MOLYHIL MINING PTY LTD

GR365 Molyhil 2

(EL 28948 “Baikal”& EL31130 “Twins Bore”)

Year 5 Annual Group Report

29 Feb 2016 – 28 Feb 2017

HUCKITTA 1:250K MAP SHEET

Contents

SUMMARY

This is the fifth year annual report for exploration licences EL28948 “Baikal” and EL31130 (EL 28949 is now amalgamated with EL30821 to form EL31130) “Twins Bore” but the third year as Group Report GR365 Molyhil 2. The two tenements are prospective for base metals and tungsten and are situated along strike of geological settings which host multiple known tungsten deposits in adjacent tenements. These tenements have not been explored since the early 1980s however with the pending development of the nearby Molyhil mine project; the potential to discover economic mineralisation is enhanced. Revised target areas have now been identified for follow up fieldwork including mapping and rock chip geochemistry prior to drill testing of selected targets where warranted.

INTRODUCTION

Thor mining is principally interested in locating satellite tungsten resources for its Molyhil tungsten Molybdenum project 30 km to the west on EL22349. The Bonya Ranges host multiple occurrences of tungsten mineralisation apparently associated with the Kings Legend Amphibolite and the Samarkand Pegmatite hosted within the Palaeoproterozoic Bonya Metamorphics.

While the majority of the tungsten prospective geology lies within EL27901 situated between the two tenements, some does extend into the two tenements which are the subject of this Group Report EL28948 and EL31130 which are situated at the north western and south eastern margins of the fault bound Bonya block.

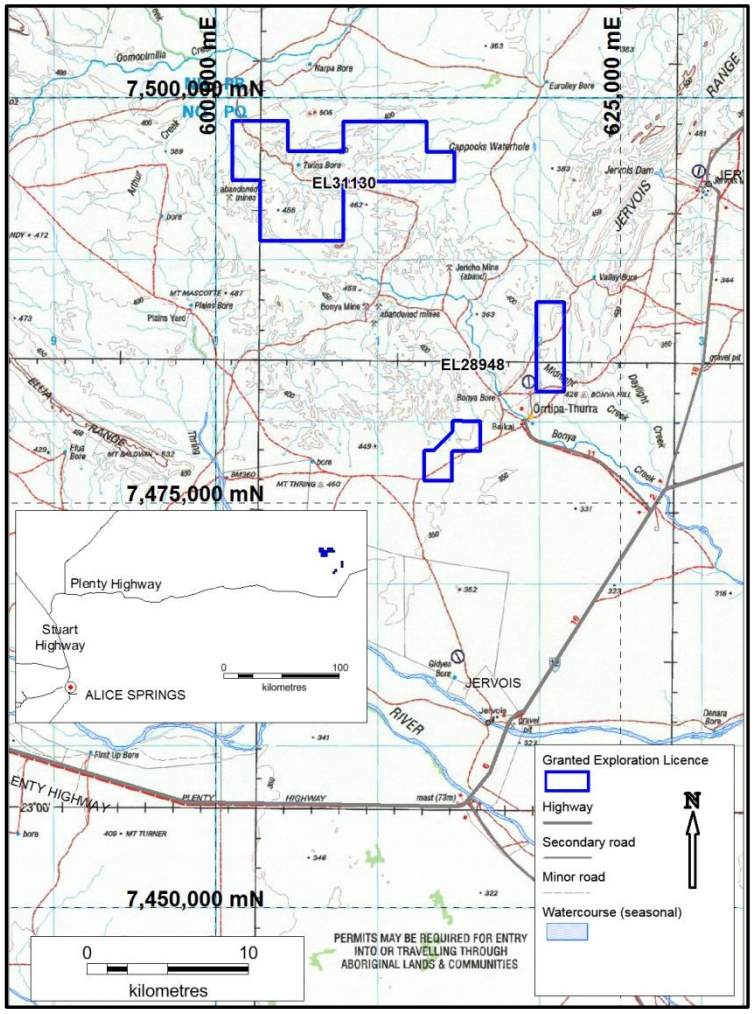

Figure 1: Location & Access EL28948 and EL31130

EL28948 and EL31130 are located on the Huckitta 1:250,000 map sheet (SF53-11) 300km northeast of Alice Springs in the Jervois district. Access is via the Plenty Highway to Jervois Station then Bonya settlement and then via unsealed station tracks (**Error! Reference source not found.**).

Topography and Drainage

The tenements are located in the Bonya Range. Numerous ephemeral gullies and deeply incised creeks drain the hills. The northern tenement EL31130 drains to the northwest flowing into the Arthur Creek while the southern tenement EL28948 drains south easterly into the Marshall River. There are no permanent rivers or significant water holes in the tenements.

TENURE

Exploration Licences

Exploration licence (EL) 28948 comprising 17 sub-blocks (46.4 sq km) was granted to Thor Mining on 1 February 2012 for a period of six years. The tenement was formerly part of EL26812 held by Arafura Resources and relinquished in March 2011. On February 29, 2016 due to compulsory reduction 8 blocks were relinquished. In the following year on July29, 2016 a further reduction was imposed leaving 6 blocks as shown in figure 1.

Exploration Licence (EL) 28949 comprising 20 sub-blocks (63.4 sq km) was granted to Thor Mining on 1 February 2012 for a period of six years. The tenement was formerly part of EL10215 held by Arafura Resources and relinquished in 2011. A three block voluntary reduction was undertaken 11 May 2015 and the remaining 17 blocks were subsequently amalgamated with the 2 blocks of EL30821 to form EL31130 as shown in figure 1.

Land Tenure

The lies entirely within the Jervois perpetual pastoral leases (PPL): PPL 962 Jervois Pastoral Company

GEOLOGY

Regional Setting

The tenements sit within the aileron province of the Arunta Region, an area of more than 200,000 km^2 of metamorphic rocks in the southern parts of the NT. The Arunta is subdivided into three distinct geological regions by the NTGS, the Ailerion province which hosts the tenements and the Warumpi and Irindina provinces (Figure 2).

Local Setting

The published geology for the tenement is provided in Figure 3 taken from the 1:250,000 Huckitta map sheet and described in detail by Freeman (1986). Figure 4 shows a simplified interpretation of the 1:250k geology.

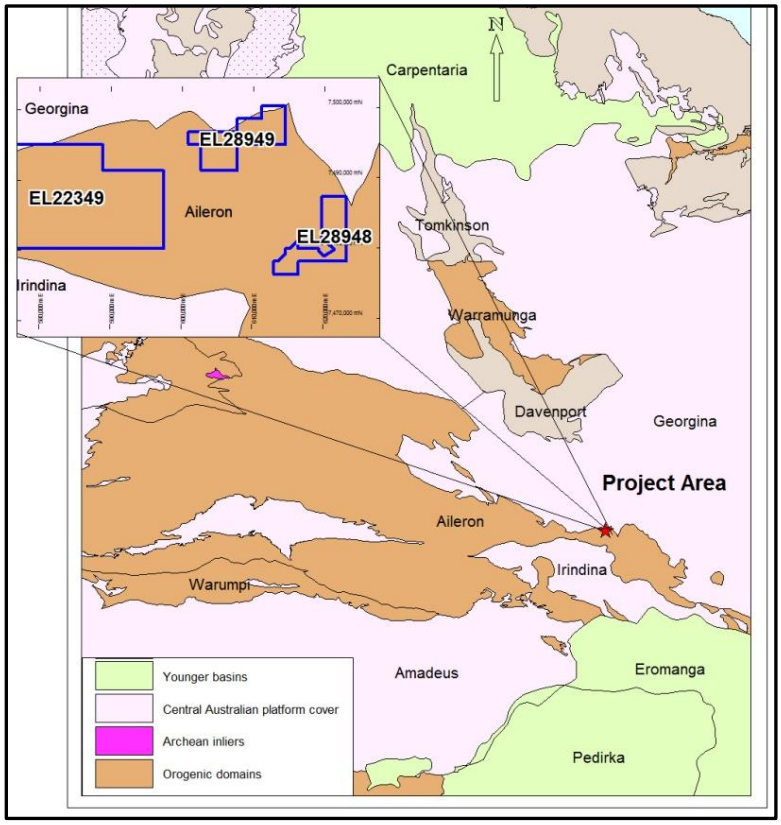

Figure 2: Geological regions of the Northern Territory and project area (NTGS).

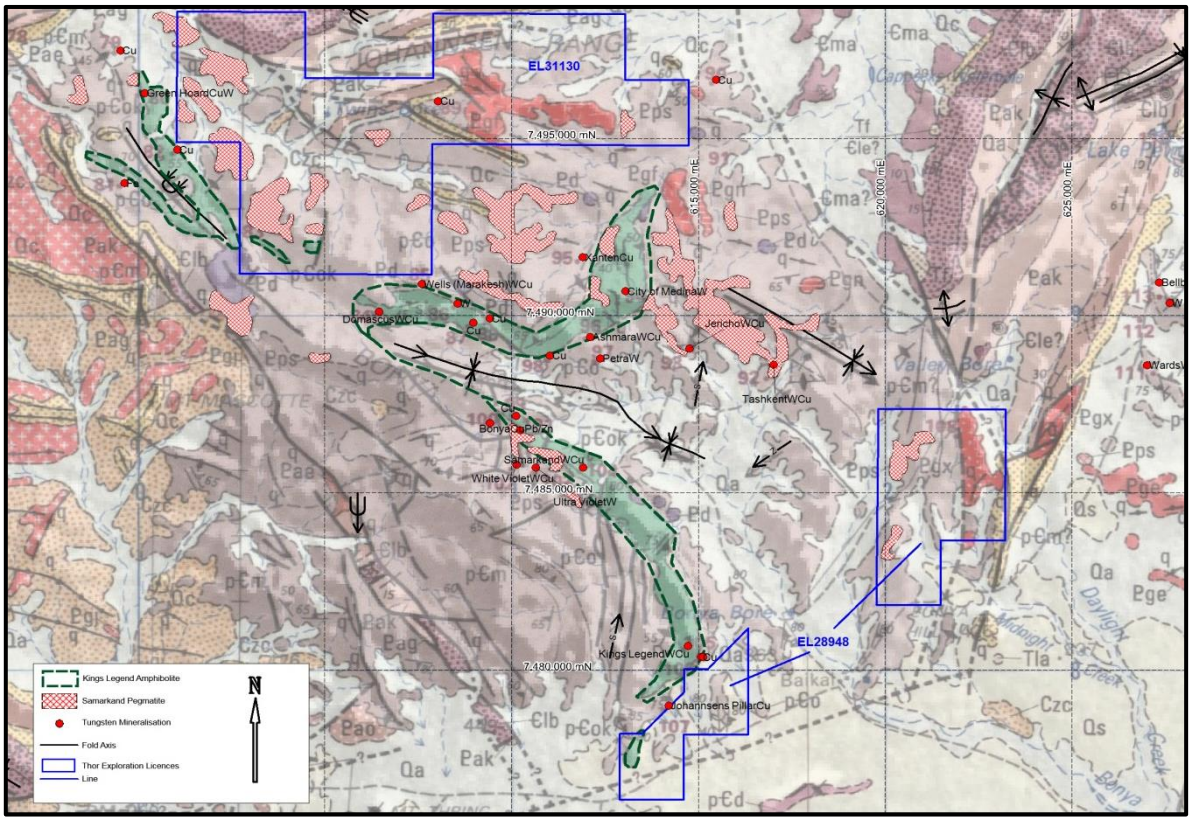

Figure 3: Published geology of the 2016 tenement area with highlighted target lithologies

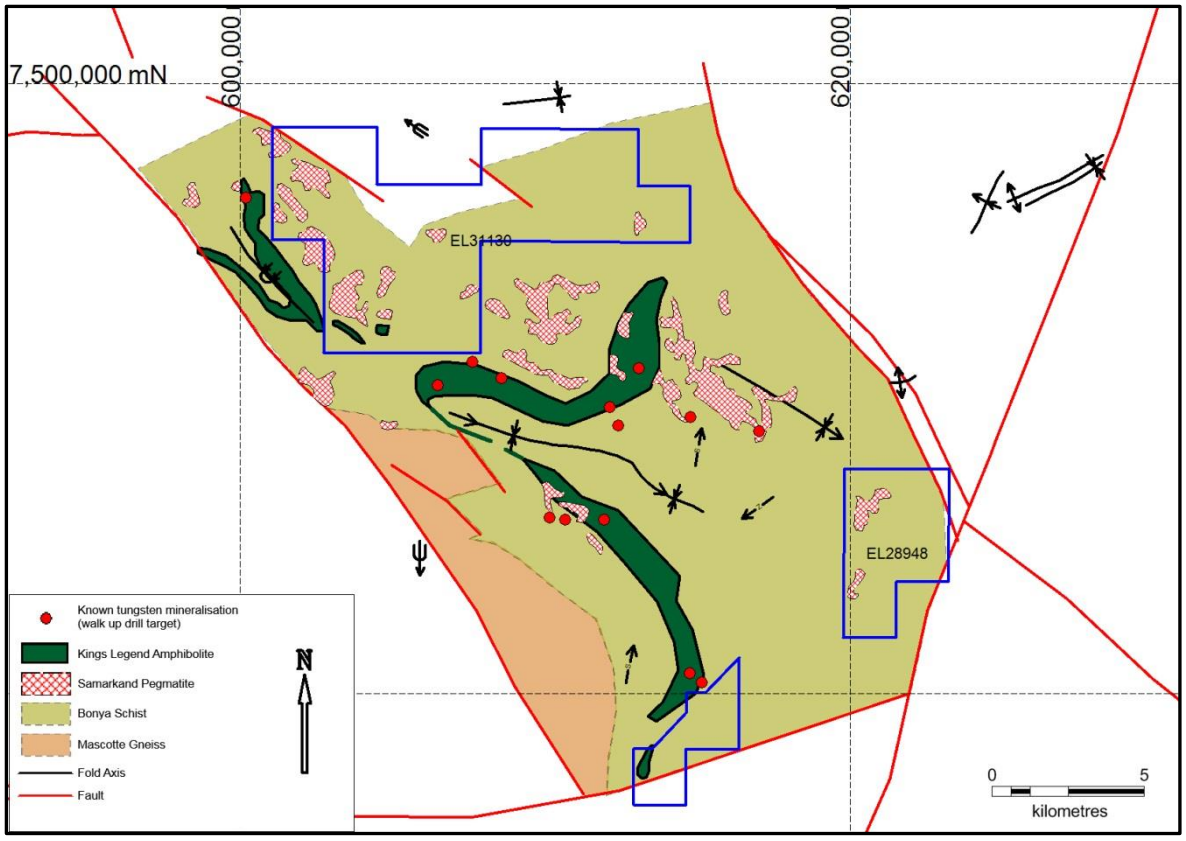

Figure 4: Interpreted geology of the Bonya fault block with the 2015 tenement outline

From the 1:250 Geology sheet the Bonya Range appears to be a fault bound block predominantly comprising Bonya Schist and Mascotte Gneiss. Trending north west / south east across the block are two fold axes. The southern synformal fold axis is upright and plunges to the south east in the south and in the north it is overturned and plunges to the north west. The Kings Legend Amphibolite, a subunit within the Bonya Schist highlights the limbs of the fold structures.

Samakand Pegmatite is intruded widely about the Bonya block with some apparent concentration along the northern anticlinal fold axis.

The distribution of the known tungsten mineralisation appears to be associated with both the pegmatite and the amphibolite.

EXPLORATION ACTIVITY

The initial work has comprised the consolidation and review of existing public domain data sets to develop targets for subsequent ground based follow up.

Samples were collected from areas of known mineralisation. These were subject to bench top hyperspectral scanning to help determine likely hyperspectral signatures of mineralisation and any associated alteration halos. While a strong association is apparent between tungsten mineralisation and Kings Legend Amphibolite and Samarkand Pegmatite, no other subtle alteration halo is evident currently in the existing hyperspectral data.

2016 – 2017 EXPLORATION ACTIVITY

Thor geologists have during the year inspected the sites as part of the Northern Territory Geological Survey mapping expedition to further develop an understanding of the geological architecture and mineralising system contributing to target generation.

PROPOSED EXPLORATION ACTIVITY 2017

On the basis of a revised understanding of the Bonya mineralising system a revision of earlier targeting work will be followed by ground based reconnaissance including rock chip geochemistry and mapping with drilling to follow up where deemed appropriate.

REFERENCES

Freeman MJ, 1986. *HUCKITTA 1:250,000 Geological map series and explanatory notes, SF53-11. Northern Territory Geological Survey.*

Freeman MJ, Shaw RD and Warren RG, 1989. *Jervois Range, 1:100 000 geological map sheet, 6152, preliminary edition. Bureau of Mineral Resources, Canberra.*

Ransom DM, 1978, *The Scheelite Prospects of the Jervois Range, Bonya Creek and Molyhill Areas, Northern Territory.*