# Molyhil Mining Pty Ltd

## Year 5 Annual Report
## EL 24392 Thring Creek

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|---|---|
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| Reporting Period: | 5 Dec 2009 – 4 Dec 2010 (Year 5) |
| Distribution: | Thor Mining PLC - Wembley Office<br>NT Department of Resources, Darwin |
| Map Sheet: | Huckitta 1:250,000 (SF53-11) |

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## 1.0 Introduction

Thring Creek (EL24392) is located 340km by road ENE of Alice Springs approximately 24km east of the company owned Molyhil W-Mo Project on EL22349 (Figure 1). Molyhil is a magnetite-rich skarn that has a bulls eye shaped aeromagnetic anomaly associated with it. Previous exploration has suggested that aeromagnetic anomalies over the Thring Creek tenement represent similar magnetite skarn bodies to that found at Molyhil to the west of El24392.

Thring Creek is located within the eastern Arunta region of the NT on the Huckitta 1:250K map sheet. Locally the geology contains a W-NW trending sequence of high grade metamorphic and granitic rocks, Elua Range sediments and cross cutting Oorabra quartz reefs (with occurrences of barite and fluorite). Minor occurrences of scheelite (e.g. Ultraviolet, Jericho) have been documented in the tenement area.

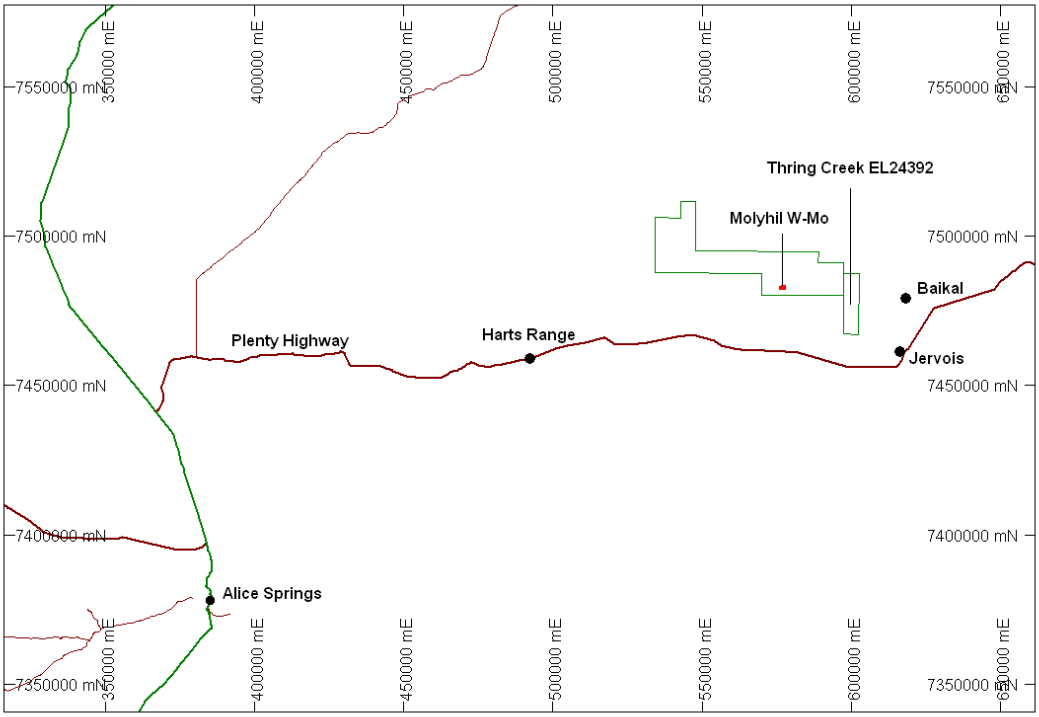


**Figure 1 Location Map of Thring Creek**

## 2.0 Tenure

The decreased potential for economic molybdenum and tungsten mineralisation together with the age of the tenement led to the southern half being surrendered at the end of Year 4. A total of 17 graticular blocks were surrendered at the south end of the tenement with 16 graticular blocks remaining.

**Table 2.1 Tenure Details**

| Tenement | Owner | Date Granted | Tenure | Size | Rent Year 5 | Expenditure Commitment |
|---|---|---|---|---|---|---|
| EL 24392 | 100% Molyhil Mining Pty Ltd | 5/12/2005 | 6 Years | 16 blocks | $1,408 | $15,000 |

## 3.0 Previous Work

In December 2005, Sunsphere completed a 2 week, 1 man, 25m x 200m ground magnetic survey over the regional NT aeromagnetic anomaly. The aim of the survey was to confirm the location of the regional aeromagnetic anomalies and to carry out a depth to source interpretation of the magnetic bodies. This resulted in nine high order magnetic anomalies worthy of drill follow up.

Bostech Drilling of Perth, Western Australia, was contracted to undertake the RAB drilling programme in 2006. The RAB drilling was completed with 4.5" blade and hammer bits. In areas where there was significant water, the rig converted to RC drilling using a crossover hammer. About 30-40% of the samples were wet, particularly in the southern area.

Sample recoveries were generally acceptable. The samples were composited into 4 m intervals. The samples were sent to ALS in Alice Springs for sample preparation and the pulps forwarded to Malaga in WA for assaying. The samples were assayed for W, Mo, Pb, Cu, Fe, Zn and As using Me-XRF12 method.

No significant intersections were returned. The highest tungsten intercept was 4m at 60ppm. Almost all tungsten results were below 10ppm. The highest Mo result was 5ppm. Both of these were recorded in hole TCR49. No anomalous Cu, Pb, Zn and As was noted.

No economically viable intercepts were noted however the drilling was a technical success. A source for all the magnetic anomalies with one exception was accounted for. A combination of magnetic granites, magnetite bands in gneissic rocks, and minor magnetite in a quartz-chlorite schist explained all but one of the anomalies. Drill chips and dust attached to a pen magnet were noted coincident with magnetic anomalies. The magnetite occurrences were also confirmed by high magnetic susceptibility readings.

The most significant results were returned from hole TCR49 which intersected 11m of magnetite-biotite rich rock. Minor amounts of Ti and Cr were also noted in the assays. This association appears to have similarities to the magnetite-rich rocks (Ti-V) discovered by Arafura Resources on their nearby Jervois tenement (see www.arafuraresources.com.au). One sample from this hole was submitted for whole rock analysis. The small size of the magnetic anomaly, together with the relatively small 11m intersection suggests that it is a small lens in granite.

No ground exploration was under taken other than reconnaissance work and field checking of the area during the third and fourth year of tenure (2007-2009) due to a change of management and lacklustre molybdenum prices (primarily due to the 2008 GFC) halting development of the Molyhil deposit immediately to the west of the tenement. An extensive data and open file report review was conducted for the tenement and surrounding tenements to define potential targets.

The decreased potential for economic molybdenum and tungsten mineralisation together with the age of the tenement led to the southern half being surrendered in Year 4.

## 4.0 Year 5 Exploration

Several attempts to access the tenement during 2010 were unsuccessful due to consistent heavy rain throughout Central Australia. The purpose of the attempted field visits was to collect rehabilitation photographs of the 2006 drill hole collars and mark out hole collar locations for proposed drilling at the Ultraviolet prospect.

The Ultraviolet prospect is considered to be worthy of further trenching and reconnaissance drilling due to the presence of scheelite in magnetite skarn noted in the area in an old exploratory hand dug pit.

At this point in time many station tracks have been destroyed during 2010 and major crossings over the Plenty River and Thring Creek have been badly damaged or destroyed during floods.

## 5.0 Appendix

**Open File Report List**

The following open file reports were reviewed containing data that wholly or partially covered the tenement area:

| | |
|---|---|
| CR19720083 | CR19790119 |
| CR19720083 | CR19790120 |
| CR19790156 | CR19790156 |
| CR19820382 | CR19820299 |
| CR19840104 | CR19820367 |
| CR19840105 | CR19830140 |
| CR19840107 | CR19830141 |
| CR19840108 | CR19830143 |
| CR19850051 | CR19830232 |
| CR19850122 | CR19830308 |
| CR19850167 | CR19840193 |
| CR19850208 | CR19860074 |
| CR19860045 | CR19880122 |
| CR19860046 | CR19930042 |
| CR19860047 | CR19940111 |
| CR19860048 | CR19940683 |
| CR19860050 | CR19720013 |
| CR19860052 | CR19730216 |
| CR19870079 | CR19730217 |
| CR19870080 | CR19730218 |
| CR19880185 | CR19770106 |
| CR19880187 | CR19790065 |
| CR19920367 | CR19810180 |
| CR19940163 | CR19830173 |
| CR19940164 | CR19890352 |
| CR19950253 | CR19920212 |
| CR19980185 | CR19920562 |
| CR19990169 | CR19940743 |
| CR20000197 | CR19950010 |
| CR20020131 | CR19950108 |
| CR19820235 | CR19950490 |
| CR19830209 | CR19960283 |
| CR19840102 | CR19970460 |
| CR19890122 | CR19980463 |
| CR19900058 | |
| CR19900059 | |
| CR19710068 | |
| CR19780104 | |
| CR19780114 | |