

Thor Explorations Ltd.

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Thor Explorations reaches milestone as it strikes US\$78M financing package for Segilola gold project, Nigeria

Thor Explorations Ltd (CVE:THX) has moved yet another step further in realizing the Segilola gold project in Nigeria, as it struck a term sheet for a US\$78 million financing package.

The agreed terms are with the Africa Finance Corporation (AFC) for the construction and ramp-up of the 100%-owned project, following the definitive feasibility study, published in February, which showed the project to be a high margin gold mine.

AFC has a current balance sheet of around US\$4.5 billion and is the second-highest investment-grade-rated financial institution in Africa.

READ: Thor Explorations in advanced discussions with project financiers as it posts robust DFS for Nigeria gold project
To date, it has invested around US\$4.5 billion in projects in 28 countries.

"This is an extremely significant milestone for Thor and for the mining sector of Nigeria," said Segun Lawson, the president and CEO at Thor.

"Our DFS demonstrated the robustness of the Segilola gold project and now we are pleased and looking forward to partnering with AFC as both a lender and a long term shareholder of Thor."

The funding package consists of a US\$54 million senior secured credit facility, a US\$9 million gold stream pre-payment and a US\$15 million equity investment from AFC.

Thor noted that for the project to be fully funded to production, including financing costs, cost overruns, and other exploration activities during construction, it will also need a further US\$18 million from debt or equity sources.

The credit facility has a five year term and an interest rate of LIBOR (the interbank lending rate) plus 9%, while the gold stream applies to 4.4% of production where the company will receive 30% of the prevailing market price up to a maximum of 2.25 times' money multiple on the deposit amount.

The equity placing will see AFC buy over 99.7 million Thor shares through a placement for \$0.20 each for C\$19,95 million (US\$15 million).

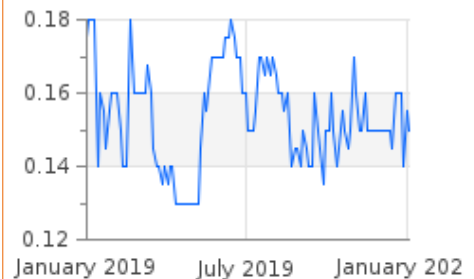
An off-take agreement relates to 95.6% of gold production up to the maximum recoverable ounces at financial close.

The financing is subject to mutually satisfactory documentation, approval from the AFC board, due diligence and other conditions which are all expected to be completed next month (May).

Price: 0.15

Market Cap: \$67.4 m

1 Year Share Price Graph



Share Information

Code: THX

Listing: TSX-V

52 week High Low
0.18 0.12

Sector: Gold & silver

Website: www.thorexpl.com

Company Synopsis:

Thor Explorations Limited is a TSX-V listed (THX:TSX-V) Canadian mineral exploration company engaged in the acquisition and exploration and development of mineral properties in West Africa.

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High margin project

In February, Lawson had noted: "The feasibility study confirms that the initial Segilola open pit is a high margin gold project generating a robust post-tax IRR of 50% with an excellent 1.4 year payback and an NPV5% of \$138m with excellent leverage to gold price sensitivity.

"The Underground Preliminary Economic Assessment demonstrates an initial view of the potential of the deposit which remains open at depth whilst already potentially providing an additional NPV5% of \$35m to the project."

Vancouver-based Thor holds a 100% interest in the Segilola gold project in the Osun state of Nigeria and a 70% interest in the Douta gold project in south-eastern Senegal. Thor also holds a 49% interest in the Bongui and Legue gold permits located in Houndé greenstone belt, south west Burkina Faso.

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