

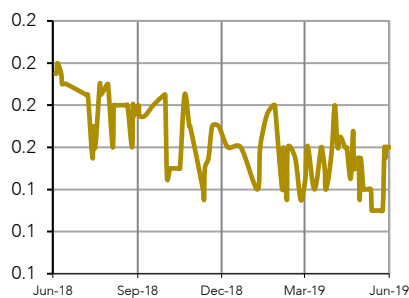
**MINING FLASHNOTE**

# Thor Explorations Ltd (THX TSXV)

11 June 2019

**Stock Data**

Share Price:	C\$0.16
Market Cap (M):	C\$59.3
EV (M):	C\$59.1

**Price Chart**

**52 Week Range**

C\$0.20		C\$0.16
C\$0.125		

**Company Summary**

Thor Explorations is advancing the Segilola Project in Nigeria to production. It also has a 70% interest in the Dوتا Licence in Senegal and has an exploration JV with Arcacia in Burkina Faso.

MAIN SHAREHOLDERS	HOLDING
Board Management	16%
ARM Investments	10%
ARM Nominees	10%
Nigerian Mining Corporation	6.5%

Source: Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Thor Announces Signing of EPC Contract Financing Update for the Construction and Financing of the Segilola Gold Project

### Event

Thor Explorations Ltd ("Thor") has announced it has signed the engineering, procurement and construction contract ("EPC Contract") with Norinco International Cooperation Limited ("Norinco International") for its 100% owned Segilola Gold Project, Nigeria (the "Project").

### Comment

This is an excellent announcement from Thor and it is very positive that the contract price is very close to the original budget. The EPC Contract was signed on the 31st May in Macao, China. The EPC Contract has been agreed on a lump sum turnkey ("LSTK") basis which provides Thor with a fixed price of US\$67.5M for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant within 18 months of the commencement date and includes guarantees for construction schedule and plant performance.

Commencement of the EPC Contract is subject to certain conditions precedent, including financial close of the US\$78M Africa Finance Corporation ("AFC") financing announced in the Company's press release dated 15 April 2018. In this regard, Thor is also pleased to announce that it has now received AFC Board Approval for the AFC financing. Thor and AFC are now in the process of documenting the financing.

The US\$67.5M EPC Contract price compares directly to the US\$65.9M total contract value stated in the Company's Independent NI 43-101 dated 18 March 2019. The price difference is attributable to improvements in milling and leach circuits, power plant and augmentation of the Project construction team.

As announced in the Company's press release dated 16 April 2019, Norinco International has also committed to provide US\$6.5M in financing of the EPC Contract. As a result of the AFC and Norinco International financings and indicative terms provided by Project's consumables supplier for a US\$1.9M working capital arrangement, the Project is now 89% funded (US\$86.4M of a total Project funding requirement of US\$97.6M).

On 30 April 2019, Thor announced it had commenced a private placement for the total of US\$15M. The private placement is progressing well, and its successful conclusion will result in the Project being fully funded through construction into operation.

## Research Disclosures

### Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

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<b>Sell</b>	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

## Research Disclaimers

Research disclosure as of 11 June 2019

<u>Company Name</u>	<u>Disclosure</u>
Thor Explorations (THX TSXV)	1,2,6,9

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## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: [oliver.stansfield@brandonhillcapital.com](mailto:oliver.stansfield@brandonhillcapital.com)

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: [jonathan.evans@brandonhillcapital.com](mailto:jonathan.evans@brandonhillcapital.com)

**Wei Jiao**

Tel: +44 20 3463 5019

Email: [wei.jiao@brandonhillcapital.com](mailto:wei.jiao@brandonhillcapital.com)

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: [peter.rose@brandonhillcapital.com](mailto:peter.rose@brandonhillcapital.com)

**Enzo Aliaj**

Tel: +44 20 3463 5026

Email: [enzo.aliaj@brandonhillcapital.com](mailto:enzo.aliaj@brandonhillcapital.com)