Share options expensed	79	413	683
Unrealised exchange gain	327	46	372
<b>Net cash flow from operating activities</b>	<b>(253)</b>	<b>(430)</b>	<b>(337)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(10)	(19)	(38)
Payments for mine development	(175)	(231)	(727)
Payments for exploration expenditure	(317)	(833)	(1,389)
<b>Net cash flows from investing activities</b>	<b>(502)</b>	<b>(1,083)</b>	<b>(2,154)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	(6)	-	(5)
Issue of ordinary share capital	814	3,991	4,209
Share issue costs	(18)	(359)	(361)
<b>Net cash flow from financing activities</b>	<b>790</b>	<b>3,632</b>	<b>3,843</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	35	2,119	1,352
Cash and cash equivalents at beginning of period	1,836	484	484
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,871</b>	<b>2,603</b>	<b>1,836</b>

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**Notes to the Half-yearly Report**

*For the 6 months ended 31 December 2007*

**1. PRINCIPAL ACCOUNTING POLICIES**

**(a) Presentation of Half-yearly results**

This half-yearly report was approved by the Directors on 15 February 2008. The half-yearly results have not been audited, but were the subject of an independent review carried out by the Company's auditors, Chapman Davis LLP. Their review confirmed that the figures were prepared using applicable accounting policies and practices consistent with those adopted in the 2007 annual report and to be adopted in the 2008 annual report. The financial information contained in this half-yearly report does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985.

This half year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007, which was prepared in accordance with International Financial Reporting Standards, including IAS 34 'Interim Financial Statements', and complies with the listing requirements for companies trading securities on the AIM market.

The half-yearly report has been prepared under the historical cost convention.

**(b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Thor Mining PLC and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

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**Notes to the Half-yearly Report**  
For the 6 months ended 31 December 2007

**2. LOSS PER SHARE**

	<b>Six months ending 31 December 2007 (Unaudited) £'000</b>	<b>Six months ending 31 December 2006 (Unaudited) £'000</b>	<b>Year ending 30 June 2007  (Audited) £'000</b>
<b>Basic loss per share for the period</b>			
Loss	(502)	(782)	(1,387)
Weighted average number of shares	139,116,507	97,250,362	114,014,198
Loss per share - pence	(0.36)	(0.80)	(1.27)

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

**3. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 31 December 2007 the group assets with a cost of £92,000 (six months ending 31 December 2006: £24,000). This comprised of motor vehicles and other equipment amounting to £54,000 and £38,000 respectively.

**4. SHARE-BASED PAYMENTS**

In September 2007 a grant of unlisted options was made to staff and a consultant of Thor Mining PLC.

The terms and conditions of the grant made during the six months ended 31 December 2007 are as follows:

<b>Number</b>	<b>Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
2,750,000	26 September 2007	15 June 2009	11.25p

Fair value of share option and assumptions for the six months ended 31 December 2007:

Underlying security mid-market value	£0.0913
Exercise Price	£0.1125
Dividend rate	-
Standard deviation of returns	70.00%
Risk free rate	5.15%
Expiration period (years)	1.7248
Black Scholes valuation	£0.0289

The basis of measuring fair value is consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2007.

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**Notes to the Half-yearly Report**

For the 6 months ended 31 December 2007

**5. CAPITAL**

The movements in issued share capital during the period were as follows:

	<b>31 December 2007</b>	<b>30 June 2007</b>
<b>Issued and paid-up share capital</b>		
Ordinary shares	421	399
	<b>Number</b>	<b>£'000</b>
<b>Movements in shares on issue</b>		
Balance as at 1 July 2007	132,859,508	399
Share issue	7,596,395	22
Balance as at 31 December 2007	140,455,903	421

**6. SEGMENT REPORTING**

The consolidated entities only business segment, which relates to the exploration and development on tenements, operates solely in Australia.

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**Thor Mining PLC  
Company Information**

**Directors**

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

**Secretary**

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

**Registered office**

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55 Gower Street  
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Fax: + 618 9327 0901

**Shareholder Enquires**

Damian P Delaney  
[dpd@thormining.com](mailto:dpd@thormining.com)

Shareholders are encouraged to register on the Company's website to receive updates by email.

**Web site:**

[www.thormining.com](http://www.thormining.com)

**Nominated Adviser and  
Broker**

Blomfield Corporate Finance Limited  
London  
Telephone: + 44 (0) 20 7512 0191  
Fax: + 44 (0) 20 7512 0747

**Auditors**

Chapman Davis LLP  
London

**Solicitors**

Ronaldsons  
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Hardy Bowen  
Australia

**Registrar**

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**Registered number**

05276414

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