**AIM Announcement** **20 May 2015**

# TERTIARY MINERALS PLC
**(the "Company")**

## HALF-YEARLY REPORT 2015

Tertiary Minerals plc, the AIM traded company building a strategic position in the fluorspar sector, announces its unaudited interim results for the six months ended 31 March 2015.

### Operational Highlights:

**Storuman Fluorspar Project, Sweden:**

- Application for Exploitation (Mine) Permit progressing.
- Primary stage of stakeholder consultation completed.
- Metallurgical testwork optimisation now in final stage on Upper Horizon mineralisation and continuing on Lower Horizon.

**MB Fluorspar Project, Nevada, USA:**

- Landholding expanded - 57 additional claims staked.
- Phase 3 drilling results completed – 2,516 metres drilled in 9 RC holes.
- New "Western Area" defined by 700m step-out hole 14MBRC027, intersected:
    - 307.8m grading 8.4% $CaF_2$ from 59.44m depth, including:
        - 141.7m grading 11.5% $CaF_2$ of continuous mineralisation from 225.55m depth;
        - 70.10m grading 16.6% $CaF_2$ from 59.44m, total of several higher grade intersections above 15% $CaF_2$.
    - Mineralisation continuing at end of hole (516m).
- Multiple thick intersections of higher grade fluorspar mineralisation continuing laterally and at depth demonstrate potential to add substantially to the existing Mineral Resource base.
- New Mineral Resource Estimate in progress.

### Financial Results - Summary:

- Group Loss for the six month period - £221,576 (six months to 31 March 2014: £84,134) comprises:
    - Administration costs of £209,230 (which includes non-cash share based payments of £36,159)
    - Pre-licence (reconnaissance) costs totalling £1,640
    - Impairments to net assets of £12,180
    - Interest income of £1,474.

- 13,479,035 ordinary shares were issued during the reporting period as follows;
    - Placing of 13,207,547 shares at 2.65p per share on 31 March 2015 to raise £350,000 before expenses
    - Issue of 71,488 shares to non-executive directors in lieu of fees at a price of 4p per share
    - Issue of 200,000 shares pursuant to the exercise of warrants at a price of 2.375p per share.

### Enquiries

**Tertiary Minerals plc** +44 (0)845 868 4580
Patrick Cheetham, Executive Chairman
Richard Clemmey, Managing Director

| | |
|---|---|
| **SP Angel Corporate Finance LLP** | |
| **Nominated Adviser & Joint Broker** | +44 (0) 20 3470 0470 |
| Ewan Leggat | |
| Katy Birkin | |
| | |
| **Beaufort Securities Ltd** | |
| **Joint Broker** | +44 (0)20 7382 8300 |
| Saif Janjua | |
| | |
| **Yellow Jersey PR Limited** | +44 (0)7768 537 739 |
| Dominic Barretto | |
| Kelsey Traynor | |

Additional details follow.

**Chairman's Statement**

I am delighted to be reporting our results for the six month period ended 31 March 2015, a period of significant operational progress for the Company.

Our most advanced project is the Storuman fluorspar deposit in Sweden where we have a JORC compliant Indicated and Inferred Mineral Resource of 27.8 million tonnes grading 10.21% ($CaF_2$) fluorspar and where in summer last year we submitted our application for an Exploitation (Mine) Permit. This application has progressed through various primary stakeholder consultation and comment stages. The County Administration Board of Västerbotten has given approval for the Mining Concession area, where they believe mining and reindeer husbandry can co-exist, however objections have been received from the Sami reindeer husbandry community. The Mining Inspector, who will make the final decision, will need to take these opinions into consideration prior to making a decision which we expect within the next few months. In the meantime our minerals processing testwork is progressing onto final locked cycle tests for the Upper Horizon mineralisation whilst still looking to optimise the process route for the Lower Horizon.

Whilst the Storuman Project is a key asset for the Company, the size of the Storuman Mineral Resource Estimate has already been surpassed by that defined last year at our MB Project where the JORC compliant Indicated and Inferred Mineral Resource was estimated at 38.4 million tonnes grading 10.4% fluorspar ($CaF_2$) in the Southern and Central areas of the deposit.

Without doubt the main development this reporting period has been the success of the Phase 3 drill programme at the MB Project, Nevada. This included a "wildcat" step-out hole located more than 700m to the west of the existing Mineral Resource boundary testing a conceptual target for higher grade fluorspar closer to the interpreted source of mineralisation. This hole, in what is now called the 'Western Area', struck over 300m of fluorspar mineralisation including 70m grading 16.6% $CaF_2$ from 59.44m in several higher grade intersections. It ended in mineralisation at 516m depth. Two further holes located approximately 140m from the western boundary of the Central Area of the existing Mineral Resource and 420m to the east of this step-out hole also encountered multiple thick intersections of fluorspar continuing at depth.

Phase 3 drilling was successful in joining up the mineralisation in the Southern and Central areas of the Mineral Resource and it is highly probable that these areas are also continuous with the newly discovered Western Area and the mineralisation still remains open in most directions and at depth. We now look forward to the results of the modelling of the Phase 3 results and expect to see an increase in the size of the already large existing Mineral Resource.

Further resource estimation work is in progress, as is planning for further drilling and geophysical exploration aimed at a better understanding of the scale of the mineralised system currently being evaluated.

The MB Project is exciting, world-class in its scope, and just one of three geographically strategic fluorspar assets controlled by the Company and so it is unfortunate that recent results coincide with cyclical lows in mining markets and commodity prices.

Many commentators believe that we are at the bottom of the current cycle and we look forward to a market recovery where we anticipate the value of the business we are building will be reflected in a substantial re-rating of the Company.

**Patrick L Cheetham**
**Executive Chairman**
20 May 2015

# Consolidated Income Statement

for the six months to 31 March 2015

| | **Six months to 31 March 2015 Unaudited £** | Six months to 31 March 2014 Unaudited £ | Twelve months to 30 September 2014 Audited £ |
|---|---|---|---|
| Pre-licence exploration costs | **1,640** | 7,100 | 9,214 |
| Impairment of deferred exploration costs | **12,180** | - | 3,254 |
| Non-cash movement of liability under Equity Swap Agreement | **-** | (72,708) | (72,708) |
| Administrative expenses | **209,230** | 152,104 | 423,459 |
| **Operating loss** | **(223,050)** | (86,496) | (363,219) |
| Interest receivable | **1,474** | 2,362 | 4,412 |
| Loss on ordinary activities before taxation | **(221,576)** | (84,134) | (358,807) |
| Tax on loss on ordinary activities | **-** | - | - |
| **Loss for the period attributable to equity holders of the parent** | **(221,576)** | (84,134) | (358,807) |
| Loss per share – basic and fully diluted (pence) (note 2) | **(0.13)** | (0.05) | (0.22) |

# Consolidated Statement of Comprehensive Income

for the six months to 31 March 2015

| | **Six months to 31 March 2015 Unaudited** | Six months to 31 March 2014 Unaudited | Twelve months to 30 September 2014 Audited |
|---|---|---|---|
| | £ | £ | £ |
| **Loss for the period** | **(221,576)** | (84,134) | (358,807) |
| Other comprehensive income | | | |
| **Items that will not be reclassified subsequently to the income statement:** | | | |
| Movement in valuation of available for sale investment | **(112,702)** | (28,349) | (61,896) |
| | **(112,702)** | (28,349) | (61,896) |
| **Items that could be reclassified subsequently to the income statement:** | | | |
| Foreign exchange translation differences on foreign currency net investments in subsidiaries | **(39,406)** | (62,794) | (161,845) |
| | **(39,406)** | (62,794) | (161,845) |
| **Total comprehensive loss for the period attributable to the equity holders of the parent** | **(373,684)** | (175,277) | (582,548) |

**Company Registration Number 03821411**

# Consolidated Statement of Financial Position

at 31 March 2015

| | **As at 31 March 2015 Unaudited £** | As at 31 March 2014 Unaudited £ | As at 30 September 2014 Audited £ |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | **3,370,694** | 2,853,140 | 3,051,724 |
| Property, plant & equipment | **7,584** | 5,943 | 8,856 |
| Available for sale investment | **148,222** | 273,173 | 239,626 |
| | **3,526,500** | 3,132,256 | 3,300,206 |
| **Current assets** | | | |
| Receivables | **430,626** | 84,561 | 115,732 |
| Cash and cash equivalents | **339,793** | 914,748 | 942,890 |
| | **770,419** | 999,309 | 1,058,622 |
| **Current liabilities** | | | |
| Trade and other payables | **(124,556)** | (207,292) | (171,550) |
| | **(124,556)** | (207,292) | (171,550) |
| **Net current assets** | **645,863** | 792,017 | 887,072 |
| **Net assets** | **4,172,363** | 3,924,273 | 4,187,278 |
| **Equity** | | | |
| Called up share capital | **1,877,810** | 1,639,662 | 1,743,020 |
| Share premium account | **8,810,794** | 8,141,354 | 8,622,974 |
| Merger reserve | **131,096** | 131,096 | 131,096 |
| Share option reserve | **416,693** | 390,344 | 426,721 |
| Available for sale revaluation reserve | **(260,997)** | (114,748) | (148,295) |
| Foreign currency reserve | **(64,147)** | 74,310 | (24,741) |
| Accumulated losses | **(6,738,886)** | (6,337,745) | (6,563,497) |
| **Equity attributable to the owners of the parent** | **4,172,363** | 3,924,273 | 4,187,278 |

# Consolidated Statement of Changes in Equity

| | Share Capital £ | Share Premium account £ | Merger Reserve £ | Share Option reserve £ | Available for sale revaluation reserve £ | Foreign currency reserve £ | Accumulated losses £ | Total £ |
|---|---|---|---|---|---|---|---|---|
| **At 30 September 2013** | **1,617,662** | **8,008,604** | **131,096** | **404,194** | **(86,399)** | **137,104** | **(6,253,611)** | **3,958,650** |
| Loss for the period | - | - | - | - | - | - | (84,134) | (84,134) |
| Change in fair value | - | - | - | - | (28,349) | - | - | (28,349) |
| Exchange differences | - | - | - | - | - | (62,794) | - | (62,794) |
| **Total comprehensive loss for the period** | - | - | - | - | **(28,349)** | **(62,794)** | **(84,134)** | **(175,277)** |
| Share issue | 22,000 | 132,750 | - | - | - | - | - | 154,750 |
| Share based payments | - | - | - | (13,850) | - | - | - | (13,850) |
| **At 31 March 2014** | **1,639,662** | **8,141,354** | **131,096** | **390,344** | **(114,748)** | **74,310** | **(6,337,745)** | **3,924,273** |
| Loss for the period | - | - | - | - | - | - | (274,673) | (274,673) |
| Change in fair value | - | - | - | - | (33,547) | - | - | (33,547) |
| Exchange difference | - | - | - | - | - | (99,051) | - | (99,051) |
| **Total comprehensive loss for the period** | - | - | - | - | **(33,547)** | **(99,051)** | **(274,673)** | **(407,271)** |
| Share issue | 103,358 | 481,620 | - | - | - | - | - | 584,978 |
| Share based payments | - | - | - | 36,377 | - | - | 48,921 | 85,298 |
| **At 30 September 2014** | **1,743,020** | **8,622,974** | **131,096** | **426,721** | **(148,295)** | **(24,741)** | **(6,563,497)** | **4,187,278** |
| Loss for the period | - | - | - | - | - | - | (221,576) | (221,576) |
| Change in fair value | - | - | - | - | (112,702) | - | - | (112,702) |
| Exchange difference | - | - | - | - | - | (39,406) | - | (39,406) |
| **Total comprehensive loss for the period** | - | - | - | - | **(112,702)** | **(39,406)** | **(221,576)** | **(373,684)** |
| Share issue | 134,790 | 187,820 | - | - | - | - | - | 322,610 |
| Share based payments | - | - | - | (10,028) | - | - | 46,187 | 36,159 |
| **At 31 March 2015** | **1,877,810** | **8,810,794** | **131,096** | **416,693** | **(260,997)** | **(64,147)** | **(6,738,886)** | **4,172,363** |

## Consolidated Statement of Cash Flows

for the six months to 31 March 2015

| | **Six months to 31 March 2015 Unaudited £** | Six months to 31 March 2014 Unaudited £ | Twelve months to 30 September 2014 Audited £ |
|---|---|---|---|
| **Operating activity** | | | |
| Operating loss | **(223,050)** | (86,496) | (363,219) |
| Depreciation charge | **2,268** | 3,088 | 6,925 |
| Impairment charge | **12,180** | - | 3,254 |
| Share based payment charge | **36,159** | (13,850) | 71,449 |
| Non-cash movement of liability under Equity Swap Agreement | **-** | (72,708) | (72,708) |
| Non-cash additions to available for sale investment | **(21,298)** | (71,271) | (71,271) |
| (Increase)/decrease in receivables | **(314,894)** | (3,071) | (34,242) |
| Increase/(decrease) in payables | **(46,994)** | (26,589) | (62,331) |
| **Net cash outflow from operating activity** | **(555,629)** | (270,897) | (522,143) |
| **Investing activity** | | | |
| Interest received | **1,474** | 2,362 | 4,412 |
| Purchase of intangible assets | **(383,886)** | (494,323) | (788,482) |
| Purchase of property, plant & equipment | **(996)** | (414) | (7,176) |
| **Net cash outflow from investing activity** | **(383,408)** | (492,375) | (791,246) |
| **Financing activity** | | | |
| Issue of share capital (net of expenses) | **322,610** | 154,750 | 739,728 |
| Net transfer to restricted cash | **-** | 336,333 | 336,333 |
| **Net cash inflow from financing activity** | **322,610** | 491,083 | 1,076,061 |
| **Net (decrease)/increase in cash and cash equivalents** | **(616,427)** | (272,189) | (237,328) |
| Cash and cash equivalents at start of period | **942,890** | 1,187,612 | 1,187,612 |
| Exchange differences | **13,330** | (675) | (7,394) |
| **Cash and cash equivalents at end of period** | **339,793** | 914,748 | 942,890 |

# Notes to the Interim Statement

## 1. Basis of preparation

The consolidated interim financial information has been prepared in accordance with the accounting policies that are expected to be adopted in the Group's full financial statements for the year ending 30 September 2015 which are not expected to be significantly different to those set out in Note 1 of the Group's audited financial statements for the year ended 30 September 2014. These are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 30 September 2015 or are expected to be adopted and effective at 30 September 2015. The financial information has not been prepared (and is not required to be prepared) in accordance with IAS 34. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information.

The financial information in this statement relating to the six months ended 31 March 2015 and the six months ended 31 March 2014 has neither been audited nor reviewed by the Auditors, pursuant to guidance issued by the Auditing Practices Board. The financial information presented for the year ended 30 September 2014 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2014 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for the year ended 30 September 2014 was unqualified, although did draw attention to matters by way of emphasis in relation to going concern, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company’s and Group’s planned discretionary project expenditures and to maintain the Company and Group as a going concern. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

## 2. Loss per share

Loss per share has been calculated on the attributable loss for the period and the weighted average number of shares in issue during the period.

| | **Six months to 31 March 2015 Unaudited** | Six months to 31 March 2014 Unaudited | Twelve months to 30 September 2014 Audited |
|---|---|---|---|
| Loss for the period (£) | **(221,576)** | (84,134) | (358,807) |
| Weighted average shares in issue (No.) | **174,341,529** | 162,290,390 | 165,522,417 |
| Basic loss per share (pence) | **(0.13)** | (0.05) | (0.22) |

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares used for the purpose of calculating diluted earnings per share are identical to those used to calculate the basic earnings per ordinary share. This is because the exercise of share warrants would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS33.

## 3. Share capital

During the six months to 31 March 2015 the following share issues took place:

An issue of 71,488 1p ordinary shares at 4p per share to two directors, in satisfaction of directors' fees, for a total consideration of £2,860 (20 February 2015).

An issue of 200,000 1p ordinary shares at 2.375p per share, being a share warrant exercise, for a total consideration of £4,750 (9 March 2015).

An issue of 13,207,547 1p ordinary shares at 2.65p per share, by way of placing, for a total consideration of £315,000 net of expenses (31 March 2015). These shares became paid up on 17 April 2015 and the amount due is reflected in receivables.

## 4. Interim report

Copies of this interim report are available from Tertiary Minerals plc, Silk Point, Queens Avenue, Macclesfield, Cheshire, SK10 2BB, United Kingdom. It is also available on the Company's website at www.tertiaryminerals.com.