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SAUDI INDUSTRIALISTS SIGN JV AGREEMENT TO EXPLOIT WORLD'S LARGEST TANTALUM DEPOSIT

- **Ghurayyah Deposit Planned To Initially Supply 10% Of World Annual Demand**
 - **Uranium Content Worth US\$12/Tonne In Situ To Be Evaluated In Ongoing Studies**
 - **Soft Loans For US\$100m Project May Require Tertiary To Find Only 6.5% Funding**
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Tertiary Minerals plc (“Tertiary” or “the Company”) announces that its Saudi partners (“the Consortium”) have now signed the Joint Venture Agreement for the US\$7 million funding of feasibility studies for the development of the Company’s world-class Ghurayyah tantalum-niobium project in Saudi Arabia.

The Consortium comprises two of Saudi Arabia’s leading family companies – A.H.Algozaibi & Bros. Co. and AlNahla Trading & Contracting Co. Both are diversified industrial companies with a range of domestic and international business interests.

The Joint Venture Agreement follows from the Preliminary Agreement announced on 7 December 2005 whereby the Consortium subscribed £500,000 for 5,000,000 new ordinary shares in Tertiary Minerals plc at a price of 10 pence per share (representing a 100% premium over the then current market price). As a result of the Joint Venture Agreement the cost of the Preliminary Feasibility Study, estimated at US\$2,000,000 will be funded US\$300,000 by Tertiary, US\$850,000 from an immediate issue to the Consortium of zero-coupon convertible loan notes and a further US\$850,000 immediate direct contribution to the joint venture account from the Consortium. The loan notes will be convertible to ordinary shares in Tertiary at any time prior to completion of the Preliminary Feasibility Study at a price equal to the higher of 15p per share or 80% of the weighted average market price in the 30 days prior to conversion. The full conversion of the loan notes would result in the Consortium holding a 15% interest in the enlarged issued share capital of Tertiary given their existing interests in the Company.

The costs of a subsequent Bankable Feasibility Study, estimated at US\$5 million, will be met 90% by the Consortium and 10% by Tertiary by direct contribution to joint venture expenses.

Assuming successful completion of these studies a special purpose vehicle, funded and owned equally by Tertiary and the Consortium, will be incorporated to develop the Ghurayyah deposit. In arranging financing for construction the project partners will seek to maximise the benefit of favourable debt funding available in Saudi Arabia, including that from the Saudi Industrial Development Fund and the Al Yamamah Offset programme, which could reduce Tertiary’s project equity requirement to as little as 6.5% of the US\$75-100 million total capital costs of the project estimated in the 2003 Scoping Study.

Commenting today, Mr Patrick Cheetham, Executive Chairman of Tertiary said: "We are delighted to have entered into this Joint Venture with strong financial partners who are committed to the project. We are also grateful for the practical help our partners are giving us with the work programmes already in progress and look forward to their continued cooperation and to bringing Ghurayyah successfully into production".

The work programmes in progress include a 3,000m drill programme to collect a sample of approximately 80 tonnes for metallurgical processing testwork and to provide data for resource upgrading. The feasibility studies will also evaluate the potential value of the uranium and rare-earth minerals that are known to occur at Ghurayyah. Whilst previous resource estimates at Ghurayyah (Inferred Minerals Resource of 385 million tonnes) did not include an estimate of the uranium grade, uranium is known to be present at consistent levels and the average uranium content of drill samples on which the resource estimate was based is 133ppm (or 0.3 lb/tonne) U_3O_8 - a grade which has a current equivalent in-situ value of over US\$12 per tonne of ore. Importantly uranium was recovered alongside tantalum and niobium in the mineral concentrates produced in previous testwork. These concentrates also contained 6% Y_2O_3 (yttrium oxide) a rare-earth element used in electronics, the value of which is yet to be evaluated.

Tantalum Background

Tantalum has the ability to store and release electronic charge and its main use is in the manufacture of capacitors, components that regulate the flow of electricity in electronic circuit boards. Capacitors are widely used in most electronic devices, especially mobile phones, digital cameras, DVDs gaming platforms and laptops.

Being inert, with a high melting point, tantalum is also used in medical implants and in special alloys for the aerospace industry where demand is expanding. With the development of China's processing and electronics industries, demand has recovered to its pre-bubble record levels. Raw material demand is currently 5,000,000 lbs/year tantalum pentoxide and growing at an estimated 5-8% per year, after averaging over 8% annual growth in the 1990's.

Major Western raw material processors currently source the majority of their raw material supply on long-term contracts from Sons of Gwalia's hard-rock mining operations in Western Australia. Another significant supplier of raw materials to the market is the U.S. Defence Logistics Agency, which traditionally sells around 500,000lbs per annum of tantalum pentoxide in concentrates. However, its stockpile will soon be depleted at current disposal rates.

Ghurayyah Project

Tertiary Minerals plc's Ghurayyah Ta-Nb-Zr-U-REE (tantalum-niobium-zircon-uranium-rare-earth element) deposit is located in NW Saudi Arabia, 55km from the Red Sea port of Dhuba. An Inferred Mineral Resource of nearly 400 million tonnes grading 245 grammes/tonne of Ta_2O_5 and 2,840 grammes/tonne of Nb_2O_5 is defined by drilling of a 900m diameter plug of mineralised granite, open at depth. The deposit exhibits remarkable grade continuity, no internal waste, and can be extracted by cheap open-pit mining methods. The fine-grained Ta and Nb containing ore-minerals can be concentrated by flotation with good recoveries with subsequent magnetic separation of a zircon by-product. A number of different processing routes have been considered for production of marketable products, including a Fe-Nb-Ta alloy. A detailed economic and technical scoping study suggests the deposit has commercial potential as a future source of supply of tantalum, niobium and zircon raw materials and at an extraction rate of 1.5 million tonnes/year would have a mine life of over 200 years. The extraction of significant contents of uranium and rare-earth-element has yet to be evaluated.

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The information in this release has been compiled and reviewed by Mr. Patrick Cheetham (MIMMM, MAusIMM) who is a qualified person for the purposes of the AIM Guidance Note for Mining Oil & Gas Companies issued on March 16, 2006. Mr Cheetham is a Member of the Institute of Materials, Minerals & Mining and also a member of the Australasian Institute of Mining & Metallurgy. The Inferred Mineral Resource referred to was estimated by SRK Consulting in November 2001 in compliance with JORC.