



**AIM Announcement**

**26 May 2016**

**TERTIARY MINERALS PLC  
("Tertiary" or "the Company")  
HALF-YEARLY REPORT 2016**

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 2016.

**OPERATIONAL HIGHLIGHTS:**

- **MB Fluorspar Project, Nevada, USA:**
  - Phase 4 drilling programme completed – 4 holes for a total of 1,553 metres drilled
  - Thick intersections of fluorspar mineralisation encountered in step-out drilling - remains open at depth and along strike
  - Hole 15TMBRC036 located west of the Western Area:
    - 89.91m grading 12.02% CaF<sub>2</sub> from 120.40m depth (total of 8 significant fluorspar intersections), including 31.99m grading 16.74% CaF<sub>2</sub> from 150.88m (total of 6 higher grade intersections above 15% CaF<sub>2</sub>)
  - Hole 15TMBRC038 located to the north of the Western Area:
    - 22.86m grading 11.47% CaF<sub>2</sub> from 74.68m depth
  - Hole 15TMBRC039 located to the north of the Western Area:
    - 137.16m grading 11.54% CaF<sub>2</sub> from 53.34m depth (total of 16 significant fluorspar intersections), including 32.00m grading 15.81% CaF<sub>2</sub> from 185.93m (total of 5 higher grade intersections above 15% CaF<sub>2</sub>)
  - Ore-grade molybdenum (Mo) encountered in the base of hole 15TMBRC036 provides future exploration target
- **Storuman Fluorspar Project, Sweden:**
  - Exploitation (Mining) Permit approved by the Swedish Mining Inspectorate
  - The Exploitation Permit is valid for 25 years from 18 February 2016
  - Two appeals have been lodged against the Exploitation (Mine) Permit:
    - Sami Reindeer Husbandry Community
    - Urbergsgruppen, a Swedish environmental action group who oppose all mining activities throughout Sweden
  - The appeals will be decided by the Swedish Government

**FINANCIAL RESULTS - SUMMARY:**

- Operating Loss for the six month period of £219,962 (six months to 31 March 2015: £223,050) comprises:
  - Revenue of £84,568; less
  - Administration costs of £297,169 (which includes non-cash share based payments of £17,188), and
  - Pre-licence and reconnaissance exploration costs totalling £7,361
- Total Group Loss of £300,136 is after charging:
  - Impairment of available for sale investment of £81,142
  - Interest income of £968
- 28,986,059 Ordinary Shares were issued during the reporting period as follows:
  - Placing of 28,888,889 shares at 2.25p per share on 6 October 2015 to raise £650,000 before expenses
  - Issue of 97,170 shares to a non-executive director in lieu of fees at a price of 1.4p per share

## ENQUIRIES

<b>Tertiary Minerals plc</b> Patrick Cheetham, Executive Chairman Richard Clemmey, Managing Director	<b>Tel: +44 (0)1625 838 679</b>
<b>S P Angel Corporate Finance LLP</b> <b>Nominated Adviser &amp; Joint Broker</b> Ewan Leggat / Tercel Moore	<b>Tel: +44 (0)203 470 0470</b>
<b>Beaufort Securities Limited</b> <b>Joint Broker</b> Elliot Hance	<b>Tel: +44 (0)207 382 8300</b>

## **Chairman's Statement**

I am pleased to present our Interim Report for the six month period ended 31 March 2016.

A major milestone was reached in this reporting period when, in February this year, the Swedish Mining Inspectorate granted the Exploitation (Mine) Concession for our advanced Storuman Fluorspar Deposit. The Exploitation Concession secures our rights to the Storuman deposit for the next 25 years and was granted after consideration of numerous stakeholder submissions. All but one of these submissions were supportive of the project. Unfortunately, and despite the Mining Inspectorate having stated that reindeer herding and mining activity can sensibly coexist in the concession area, the local Sami Reindeer Husbandry Community has appealed the Mining Inspectorate's decision to the Government alongside Urbergsgruppen, a Swedish environmental action group which opposes all mining activities in Sweden. Because of the overwhelming local stakeholder support, the potential economic benefits and the 'National Interest' status given to the project by the Government, we expect the appeals to be rejected but it is nevertheless frustrating that the time frame in which the Swedish government must deal with the appeals is not fixed.

In Nevada, our MB Fluorspar Project continues to deliver outstanding results with the completion of a further phase of drilling (Phase 4). This has further expanded the known area of mineralisation and suggests that the already large Mineral Resource Estimate – some 86 million tonnes grading 10.7% fluorspar (CaF<sub>2</sub>) – can be significantly increased. Notable thick intersections of fluorspar mineralisation were announced as extensions of the Western Area of the deposit – for example an aggregate 89.91m grading 12.02% CaF<sub>2</sub> from 120.40m depth in hole 15TMBRC036. Intriguingly, potential ore-grade molybdenum values were encountered at the base of the same hole indicating a future exploration target. The Company is now moving on to development studies for the MB Project to include metallurgical testing, economic modelling and scoping studies as well as mine permit planning.

We continue to maintain our interest in the Lassedalen Fluorspar Project in Norway where we have previously defined a modest higher-grade deposit of fluorspar. The project has good potential for future development if projected extensions to the known deposit can be confirmed. A programme of geophysics has recently been undertaken by the Norwegian Geological Survey on the western extensions with results expected to assist the placing of future drill holes.

Fluorspar markets and prices have continued to be negatively affected by slow demand during this reporting period. We consider that current low prices are not sustainable in the medium-term and in the past few years we have seen material taken off the market through mine closures and this should lead to improved prices. Indeed, increased demand and prices for acid-grade fluorspar in China have recently been reported.

Outside of fluorspar, we continue to hold two legacy gold projects and one tantalum project in Finland and have recently received third party expressions of interest which we are currently negotiating.

The cyclical mining share markets appear to have bottomed in the reporting period and we are now seeing a strengthening of some commodity prices and the share prices of many mining companies. This is being led by the gold sector but, based on historical patterns, we expect this to flow on more widely to the rest of the mining sector. We have continued to increase our interest in Sunrise Resources plc through the capitalisation of shared management costs and the Company's interest in Sunrise now stands at 11.8%.

I would like to thank shareholders for their patient support in these difficult markets. My personal view is that the worst may be behind us and we look forward to reporting on progress at our fluorspar projects as we advance these towards production.

**Patrick L Cheetham**  
**Executive Chairman**  
26 May 2016

# Consolidated Income Statement

for the six months to 31 March 2016

	Six months to 31 March 2016 Unaudited £	Six months to 31 March 2015 Unaudited £	Twelve months to 30 September 2015 Audited £
Revenue	84,568	85,937	181,598
Administration costs	(297,169)	(295,167)	(569,515)
Pre-licence and other exploration costs	(7,361)	(1,640)	(23,869)
Impairment of deferred exploration costs	-	(12,180)	(4,522)
<b>Operating loss</b>	<b>(219,962)</b>	<b>(223,050)</b>	<b>(416,308)</b>
Impairment of available for sale investment	(81,142)	-	(260,997)
Interest receivable	968	1,474	2,314
Loss before income tax	(300,136)	(221,576)	(674,991)
Income tax	-	-	-
<b>Loss for the period attributable to equity holders of the parent</b>	<b>(300,136)</b>	<b>(221,576)</b>	<b>(674,991)</b>
Loss per share – basic and diluted (pence) (note 2)	(0.14)	(0.13)	(0.37)

# Consolidated Statement of Comprehensive Income

for the six months to 31 March 2016

	Six months to 31 March 2016 Unaudited £	Six months to 31 March 2015 Unaudited £	Twelve months to 30 September 2015 Audited £
<b>Loss for the period</b>	<b>(300,136)</b>	<b>(221,576)</b>	<b>(674,991)</b>
Other comprehensive income			
<b>Items that could be reclassified subsequently to the Income Statement:</b>			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	<b>217,075</b>	<b>(39,406)</b>	<b>(59,439)</b>
	<b>217,075</b>	<b>(39,406)</b>	<b>(59,439)</b>
<b>Items that have been reclassified subsequently to the Income Statement:</b>			
Fair value movement on available for sale investment	-	<b>(112,702)</b>	<b>(112,702)</b>
Transfer from available for sale investment reserve on impairment of available for sale investment	-	-	<b>260,997</b>
	-	<b>(112,702)</b>	<b>148,295</b>
<b>Total comprehensive loss for the period attributable to equity holders of the parent</b>	<b>(83,061)</b>	<b>(373,684)</b>	<b>(586,135)</b>

**Company Registration Number 03821411**  
**Consolidated Statement of Financial Position**  
at 31 March 2016

	As at 31 March 2016 Unaudited £	As at 31 March 2015 Unaudited £	As at 30 September 2015 Audited £
<b>Non-current assets</b>			
Intangible assets	4,038,021	3,370,694	3,536,609
Property, plant & equipment	13,147	7,584	7,296
Available for sale investment	153,353	148,222	148,222
	<b>4,204,521</b>	<b>3,526,500</b>	<b>3,692,127</b>
<b>Current assets</b>			
Receivables	104,578	430,626	90,309
Cash and cash equivalents	286,773	339,793	309,815
	<b>391,351</b>	<b>770,419</b>	<b>400,124</b>
<b>Current liabilities</b>			
Trade and other payables	(78,501)	(124,556)	(102,780)
<b>Net current assets</b>	<b>312,850</b>	<b>645,863</b>	<b>297,344</b>
<b>Net assets</b>	<b>4,517,371</b>	<b>4,172,363</b>	<b>3,989,471</b>
<b>Equity</b>			
Called up share capital	2,168,453	1,877,810	1,878,592
Share premium account	9,116,364	8,810,794	8,812,452
Merger reserve	131,096	131,096	131,096
Share option reserve	370,269	416,693	443,813
Available for sale investment reserve	-	(260,997)	-
Foreign currency reserve	132,895	(64,147)	(84,180)
Accumulated losses	(7,401,706)	(6,738,886)	(7,192,302)
<b>Equity attributable to the owners of the parent</b>	<b>4,517,371</b>	<b>4,172,363</b>	<b>3,989,471</b>

## 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 £
<b>At 30 September 2014</b>	<b>1,743,020</b>	<b>8,622,974</b>	<b>131,096</b>	<b>426,721</b>	<b>(148,295)</b>	<b>(24,741)</b>	<b>(6,563,497)</b>	<b>4,187,278</b>
Loss for the period	-	-	-	-	-	-	(221,576)	(221,576)
Change in fair value	-	-	-	-	(112,702)	-	-	(112,702)
Exchange differences	-	-	-	-	-	(39,406)	-	(39,406)
<b>Total comprehensive loss for the period</b>	-	-	-	-	<b>(112,702)</b>	<b>(39,406)</b>	<b>(221,576)</b>	<b>(373,684)</b>
Share issue	134,790	187,820	-	-	-	-	-	322,610
Share based payments expense	-	-	-	36,159	-	-	-	36,159
Transfer of expired options	-	-	-	(46,187)	-	-	46,187	-
<b>At 31 March 2015</b>	<b>1,877,810</b>	<b>8,810,794</b>	<b>131,096</b>	<b>416,693</b>	<b>(260,997)</b>	<b>(64,147)</b>	<b>(6,738,886)</b>	<b>4,172,363</b>
Loss for the period	-	-	-	-	-	-	(192,419)	(192,419)
Transfer of impairment to income statement	-	-	-	-	260,997	-	(260,997)	-
Exchange differences	-	-	-	-	-	(20,033)	-	(20,033)
<b>Total comprehensive loss for the period</b>	-	-	-	-	<b>260,997</b>	<b>(20,033)</b>	<b>(453,416)</b>	<b>(212,452)</b>
Share issue	782	1,658	-	-	-	-	-	2,440
Share based payments expense	-	-	-	27,120	-	-	-	27,120
<b>At 30 September 2015</b>	<b>1,878,592</b>	<b>8,812,452</b>	<b>131,096</b>	<b>443,813</b>	-	<b>(84,180)</b>	<b>(7,192,302)</b>	<b>3,989,471</b>
Loss for the period	-	-	-	-	-	-	(218,994)	(218,994)
Impairment of available for sale investment	-	-	-	-	-	-	(81,142)	(81,142)
Exchange differences	-	-	-	-	-	217,075	-	217,075
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	<b>217,075</b>	<b>(300,136)</b>	<b>(83,061)</b>
Share issue	289,861	303,912	-	-	-	-	-	593,773
Share based payments expense	-	-	-	17,188	-	-	-	17,188
Transfer of expired options	-	-	-	(90,732)	-	-	90,732	-
<b>At 31 March 2016</b>	<b>2,168,453</b>	<b>9,116,364</b>	<b>131,096</b>	<b>370,269</b>	-	<b>132,895</b>	<b>(7,401,706)</b>	<b>4,517,371</b>

## Consolidated Statement of Cash Flows

for the six months to 31 March 2016

	Six months to 31 March 2016 Unaudited £	Six months to 31 March 2015 Unaudited £	Twelve months to 30 September 2015 Audited £
<b>Operating activity</b>			
Total loss after tax	(301,104)	(223,050)	(677,305)
Depreciation charge	3,471	2,268	4,600
Shares issued in lieu of net fees	1,361	2,860	5,300
Impairment charge – exploration	-	12,180	4,522
Impairment charge – available for sale investment	81,142	-	260,997
Share based payment charge	17,188	36,159	63,278
Non-cash additions to available for sale investment	(86,272)	(21,298)	(21,298)
(Increase)/decrease in receivables	(14,269)	(314,894)	25,423
Increase/(decrease) in payables	(24,279)	(46,994)	(68,770)
<b>Net cash outflow from operating activity</b>	<b>(322,762)</b>	<b>(552,769)</b>	<b>(403,253)</b>
<b>Investing activity</b>			
Interest received	968	1,474	2,314
Purchase of intangible assets	(292,326)	(383,886)	(560,250)
Purchase of property, plant & equipment	(9,322)	(996)	(3,040)
<b>Net cash outflow from investing activity</b>	<b>(300,680)</b>	<b>(383,408)</b>	<b>(560,976)</b>
<b>Financing activity</b>			
Issue of share capital (net of expenses)	592,412	319,750	319,750
<b>Net cash inflow from financing activity</b>	<b>592,412</b>	<b>319,750</b>	<b>319,750</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(31,030)</b>	<b>(616,427)</b>	<b>(644,479)</b>
Cash and cash equivalents at start of period	309,815	942,890	942,890
Exchange differences	7,988	13,330	11,404
<b>Cash and cash equivalents at end of period</b>	<b>286,773</b>	<b>339,793</b>	<b>309,815</b>

## 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 2016 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 2015. These are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) or that are expected to be adopted and effective at 30 September 2016. 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 2016 and the six months ended 31 March 2015 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 2015 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2015 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 2015 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.

	<b>Six months to 31 March 2016 Unaudited</b>	Six months to 31 March 2015 Unaudited	Twelve months to 30 September 2015 Audited
Loss for the period (£)	<b>(300,136)</b>	(221,576)	(674,991)
Weighted average shares in issue (No.)	<b>215,811,549</b>	174,341,529	181,090,346
Basic loss per share (pence)	<b>(0.14)</b>	(0.13)	(0.37)

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 2016 the following share issues took place:

An issue of 28,888,889 1.0p ordinary shares at 2.25p per share, by way of placing, for a total consideration of £592,412 net of expenses (6 October 2015).

An issue of 97,170 1.0p ordinary shares at 1.4p per share to a director, in satisfaction of directors fees, for a total consideration of £1,361 (11 March 2016).

### **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](http://www.tertiaryminerals.com).