

AIM Announcement

19 December 2023

**EARN-IN AGREEMENT
KONKOLA WEST COPPER PROJECT, ZAMBIA**

Further to its announcement of 25 September 2023, Tertiary Minerals plc is pleased to announce that its 96% owned subsidiary, Tertiary Minerals (Zambia) Limited (“TMZ”) has now signed a definitive earn-in agreement (“the EIA”) with a subsidiary of KoBold Metals Company (“KoBold”) and TMZ’s local partner Mwashia Resources Ltd (“Mwashia”). The EIA provides for KoBold to earn into Exploration Licence 27067-HQ-LEL (the “Licence”), known as the Konkola West Copper Project in Zambia.

KoBold Metals is a US-based, privately held, mineral exploration company that couples geoscience, data science, machine learning, and artificial intelligence to search for the critical minerals needed for the clean energy transition and to accelerate growth in electric vehicles. KoBold is backed by technology investors including Breakthrough Energy Ventures (initiated by Bill Gates) and Silicon Valley venture capital firm Andreessen Horowitz, as well as institutional investors such as T. Rowe Price and Canadian Pension Plan Investment Board.

“The signing of the EIA is an important development for the Company and we are delighted to team up with KoBold Metals for this exciting project. Konkola West is located in one of Zambia’s major copper mining areas where Vedanta has recently committed to invest over \$1 billion in revamping the adjacent Konkola copper mine. KoBold will bring a strong technical team and financing to the Konkola West project. It has been drilling with multiple rigs throughout the summer on its adjacent Mingomba Copper Deposit and is now committed to a deep drilling programme at Konkola West.”

Patrick Cheetham, Executive Chairman Tertiary Minerals plc

“KoBold looks forward to working with Tertiary and Mwashia on the Konkola West project. The Zambian Copperbelt has historically seen little exploration at depth, and the Konkola West licence is a great prospect to see if ore systems like those at Konkola or Mingomba also occur at depth within this licence. We will be able to use the equipment, experienced team, and data-science tools that we’ve assembled while drilling the nearby Mingomba deposit to improve our chance of success at Konkola West. We look forward to starting drilling as soon as practical.”

Mfikeyi Makayi, Chief Executive Officer, KoBold Metals Zambia

Key Terms :

- The objective of the EIA is to carry out deep drilling to explore for projected extensions of the high-grade copper ore-shale exploited on adjacent mining leases at the Konkola, Lubambe, and Musoshi mines.

Continued on next page

- KoBold is currently delineating the Mingomba deposit, one of the largest undeveloped copper deposits in the world. which lies on the adjacent leases between the Konkola and Lubambe mines.
- Subject to regulatory approval of the EIA, in Stage 1 of the EIA, KoBold is committed to complete at least two drill holes (for a total of at least 2,000m of drilling) within 14 months, with drilling to start no later than May 2024 KoBold's planning of the Stage 1 drill programme is well advanced with the first drill site selected.
- On completion of Stage 1, the parties will form a joint venture company ("JVC") to hold the Licence and enter into a shareholder agreement, the form of which is set out in the EIA. The initial JVC ownership will be KoBold 51%, TMZ 39% and Mwashia 10%. Mwashia's equity interest will be free carried by KoBold and can be purchased by KoBold at any time for US\$3.5 million.
- KoBold may elect to increase its ownership in the JVC to 70% in Stage 2 of the EIA through sole funding a cumulative expenditure of US\$6 million on exploration within 4 years of signing after which TMZ will hold a 20% interest, and Mwashia will continue to hold a 10% carried interest in the JVC.
- After Stage 1 (or Stage 2 depending on KoBold's election at the end of Stage 1) TMZ may elect to contribute to the further costs of the JVC pro-rata with its shareholding or dilute its interest in line with the customary joint venture dilution formula. Should TMZ dilute down to 10% shareholding in the JVC then TMZ's 10% interest will convert to a 1% net smelter return royalty payable for a 13-year period following the start of commercial production.
- KoBold and TMZ will each make an initial payment of US\$30,000 to Mwashia (a payment due to Mwashia by TMZ under its existing agreement with Mwashia).
- TMZ's existing option agreement with Mwashia for the Konkola West Project is terminated by the EIA. However, if the EIA terminates for any reason, the EIA provides that the Licence may then be held 90% by TMZ and 10% by Mwashia. Mwashia's interest at this point would be free carried by TMZ, and TMZ would hold an option to purchase that 10% interest for US\$3.5 million.
- The EIA is subject to certain conditions precedent relating to the usual government approvals.

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Market Abuse Regulation

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR').

Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

Background Information

The Konkola West Project comprises Exploration Licence 27067-HQ-LEL which covers 71.9 sq. km. and is located 18km northwest of Chingola in the Central African Copperbelt.

The Konkola West Project is targeting deep down-dip and along-strike extensions of the contiguous Lubambe-Mingomba-Konkola copper deposits to the east of the Licence and which extend north into the Musoshi mining complex in the Democratic Republic of the Congo. Together these deposits comprise a 15 kilometres long continuous zone of mineralisation that contained a pre-mining endowment of over 775 million tonnes grading 2-3% copper. Konkola West is located approximately 2,000 metres southwest of the Mingomba deposit, which lies between the Konkola and Lubambe mines, and has historic resource estimates with around 9 million tonnes of contained copper.

The Company's other interests in Zambia include the Jacks Copper Project, where the Company completed soil sampling and drilling in 2022 and where further drilling is now warranted, and also the Mukai and Mushima North project areas which are subject to a data sharing and technical cooperation with First Quantum Minerals. Recent soil sampling at Mukai and Mushima North has recently defined a number of large copper-in-soil anomalies.

The Company also owns a portfolio of base metal and precious metal projects in Nevada, USA and a fluorspar deposit in Sweden.

For further information on KoBold and its activities in Zambia see

<https://koboldmetals.com/>

and

<https://www.youtube.com/watch?v=PVtERIM3QTM>