

Chairman's Statement

I am pleased to report the Company's progress and interim results for the six-month period ended 31 March 2005.

Review of Activities

Since the publication of the last annual report your Board has been working hard to deliver on its objective to build on the value inherent in the Company.

A major initiative has been the spin-out of our diamond interests in Finland into Sunrise Diamonds plc where, as a part of this process, a large number of Tertiary shareholders took up their entitlement to new shares in Sunrise Diamonds pursuant to the recent Offer for Subscription. I am also pleased to report that Sunrise Diamonds has now completed a placing of shares to fund its immediate diamond exploration programmes and is seeking admission for all its ordinary shares (including those issued under the placing) to trading on AIM. Trading in the shares of Sunrise Diamonds is expected to commence on 6 June 2005.

Tertiary has retained a direct 26.53% interest in Sunrise Diamonds and we look forward to its successful AIM debut.

Exploration work is continuing on our Scandinavian projects. For example, recently reported drilling at Kaaresselkä in Finland made further high-grade gold intersections in the Vanha zone, whilst at Notträsk, in Sweden, a drilling programme will soon start to test targets for nickel-copper bearing massive sulphides. We have also geared up our search to acquire an advanced minerals project

capable of generating a cash-flow for the Company and have recently recruited Andrew Dixon to the management team to focus this effort. A number of projects are under active evaluation.

Our 400 million tonne Ghurayyah tantalum project is benefiting from renewed interest following the recovery in the tantalum market and the adoption of a new mining law in Saudi Arabia. Several parties have expressed interest in joining with Tertiary to fund feasibility studies for the development of this world-class project.

The past six-month reporting period has seen high volatility in market sentiment for mining shares with a recent sharp downturn mirroring that which occurred this time last year. Whilst our share price has not yet bucked a negative trend I believe that the initiatives being undertaken will have a positive impact in the medium-term, particularly when retail investors return to the mining sector.

Results

The Group loss for the six month period was £314,346. This loss comprises administration costs of £186,816 and exploration costs (written-off) amounting to £137,328 and interest income of £9,798.

Patrick L Cheetham
Executive Chairman

31 May 2005

Consolidated Profit and Loss Account

for the six months to 31 March 2005

	Six months to 31 March 2005 Unaudited £	Six months to 31 March 2004 Unaudited £	Twelve months to 30 September 2004 £
Administrative expenses	(186,816)	(138,005)	(245,030)
Exploration costs written off	(137,328)	(60,132)	(636,714)
Operating loss	(324,144)	(198,137)	(881,744)
Interest receivable	9,798	7,465	20,663
Loss on ordinary activities before taxation	(314,346)	(190,672)	(861,081)
Taxation	-	-	-
Loss for the financial period (note 2)	(314,346)	(190,672)	(861,081)
Loss per share - basic (pence)	(0.7)	(0.5)	(2.3)

All the above amounts are derived from continuing activities

Consolidated Statement of Total Recognised Gains and Losses

for the six months to 31 March 2005

	Six months to 31 March 2005 Unaudited £	Six months to 31 March 2004 Unaudited £	Twelve months to 30 September 2004 £
Loss for the financial year	(314,346)	(190,672)	(861,081)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	2,377	(26,289)	(7,830)
Total recognised losses since last accounts	(311,969)	(216,961)	(868,911)

Consolidated Balance Sheet

as at 31 March 2005

	As at 31 March 2005 Unaudited £	As at 31 March 2004 Unaudited £	As at 30 September 2004 £
Fixed assets			
Intangible Assets	1,100,368	1,314,661	959,260
Tangible Assets	6,338	5,691	5,036
	1,106,706	1,320,352	964,296
Current assets			
Debtors	91,184	35,230	70,583
Cash at bank and in hand	656,880	971,212	557,666
	748,064	1,006,442	628,249
Creditors: amounts falling due within one year	161,442	144,747	62,448
Net current assets	586,622	861,695	565,801
Total assets less current liabilities	1,693,328	2,182,047	1,530,097
Capital and reserves			
Called up share capital	464,210	404,210	404,210
Share premium	3,376,865	2,961,665	2,961,665
Merger reserve	131,096	131,096	131,096
Profit and loss account	(2,278,843)	(1,314,924)	(1,966,874)
Shareholders' funds	1,693,328	2,182,047	1,530,097

Consolidated Cash Flow Statement

for the six months to 31 March 2005

	Six months to 31 March 2005 Unaudited £	Six months to 31 March 2004 Unaudited £	Twelve months to 30 September 2004 £
Net cash outflow from operating activities (note 3)	(148,393)	(49,142)	(289,450)
Return on investments and servicing of finance	9,798	7,465	20,663
Capital expenditure and financial investment	(237,531)	(210,546)	(402,651)
Acquisition and disposals	-	-	-
Net cash outflow before financing	(376,126)	(252,223)	(671,438)
Financing – issue of share capital	475,340	995,930	1,001,599
(Decrease)/Increase in cash in the period (note 4)	99,214	743,707	330,161

Notes to the Interim Statement

1. Basis of preparation

The interim report has been prepared on the basis of the accounting policies set out in the Company's financial statements for the period ended 30 September 2004. The financial information set out in this statement relating to the period ended 30 September 2004 does not constitute statutory accounts for that period. Full audited accounts in respect of that financial period (which received an unqualified audit opinion and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985) have been delivered to the Registrar of Companies.

The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the "going concern" basis for preparing the accounts. The interim report has been approved by the Directors and is unaudited.

Comparative figures for the six months ended 31 March 2004 are extracts from the interim report for that period and are also unaudited.

Notes to the Interim Statement

(continued)

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 2005 Unaudited	Six months to 31 March 2004 Unaudited	Twelve months to 30 September 2004
Loss for the period (£)	(314,347)	(190,672)	(861,081)
Weighted average shares in issue	42,629,883	35,796,093	38,043,359
Basic loss per share (pence)	(0.7)	(0.5)	(2.3)

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 FRS 14.

3. Reconciliation of operating loss to net cash outflow from operating activities

	Six months to 31 March 2005 Unaudited £	Six months to 31 March 2004 Unaudited £	Twelve months to 30 September 2004 £
Operating loss	(324,144)	(198,137)	(881,744)
Depreciation charge	1,742	2,353	3,864
Intangible fixed assets written off	95,616	46,585	606,024
(Increase)/Decrease/ in debtors	(20,601)	(6,838)	(42,191)
Increase/(Decrease) in creditors	98,994	106,895	24,597
Net cash outflow from operating activities	(148,393)	(49,142)	(289,450)

4. Reconciliation of net cash outflow to movement in net funds

	Six months to 31 March 2005 Unaudited £	Six months to 31 March 2004 Unaudited £	Twelve months to 30 September 2004 £
Increase/(Decrease) in net cash in the period	99,214	743,707	330,161
Opening net funds	557,666	227,505	227,505
Closing net funds	656,880	971,212	557,666

5. Interim report

Copies of this interim report will be sent to all shareholders and are available from Tertiary Minerals plc, Sunrise House, Hulley Road, Macclesfield, Cheshire, SK10 2LP, United Kingdom.

Directors and Professional Advisers

Directors

Patrick Cheetham

– *Executive Chairman*

Donald McAlister

– *Non-Executive Director*

David Whitehead

– *Non-Executive Director*

Company Secretary

Christine Hulley FCMA, MCMI

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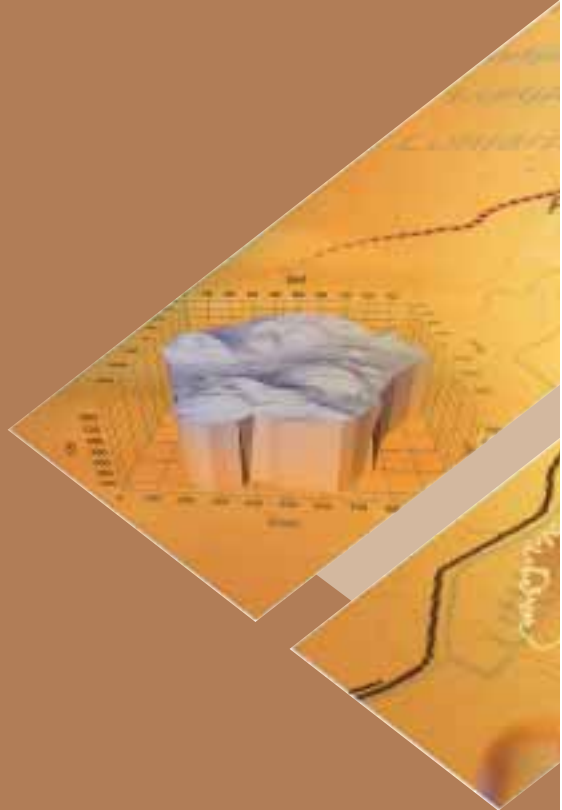
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