THOR MINING PLC

Annual Report and Accounts

30 June 2009

Company Number 05 276 414

Thor Mining PLC

Annual Report and Accounts

	Page

Thor Mining PLC
Company Information

Directors
Michael Billing *(Executive Chairman)*
Gregory Durack *(Non-executive Director)*
Michael Ashton *(Non-executive Director)*
Norman Gardner *(Non-executive Director)*

Company Secretary
Stephen Ronaldson *(United Kingdom)*
Laurie Ackroyd *(Australia)*

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3rd Floor
55 Gower Street
London WC1E 6HQ

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Level 1, 26, Greenhill Road
Wayville, South Australia 5034
Telephone +61 (0) 8 8177 8850
Fax +61 (0) 8 8272 2838

Shareholder Enquiries
corporate@thormining com
Shareholders are encouraged to register on the Company's website to receive updates by e-mail

Web site: www.thormining com

Nominated Adviser and Broker
Daniel Stewart & Co plc
Becket House,
36 Old Jewry,
London EC2R 8DD
United Kingdom
Telephone + 44 (0) 20 7776 6550
Fax + 44 (0) 20 7796 4648

Auditors
Chapman Davis LLP
2 Chapel Court
London SE1 1HH

Solicitors
United Kingdom
Ronaldsons LLP
3rd Floor
55 Gower Street
London WC1E 6HQ

Australia
Watsons Lawyers,
Ground Floor, 60, Hindmarsh Square,
Adelaide, South Australia 5000

Locations of Share Registrars

UK	**Australia**
Computershare Investor Services plc	Computershare Investor Services Pty Ltd
PO Box 82	GPO Box G182
The Pavilions	Perth WA 6840
Bridgwater Road	
Bristol BS13 8AE	
Telephone +44 (0) 870 703 0028	+61 (0) 8 9323 2000
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Registered number:	**UK**	05 276 414
	Australia	121 117 673

Thor Mining PLC

Chairman's Statement

The 2009 financial year has been challenging for your company, enduring market conditions which can only be described as difficult. The financial year started with metal prices at or near record highs although the collapse of financial markets was setting the near term tone. Within a few months, metal prices followed debt and equity markets and the resource industry generally was in a very difficult period In particular for Thor Mining PLC the price of tungsten and molybdenum, the principle products from our Molyhil flagship operation, were seriously eroded with molybdenum falling from US$34/lb in August 2008 to US$8/lb in April 2009 while tungsten suffered similarly although less dramatically Subsequently the price of both commodities has recovered partially although not to a level which would justify imminent commencement of construction and development at Molyhil.

Despite this gloomy news the fundamentals of the Company's flagship project, Molyhil, remain sound. Your directors believe that the medium term demand for and pricing of tungsten and molybdenum products remain strong, and we are optimistic that they will recover to a level which will allow construction activities to commence in the medium term

The focus of activities during the year was on reviewing the proposed operating methodology to reduce capital and operating costs. The belief of the Directors is that a mining operation with a relatively short life (less than 10 years) would be more economically operated using contractor supplied equipment and staff wherever practical compared with the approach contained in the 2007 feasibility study. The capital reduction programme and investigation into the reduction of operating costs is ongoing

In January 2009 the Company raised approximately UK£220,000 by way of a placing to sophisticated investors and in July 2009 a further UK£450,000 was raised before costs All junior resource companies are required to replenish cash reserves on a regular basis until production revenues begin to flow, following the development of a project The Directors believe that further capital raisings will be necessary in the coming financial year

Corporate activities

During the year Mr John Young resigned as a director of the Company. His contribution to the Company was significant and we wish him well in his future endeavours

In June, 2009 the Company relocated its head office including all secretarial, accounting, payroll and administrative activities from Perth to Adelaide and in doing so closed the Perth office at the end of the lease in August, 2009 This relocation meant a change to the Company Secretary position. Mr. Laurie Ackroyd has been appointed as Chief Financial Officer and Australian Company Secretary Laurie is an accountant with over 45 years experience in the building services, manufacturing and transportation industries where he held senior financial executive and company secretarial positions Laurie is also the Chief Financial Officer and Company Secretary of Western Desert Resources Limited which currently holds 24,973,076 ordinary shares in Thor

Thor Mining PLC

Chairman's Statement – Continued

Personnel

Mr Ian Sheffield-Parker has been appointed Chief Executive Officer. In early 2009, Mr Sheffield-Parker relocated to Adelaide, South Australia Mr Sheffield-Parker has a background in both mining engineering and process engineering with over 20 years experience in Australia and southern Africa

Mr Sheffield-Parker is currently reviewing the proposed Molyhil mine methodology and the feasibility of that project.

The Directors and I gratefully acknowledge the efforts of our very small band of employees, contractors and consultants who have assisted us during the past year and continue to assist in our next phase as we move towards development of mining operations at Molyhil.

Thor Mining PLC
Chairman's Statement

Michael Billing
Chairman
29 September 2009

Chief Executive Officer Review

Management Overview of Operations

It has been a challenging year for Thor Mining with the "Global Financial Crisis" taking its toll on commodity prices during the year, specifically Molybdenum and Tungsten, forcing Thor to review its strategy and formulate a plan that would see Thor strengthen its position when demand for its commodities would inevitably return. Thor has continued to build key relationships in the Northern territory where all the tenements are situated.

The year has seen a re-evaluation of the Molyhil feasibility study with the objective of decreasing the capital and operating costs for the project by changing the philosophy of "owner mining" to "contract mining" and dramatically reducing the construction time

Further drilling has been completed at Molyhil to firm up the Resource and to investigate various magnetic anomalies that were present in the northern most area of the ML23825 This has resulted in the release of a revised JORC - Code compliant mineral resource statement and revised mining reserves estimation for the Molyhil Molybdenum - Tungsten Project, again seeing over 70% of the Measured and Indicated Resource being converted into a Proven and Probable Mining Reserve. This has shown an increase to 4 9 million lbs of Molybdenum, and a slight decrease to 620,000 mtu of Tungsten for the initial 3 7 years of the mine.

The year has also seen a rationalisation of Thor's Uranium Assets, Exploration Leases EL24809, EL24810, EL24823 and EL25378 being halved in size and Exploration Leases EL24827 and A24766 being surrendered Two further Exploration Leases, EL24735 and EL24765 have been reduced in size and the remainder of the Exploration Leases, EL24734 and EL24736 have not changed in size. Thor has ensured that it has retained the core assets of these leases so we can effectively explore the Uranium assets throughout the coming year

Chief Executive Officer Review

Review of Operations – Thor Projects

MOLYHIL TUNGSTEN - MOLYBDENUM PROJECT (MOLYHIL)

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

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

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

MOLYHIL EXPLORATION:

<u>Molyhil RC Drilling & revised resource</u>

An RC drilling campaign at Molyhil was conducted in January 2009. 16 holes were drilled for a total of 2,340 metres

All holes drilled within the proposed pit intersected significant widths of MoS_2 and WO_3 mineralisation The following table summarises the significant intercepts from the January 2009 drilling programme

The January 2009 Molyhil RC drilling results have been incorporated into the existing database The results confirmed previously outlined mineralisation both near surface and at depth and has enabled the shapes of the mineralised skarns to be more accurately defined.

The drilling confirmed the down plunge continuation of the mineralisation within the Southern Skarn, which is open at depth. The underground potential of this additional mineralisation is significant and additional mineralisation could be accessed by decline from the existing open pit design

Continental Resource Management Pty Ltd (CRM) has re-estimated the resource, details of which are tabulated below.

The revised resource has slight increases in both tonnage and in MoS_2 and Fe_2O_3 grades from those of the previous estimation, but has a slight decrease in WO_3 grade.

Summary of Rounded Resource Estimates – 15.25% Fe_2O_3 Lower Cut

Classification	Resource (t)	MoS_2 (%)	WO_3 (%)	Fe_2O_3 (%)
Measured	540,000	0.24	0 33	29 4
Indicated	2,300,000	0.18	0 38	27 9
Inferred	900,000	0.2	0 15	27
Total	**3,750,000**	**0.19**	**0.32**	**28**

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

Chief Executive Officer Review

Review of Operations – Thor Projects

The magnetite content of a range of samples from the mineralised skarns was determined by Amdel CRM estimated that the skarns contain an Inferred Resource of 500,000t of magnetite (3 8Mt @ 13% Fe_3O_4)

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

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr J J G Doepel, B Sc (Hons), Grad Dip For Sc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Off-take Agreement

Thor has an off take agreement with CITIC Australia Trading Limited (ASX"CAL"). The CITIC Group is one of China's largest state owned companies The off take agreement commits CITIC to take 100% of the Molybdenum and Tungsten concentrates to be produced from the Molyhil project

OORABRA REEFS – BARITE - FLOURITE

Previous sampling has confirmed significant barite mineralisation with assays up to 9 37% Ba returned Significant fluorite mineralisation is also evident in the area and historically values range from 5 7% CaF_2 to 85% CaF_2 (Central Pacific Minerals) In 1972 Central Pacific Minerals identified an inferred resource of 250,000 short tonnes at 37% CaF_2 The resource is now 100% owned by Molyhil Mining Pty Ltd as part of the recent acquisition of ML77-86 from QER Pty Ltd The ten ML's are surrounded by the Molyhil EL22349

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

HATCHES CREEK PROJECT

The Hatches Creek Project is comprised of two contiguous Exploration Licences, EL22912 and EL23463 which are located in the central portion of the Northern Territory

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

Chief Executive Officer Review

Review of Operations – Thor Projects

HALE RIVER PROJECT

The Hale River Project is comprised of one Exploration Licence, EL24809 which is located in the central portion of the Northern Territory.

Review of previous exploration activity during the year on the Hale River project led to a reduction in size (halving) of the tenement to reduce costs whilst retaining the core prospects

PLENTY HIGHWAY PROJECT

The Plenty Highway Project is comprised of one Exploration Licence, EL24810 which is located in the central portion of the Northern Territory

Review of previous exploration activity during the year on the Hale River project led to a reduction in size (halving) of the tenement to reduce costs whilst retaining the core prospects

HARTS RANGE PROJECT

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

The Harts Range group of Exploration Licences was consolidated during the year and involved a reduction in size of EL 24735 and EL 24765 together with a surrender of the small non prospective tenements A 24766 and EL 24827

The significant uranium and Rare Earth Elements mineralisation in pegmatite at the Daicos prospect is worthy of further exploration in light of long term market trends, in particular the demand for Rare Earth Elements.

BUNDEY RIVER EL25378

The Bundy River Project is comprised of one Exploration Licence, EL25378

The Bundey River tenement was reduced in size during the year retaining the prospective eastern side of the project. Previous airborne EM and reconnaissance air core drilling has identified coal and lignite units within the palaeochannel which are considered to be highly prospective 'reducing traps' for uranium mineralisation The full extent of the carbonaceous units is yet to be determined

Ian Sheffield-Parker
Chief Executive officer
THOR MINING PLC

Thor Mining PLC – Company Number 05 276 414

Directors' Report

The Directors are pleased to present this year's annual report together with the consolidated financial statements for the year ended 30 June 2009

Principal activities and review of the business

The principal activity of the Group is the exploration for and potential development of molybdenum, tungsten and uranium deposits in the Northern Territory of Australia The primary molybdenum and tungsten asset comprises the Molyhil Molybdenum-Tungsten Project ("Molyhil").

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

Business Review and future developments

A review of the current and future development of the Group's business is given in the Chairman's Statement and the Chief Executive Officer's Review of Operations on pages 3-8.

Results and dividends

The Group incurred a loss after taxation of £1,230,000 (2008: £1,077,000). No dividends have been paid or are proposed.

Key Performance Indicators

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

Post Balance Sheet events

At the date these financial statements were approved, 29 September, 2009, the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements

Substantial Shareholdings

At 17 September 2009 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

	Ordinary shares	%
Western Desert Resources Limited[1]	24,973,076	11.53
Pershing Nominees Limited	17,063,000	7 88
Vidacos Nominees Ltd	13,633,308	6 30

[1]Michael Billing, Michael Ashton and Norman Gardner are all Directors of Western Desert Resources Limited

Thor Mining PLC

Directors' Report

Directors

The Directors who served during the period and their interests in the share capital of the Company at 30 June 2009 was as follows

	Ordinary Shares		Warrants		Unlisted Options
	30 June 2009/Date of resignation	30 June 2008	30 June 2009/Date of resignation	30 June 2008	
Michael Billing	150,000	48,000	-	-	1,000,000
John Young[1]	74,176	74,466	-	38,039	1,000,000
Gregory Durack	91,153	91,153	-	45,900	1,000,000
Michael Ashton	701,884	318,877	-	265,050	1,000,000
Norman Gardner	733,941	263,980	-	7,790	1,000,000

[1] Resigned 02 June 2009

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

Corporate Governance
A statement on Corporate Governance is set out on pages 14 to 16

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

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

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

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

Thor Mining PLC

Directors' Report

Political Contributions and Charitable Donations
During the period the Group did not make any political contributions or charitable donations.

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

Statement of disclosure of information to auditors
As at the date of this report the serving Directors confirm that:

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

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

Going Concern
Notwithstanding the loss incurred during the period under review, the Directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the Group's accounts on a going concern basis is appropriate As a Junior Exploration Company the Directors are aware that that the Company must go to the marketplace to raise cash to meet its exploration and development plans The Directors are currently taking advice as to the timing and appropriate methods of raising new capital

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

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

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

Thor Mining PLC

Directors' Report

Electronic communication

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

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

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

This report was approved by the board on 29 September 2009

Laurie Ackroyd
Company Secretary

Thor Mining PLC

Corporate Governance Statement

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

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

Board Meetings
The Board meets regularly throughout the year. For the period ending 30 June 2009 the Board met 12 times in relation to normal operational matters The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Chairman and the Chief Executive Officer who is charged with consulting the Board on all significant financial and operational matters.

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

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

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

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

Thor Mining PLC

Corporate Governance Statement

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

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

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

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

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

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

Exploration and development risks

• Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
• Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
• Some of the countries in which the Company operates have native title laws which could affect exploration and development activities The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard
• Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed
• Geology is always a potential risk in mining and exploration activities

Market risk

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

Insurance

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

Treasury Policy

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

Securities Trading

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

Relations with Shareholders

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

Thor Mining PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOR MINING PLC

We have audited the financial statements of Thor Mining Plc for the year ended 30th June 2009 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30th June 2009 and of the group's and the parent company's loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

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

Thor Mining PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOR MINING PLC

Matters on which we are required to report by exception
We have nothing to report in respect of the following

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

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

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

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

29 September 2009

Thor Mining PLC

Income Statements for the year ended 30 June 2009

	Note	Consolidated 2009 £'000	Consolidated 2008 £'000	Company 2009 £'000	Company 2008 £'000
Administrative expenses		(449)	(553)	(313)	(237)
Corporate expenses		(532)	(572)	(443)	(480)
Other expenses		(305)	(93)	(1)	-
Operating loss	3	(1,286)	(1,218)	(757)	(717)
Interest received	4	27	104	5	32
Other income	4	29	37	13	-
Loss before tax		(1,230)	(1,077)	(739)	(685)
Tax on loss on ordinary activities	6	-	-	-	-
Loss for the financial year		(1,230)	(1,077)	(739)	(685)
Loss per share – basic	7	(0 77)p	(0 76)p		
Loss per share – diluted	7	(0 77)p	(0 76)p		

Continuing operations
All items relate to continuing operations

Thor Mining PLC – Company Number 05 276 414

Balance Sheet
At 30 June 2009

	Note	**Consolidated 2009 £'000**	Consolidated 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
ASSETS					
Non-current assets					
Intangible assets	8	5,453	5,419	-	-
Investments in subsidiaries	9	-	-	1,977	1,977
Loan to subsidiaries	10	-	-	4,660	4,581
Exploration costs	11	1,299	1,171	-	-
Plant and equipment	12	77	113	-	2
Total non-current assets		6,829	6,703	6,637	6,560
Current assets					
Cash and cash equivalents	22	198	1,321	144	747
Trade & other receivables	13	26	29	-	3
Prepayments		5	14	-	12
Total current assets		229	1,364	144	762
Total assets		7,058	8,067	6,781	7322
LIABILITIES					
Current liabilities					
Trade and other payables	14	(96)	(117)	(14)	(46)
Provisions	15	(8)	(5)	-	-
Interest bearing liabilities	16	(16)	(20)	-	-
Total current liabilities		(120)	(142)	(14)	(46)
Non-current liabilities					
Interest bearing liabilities	16	(51)	(79)	-	-
Total non-current liabilities		(51)	(79)	-	-
Total liabilities		(171)	(221)	(14)	(46)
Net assets		6,887	7,846	6,767	7,276
EQUITY					
Issued share capital	17	514	448	514	448
Share premium		6,860	6,706	6,860	6,706
Foreign exchange reserve		1,484	1,443	-	-
Merger reserve		1,634	1,634	1,634	1,634
Option revaluation reserve	18	10	862	10	862
Retained losses		(3,615)	(3,247)	(2,251)	(2,374)
Total equity		6,887	7,846	6,767	7,276

These Financial Statements were approved by the Board of Directors on 29 September 2009 and were signed on its behalf by

Michael Billing
Executive Chairman

L. Ackroyd

Laurie Ackroyd
Chief Financial Officer

Thor Mining PLC

Cash Flow Statement for the year ended 30 June 2009

	Consolidated 2009	Consolidated 2008	**Company 2009**	Company 2008
Cash flows from operating activities				
Operating Loss	(1,286)	(1,218)	(757)	(717)
Decrease/(increase) in trade and other receivables	12	63	15	2
Increase/(decrease) in trade and other payables	(22)	59	(32)	3
Depreciation	28	39	1	-
Exploration expenditure written off	254			
Share options expensed	10	79	10	79
Unrealised exchange gain	(3)	302	-	-
Sundry income	29	37	13	-
Profit on sale of fixed assets	(2)	-	-	-
Net cash outflow from operating activities	(980)	(639)	(750)	(633)
Cash flows from investing activities				
Interest received	27	104	5	32
Interest paid				
Proceeds from sale of fixed assets	16			
Purchase of property, plant and equipment	(6)	(64)		(1)
Payments for mine development expenditure	(114)	(702)	-	-
Payments for exploration expenditure	(254)	(342)	-	-
Loan to controlled entities	-	-	(79)	55
Net cash outflow from investing activities	(331)	(1,004)	(74)	86
Cash flows from financing activities				
Repayment of borrowings	(32)	(11)	-	-
Net issue of ordinary share capital	220	1,139	220	1,139
Net cash inflow from financing activities	188	1,128	220	1,139
Net decrease/(increase) in cash and cash equivalents	(1,123)	(515)	(604)	592
Cash and cash equivalents at beginning of period	1,321	1,836	747	155
Cash and cash equivalents at end of period	198	1,321	143	747

Thor Mining PLC

Statement of Changes in Equity
For the year ended 30 June 2009

	Issued Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Foreign Currency Translation Reserves £'000	Merger Reserve £'000	Option Reserve £'000	Total £'000
Consolidated							
At 1 July 2007	399	5,616	(2,170)	431	1,634	783	6,693
Loss for the period	-	-	(1,077)	-	-	-	(1,077)
Foreign currency translation reserve	-	-	-	1,012	-	-	1,012
Total recognised income and expense	-	-	(1,077)	1,012	-	-	(65)
Share based payments expense	-	-	-	-	-	79	79
Share issues	49	1,090	-	-	-	-	1,139
At 30 June 2008	448	6,706	(3,247)	1,443	1,634	862	7,846
At 1 July 2008	448	6,706	(3,247)	1,443	1,634	862	7,846
Loss for the period	-	-	(1,230)	-	-	-	(1,230)
Foreign currency translation reserve	-	-	-	41	-	-	41
Total recognised income and expense	-	-	(1,230)	41	-	-	(1,189)
Share based payments expense/options expired	-	-	862	-	-	(852)	10
Share issues	66	154	-	-	-	-	220
At 30 June 2009	514	6,860	(3,615)	1,484	1,634	10	6,887
Company							
At 1 July 2007	399	5,616	(1,689)	-	1,634	783	6,743
Loss for the period	-		(685)	-		-	(685)
Total recognised income and expense	-	-	(685)	-	-	-	(685)
Share based payments expense	-	-	-	-	-	79	79
Share issues	49	1,090	-	-	-	-	1,139
At 30 June 2008	448	6,706	(2,374)	-	1,634	862	7,276
At 1 July 2008	448	6,706	(2,374)	-	1,634	862	7,276
Loss for the period	-	-	(739)	-	-	-	(739)
Total recognised income and expense	-	-	(739)	-	-	-	(739)
Share based payments expense	-	-	862	-	-	(852)	10
Share issues	66	154	-	-	-	-	220
At 30 June 2009	514	6,860	(2,251)	-	1,634	10	6,767

Thor Mining PLC

Notes to the Accounts for the year ended 30 June 2009

1 Principal accounting policies

a) Authorisation of financial statements

The Group financial statements of Thor Mining PLC for the year ended 30 June 2009 were authorised for issue by the Board on 29 September 2009 and the balance sheets signed on the Board's behalf by Michael Billing and Gregory Durack The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange and on the Australian Securities Exchange

b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union The principal accounting policies adopted by the Group and Company are set out below

c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis

The financial report is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

d) Basis of consolidation

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

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

All intercompany balances and transactions have been eliminated in full

e) Exploration and development expenditure

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

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

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

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

1 Principal accounting policies (continued)

f) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the group and the revenue can be reliably measured.

Interest revenue

Interest revenue is recognised as it accrues using the effective interest rate method

g) Deferred taxation

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

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

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

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

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

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

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

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

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

1 Principal accounting policies (continued)

g) Deferred taxation (continued)

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

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

h) Trade and other payables

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

i) Foreign currencies

The Company's functional currency is Sterling (£). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Thor Mining PLC at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year The exchange differences arising on the translation are taken directly to a separate component of equity

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

j) Share based payments

During the year the Group has provided benefits to Directors of the Group in the form of share options

The cost of these equity-settled transactions with Directors was measured by reference to the fair value of the equity instruments at the date at which they are granted The fair value is determined by using a Black-Scholes model

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Thor Mining PLC (market conditions) if applicable

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant holders become fully entitled to the award (the vesting period).

1 Principal accounting policies (continued)

j) Share based payments (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder, as measured at the date of modification

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 7)

k) Leased assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset

(i) Finance Leases

Assets funded through finance leases are capitalised as fixed assets and depreciated in accordance with the policy for the class of asset concerned.

Finance lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability Finance charges are recognised as an expense in the income statement.

(ii) Operating Leases

All operating lease payments are charged to the Income Statement on a straight line basis over the life of the lease

1 Principal accounting policies (continued)

l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts

m) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts Bad debts are written off when identified

n) Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value, prior to their elimination on consolidation

o) Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors The Group has overseas subsidiaries in Australia whose expenses are denominated in Sterling, and Australian Dollars respectively Market price risk is inherent in the Group's activities and is accepted as such There is no material difference between the book value and fair value of the Group's cash

p) Merger reserve

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange have been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 1985 and accordingly no share premium for such transactions is set-up.

q) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at fair value less any impairment losses recognised after the date of revaluation.

Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Land (including option costs) – Nil
Plant and Equipment – between 5% and 25%
All assets are subject to annual impairment reviews

1 Principal accounting policies (continued)

r) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at its revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised If that is the case the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in the Income Statement unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life

s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain The expense relating to any provision is presented in the income statement net of any reimbursement

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Thor Mining PLC

Notes to the Accounts

1 Principal accounting policies (continued)

t) Loss per share

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

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

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

(u) Merger reserve

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange have been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 1985 and accordingly no share premium for such transactions is set-up

(v) Share based payments reserve

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

(w) Foreign currency translation reserve

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

(x) Adoption of new and revised Accounting Standards

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

Thor Mining PLC

Notes to the Accounts

2 Revenue and segmental analysis - Group

The group has not commenced production and therefore recorded no revenue

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

By geographical area 2009	**UK £'000**	**Australia £'000**	**Total £'000**
Result			
Operating loss	(93)	(1,193)	(1,286)
Investment revenue	6	21	27
Other income	-	29	29
Loss before and after tax	(87)	(1,143)	(1,230)

Other information	**UK £'000**	**Australia £'000**	**Total £'000**
Depreciation	-	28	28
Capital additions	-	380	380

Assets	**UK £'000**	**Australia £'000**	**Total £'000**
Segment assets	-	6,829	6,829
Financial assets	-	31	31
Cash	144	54	198
Consolidated total assets	144	6914	7,058

Liabilities	**UK £'000**	**Australia £'000**	**Total £'000**
Segment liabilities	-	-	-
Financial liabilities	14	157	171
Consolidated total liabilities	14	157	171

Thor Mining PLC

Notes to the Accounts

2 Turnover and segmental analysis – Group (continued)

By geographical area

2008	**UK £'000**	**Australia £'000**	**Total £'000**
Result			
Operating loss	(423)	(795)	(1,218)
Investment revenue	31	73	104
Other income	-	37	37
Loss before and after tax	-	-	(1,077)

Other information	**UK £'000**	**Australia £'000**	**Total £'000**
Depreciation	-	39	39
Capital additions	1	1,769	1,770

Assets	**UK £'000**	**Australia £'000**	**Total £'000**
Segment assets	2	6,701	6,703
Financial assets	15	28	43
Cash	-	-	1,321
Consolidated total assets	-	-	8,067

Liabilities	**UK £'000**	**Australia £'000**	**Total £'000**
Segment liabilities	-	-	-
Financial liabilities	46	175	221
Consolidated total liabilities	-	-	221

3 Operating loss - Group

	2009 £'000	2008 £'000
This is stated after charging		
Depreciation	28	39
Auditors' remuneration – audit services	8	22
Auditors' remuneration – non audit services	-	-
Options issued – directors, staff and consultants	10	79
Directors emoluments – fees and salaries	193	321

Auditors remuneration for audit services above includes £8,175 for accrued expenditures (2008 £7,389 charged by Somes and Cooke Chartered Accountants (Australia), relating to audit of the subsidiaries) Also during the year the company paid £14,000 to Chapman Davis for the audit of the company which was charged to accrued expenses

4 Revenue - Group

	2009 £'000	2008 £'000
Interest received	27	104
Other income	29	37

Thor Mining PLC

Notes to the Accounts

5 Directors and executive disclosures - Group

All Directors are each appointed under the terms of a Directors letter of appointment. Each appointment provides for annual fees of Australian dollars $40,000 for services as Directors plus 9% as a company contribution to Australian statutory superannuation schemes The agreement allows for any services supplied by the Directors to the Company and any of its subsidiaries in excess of 2 days in any calendar month, can be invoiced to the Company at market rate, currently at $1,000 per day.

(a) Details of Key Management Personnel

Michael Billing	Executive Chairman
(i) Non-executive Directors	
Gregory Durack	Non-executive Director
Michael Ashton	Non-executive Director
Norman Gardner	Non-executive Director
(ii) Executives	
Stephen Ronaldson	Company Secretary (UK)
Laurie Ackroyd	CFO/Company Secretary (Australia)
Ian Sheffield Parker	Chief Executive Officer

(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 Executive Directors and executives receive either a salary or provide their services via a consultancy arrangement. Directors and executives do not receive any retirement benefits other than compulsory Superannuation contributions where the individuals are directly employed by the Company or its subsidiaries in Australia All compensation paid to Directors and executives is valued at cost to the Company and expensed

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

Thor Mining PLC

Notes to the Accounts

5 Directors and Executive Disclosures (continued)

(b) Compensation of Key Management Personnel (continued)

	Salary & Fees	Options	Total
	£'000	£'000	£'000
30 June 2009			
Directors:			
Michael Billing	38	2	40
John Young[4]	95	2	97
Gregory Durack	19	2	21
Michael Ashton	20	2	22
Norman Gardner	21	2	23
Other Personnel.			
Damian Delaney[5]	68	-	68
Ian Sheffield-Parker	111	-	111
30 June 2008			
Michael Billing[1]	5	-	5
Michael Ashton[1]	3	-	3
Norman Gardner[1]	3	-	3
John Barr[2]	142	-	142
John Young	142	-	142
Gregory M Durack	15	-	15
P. Mark Smyth[3]	11	-	11
Other Personnel			
Damian Delaney	-	-	-

[1] Appointed 30 April 2008
[2] Resigned 30 April 2008
[3] Resigned 10 April 2008
[4] Resigned 2 June, 2009
[5] Resigned 17 June, 2009

(c) Compensation by category

	Consolidated		The Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Key Management Personnel				
Short-term	381	321	381	286
Post-employment	-	-	-	-
	381	321	381	286

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

Details of options which were granted over ordinary shares to Directors during the years ended and 30 June 2009 and 30 June 2008 are detailed in Note 5(e).

Thor Mining PLC

Notes to the Accounts

5 Directors and Executive Disclosures (continued)

(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 2008	Granted as remuneration	Disposal/ Expired	Exercised	Held at 30 June 2009/or date of resignation	Vested and exercisable at 30 June 2009
Directors						
Executive						
Michael Billing	-	1,000,000	-	-	1,000,000	1,000,000
John Young	5,000,000	1,000,000	5,000,000	-	1,000,000	1,000,000
John Barr	2,250,000	-	2,250,000	-	-	-
Non-Executive						
Gregory Durack	1,500,000	1,000,000	1,500,000	-	1,000,000	1,000,000
Michael Ashton	-	1,000,000	-	-	1,000,000	1,000,000
Norman Gardner	-	1,000,000	-	-	1,000,000	1,000,000
Other Personnel						
Stephen Ronaldson	455,000	-	-	-	455,000	455,000
Damian Delaney	1,500,000	-	1,500,000	-	-	-

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

Key Management Personnel	Held at 1 July 2007	Granted as remuneration	Disposal/ Expired	Exercised	Held at 30 June 2008	Vested and exercisable at 30 June 2008
Directors						
Executive						
John Barr	3,583,333	-	(1,333,333)	-	2,250,000	2,250,000
John Young	5,000,000	-	-	-	5,000,000	5,000,000
Non-Executive						
Gregory Durack	1,500,000	-	-	-	1,500,000	1,500,000
Other Personnel						
Stephen Ronaldson	455,000	-	-	-	455,000	455,000
Damian Delaney	1,500,000	-	-	-	1,500,000	1,500,000

5 Directors and executive disclosures (continued)

(f) Other transactions and balances with related parties

Specified Directors	Transaction	Note	2009 £'000	2008 £'000
John Barr	Consulting Fees	(i)	-	73
Gregory Durack	Consulting Fees	(ii)	19	-
John Young	Consulting Fees	(iii)	29	-
Michael Billing	Consulting Fees	(iv)	18	2
Norman Gardner	Consulting Fees	(v)	1	-

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

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

6 Taxation - Group

	2009 £'000	2008 £'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:

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(1,230)	(1,077)
Standard rate of corporation tax in the UK	28%	30%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(344)	(318)
Effects of		
Future tax benefit not brought to account	344	318
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

Thor Mining PLC

Notes to the Accounts

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.

	2009 £'000	2008 £'000
Loss for the year	(1,230)	(1,077)
Weighted average number of Ordinary shares in issue	159,236,518	141,295,494
Loss per share – basic	(0 77)p	(0 76)p
Loss per share – dilutive	(0 77)p	(0 76)p

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

8 Intangible fixed assets – Group

Deferred exploration costs

	2009 £'000	2008 £'000
Cost		
At 1 July	5,419	4,191
Additions	302	1,228
At 30 June	5,721	5,419
Amortisation		
At 1 July and 30 June	268	-
Net book value		
At 30 June	5,453	5,419

As at 30 June 2009 the Directors undertook an impairment review of the deferred exploration costs, as a result of which, a provision for impairment for GBP 268,593 has been made

Thor Mining PLC

Notes to the Accounts

9 Investments – Company

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

Company	Country of registration or incorporation	Shares held Class	%
Molyhil Mining Pty Ltd	Australia	Ordinary	100
Hatches Creek Pty Ltd	Australia	Ordinary	100
Hale Energy Limited	Australia	Ordinary	100

Each of the subsidiary companies are engaged in exploration activities in the Northern Territory of Australia.

Carrying value of investments in subsidiaries

	2009 £'000	2008 £'000
Molyhil Mining Pty Ltd	700	700
Hatches Creek Pty Ltd	-	-
Hale Energy Limited	1,277	1,277
	1,977	1,977

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

10 Loan to subsidiaries

	2009 £'000	2008 £'000
Molyhil Mining Pty Ltd	2,566	2,487
Hatches Creek Pty Ltd	99	99
Hale Energy Limited	1,995	1,995
	4,660	4,581

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

11 Mining and Feasibility Costs – Group

	2009 £'000	2008 £'000
Cost		
At 1 July	1,171	726
Additions	128	445
At 30 June	1,299	1,171
Amortisation		
At 1 July and 30 June	-	-
Net book value at 30 June	1,299	1,171

As at 30 June 2009 the Directors undertook an impairment review of the exploration and development costs, as a result of which, no provisions were required

12 Property, plant and equipment

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Plant and Equipment:				
At cost	157	192	-	2
Accumulated depreciation	(80)	(79)	-	-
Total Property, Plant and Equipment	77	113	-	2

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

	2009 £'000	2008 £'000
Group:		
1 July	113	95
Additions	6	97
Disposals	(14)	-
Depreciation expense	(28)	(79)
30 June	77	113
Parent:		
1 July	2	1
Additions	-	1
Disposals	2	-
Depreciation expense	-	-
30 June	-	2

The carrying value of the plant and equipment includes finance leased assets of £47,983 (2008 £76,470)

Thor Mining PLC

Notes to the Accounts

13 Current trade and other receivables

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Trade and other receivables	24	28	-	3
Security deposits	2	1	-	-
	26	29	-	3

14 Current trade and other payables

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Trade payables	(48)	(76)	-	(46)
Other payables	(48)	(41)	(14)	(-)
	(96)	(117)	(14)	(46)

15 Provisions

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Employee benefit provisions	(8)	(5)	-	-
	(8)	(5)	-	-

16 Interest bearing liabilities

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Finance leases				
Current	(16)	(20)	-	-
Non-current	(51)	(79)	-	-
	(67)	(99)	-	-

17 Issued share capital – Company

	2009 £'000	2008 £'000
Authorised		
3,333,333,333 ordinary shares of £0 003 each	10,000	10,000
Issued up and fully paid:		
171,476,566 (2008: 149,470,949) ordinary shares of £0.003 each	514	448

Movement in share capital

	2009 Number	2009 £'000	2008 Number	2008 £'000
At 1 July	149,470,949	448	132,859,508	399
Share consolidation	-	-	-	-
Share issues for cash	22,000,000	66	15,800,000	47
Exercise of warrants	5,617	-	811,441	2
At 30 June	171,476,566	514	149,470,949	448

Warrants and Options on issue

The following warrants and options have been issued by the Company and have not been exercised at 30 June 2009.

Expires	Exercise Price	Number at end of year 2009	Number at end of year 2008
15 June 2010 (unlisted)*[2]	£0.0600	455,000	455,000
15 September 2011*[1]	AUD $0 18	5,000,000	-

Share options carry no rights to dividends and no voting rights

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

*[2] Mr S Ronaldson holds 455,000 options

Thor Mining PLC

Notes to the Accounts

18 Share option revaluation reserve

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
At 1 July	862	783	862	783
Options Expired	(862)	-	(862)	-
Valuation of 5,000,000 options @ A$0.18 (£0.0832)	10	-	10	-
Valuation of 2,750,000 options @ £0 0289	-	79	-	79
At 30 June	10	862	10	862

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 2009 and 30 June 2008.

	November 2008
Dividend yield	0 0%
Underlying Security spot price	A$0 0300
Exercise price	A$0 18
Standard deviation of returns	80 00%
Risk free rate	3 5%
Expiration period	2.81 yrs
Black Scholes valuation per option	A$0 004

19 Analysis of changes in net debt

	At 1 July 2008 £'000	**Cash flows £'000**	**Non-cash changes £'000**	**30 June 2009 £'000**
Cash at bank and in hand	1,321	(1,123)	-	198

20 Post balance sheet events

There were no material events arising subsequent to 30 June 2009 to the date of this report which may significantly affect the operations of the Company, the results of those operations and the state of affairs of the Company in the future.

On 27 July, 2009 an issue of 45,000,000 were placed with sophisticated U K investors following approval from the shareholders given at a general meeting held in London on 08 July, 2009

21 Contingent liabilities and commitments

a) Exploration commitments

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

b) Claims of native title

The Directors are aware of native title claims which cover certain tenement and tenement applications in the Northern Territory The Group's policy is to operate in a mode that takes into account the interests of all stakeholders including traditional owners requirements and environmental requirements At the present date no claims for native title have seriously affected exploration by the Company.

22 Financial instruments

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

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

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

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements The currency and interest rate profile of the financial assets is as follows

Cash and short term deposits

	June 2009	June 2008
	£'000	£'000
Sterling	144	747
Australian Dollars	54	574
At 30 June	198	1,321

The financial assets comprise interest earning bank deposits

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements, including those classified under discontinued operations

The fair value of cash and cash equivalent, trade receivables and payables approximate to book value due to their short-term maturity

The fair values of derivatives and borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates The fair values of loan notes and other financial assets have been calculated using market interest rates

22 Financial instruments (continued)

	Consolidated			
	2009		2008	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial assets				
Cash and cash equivalents	198	198	1,321	1,321
Trade and other receivables	26	26	29	29
Other	5	5	14	14
Financial liabilities				
Trade and other payables	96	96	117	117
Lease liability	67	67	99	99

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

30 June 2009		Maturing		Total
CONSOLIDATED	Effective Interest Rate %	< 1 year £'000	>1 to <2 Years £'000	£'000
Financial Assets				
Fixed rate				
Term Deposit - GBP	0.05	144		144
Term Deposit - AUD	4.00	54	-	54
		198		198
Financial Liabilities				
Fixed Rate				
Interest bearing liabilities	7.09	16	51	67

30 June 2008		Maturing		Total
CONSOLIDATED	Effective Interest Rate %	< 1 year £'000	>1 to <2 Years £'000	£'000
Financial Assets				
Fixed rate				
Term Deposit - GBP	5.06	747		747
Term Deposit - AUD	7.10	574	-	574
		1,321		1,321
Fixed Rate				
Interest bearing liabilities	7 09	20	79	99

Thor Mining PLC

Notes to the Accounts

23 Related parties

There is no ultimate controlling party

Thor has lent funds to its wholly owned subsidiaries, Molyhil Mining Pty Ltd, Hale Energy Ltd and Hatches Creek Pty Ltd to enable it to carry out its operations in Australia At 30 June 2009 the amount outstanding converted to £4,660,284

Thor Mining PLC engages the services of Ronaldson Solicitors, a company in which Mr Stephen Ronaldson is a Senior Partner Mr Ronaldson is the UK based Company Secretary During the period £21,514 was paid to Ronaldson Solicitors

Thor Mining PLC occupies part of a building and utilises services of staff members provided by Western Desert Resources Limited Services provided during the year include, but are not limited to, Administrative, Accounting, Payroll and Secretarial fees whereby the terms of charges are governed by a Services Agreement which was prepared on normal commercial terms The amount paid during the year was £73,561. Western Desert Resources Limited is considered related due to its level of shareholding held in Thor Mining PLC and its Directors.

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