Tertiary Minerals plc

INTERIM STATEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2011

Chairman's Statement

I am pleased to report the Company's progress and unaudited interim results for the six month period ended 31 March 2011.

Review of Activities

Since publication of our annual report in December 2010 we have made very significant progress with our two key fluorspar projects in Scandinavia and we have seen the fluorspar price increase sharply as a consequence of future supply concerns.

At **Storuman**, in Sweden, our recently published maiden JORC compliant Mineral Resource estimate for the project - 28 million tonnes grading 10.2% Fluorspar (CaF_2) - exceeded our expectations. Some 90% of the Mineral Resource is in the "Indicated" category and therefore delineated to a sufficiently high level of confidence to support detailed mine planning. The open pit constrained Mineral Resource contains 28% more fluorspar at less than half the waste-to-ore stripping ratio when compared to the Scoping Study optimised open pit at the same price and operating costs assumptions.

In less than a year, the price of acid grade fluorspar has risen from US$357/tonne (delivered Rotterdam), the price used in the 2010 Scoping Study and for resource estimation, to US$460/tonne with recent spot prices reportedly as high as US$500/tonne (ex-port China). The current shortages of Chinese supply reflect a long-term and seemingly irreversible change as China moves from exporting to downstream processing of domestic fluorspar. This has very positive implications for the value of the Storuman project over and above the attractive values indicated by the Scoping Study. We are now moving the project through the pre-development stages with detailed metallurgical testwork, environmental, permitting and engineering studies being initiated.

Good progress is being made with the **Lassedalen** fluorspar project in Norway where we have recently announced positive results from re-sampling of historic diamond drill core from Norsk Hydro's 1970s exploration drilling. We have also obtained copies of Norsk Hydro's extensive archive for the project which details pilot plant testing, mine, process plant and infrastructure design. The availability of this archive data is expected to result in significant cost and time savings for the Company as it progresses the project towards a preliminary economic evaluation. SRK Consulting has been commissioned to review the data and make recommendations for mineral resource estimation for the project.

Although we have a clear primary focus on fluorspar, we maintain a diversified portfolio of projects which have the potential to add substantial value with further work or licence developments. We have licence applications pending at **Ghurayyah** (Saudi Arabia – tantalum, niobium and rare-earths) and **Kolari** (Finland-iron) and a drilling programme on our **Kiekerömaa** project in March, despite difficult ground conditions, delivered some significant gold intersections. It is too early to talk in terms of a new gold discovery but follow up work is clearly warranted and is being planned as a high priority.

Results

The Group is reporting a loss for the six month period of £143,524 (six months to 31 March 2010: £200,108). This loss comprises administration costs of £137,457 (which includes share based payments of £27,442), pre-licence (reconnaissance) costs totalling £7,665 and interest income of £1,598. The Group's cash resources were bolstered by a £1.8 million share placing in December 2010.

Our projects continue to deliver excellent results and this is expected to continue through the pre-development stages. In the coming months we will be strengthening Tertiary's executive management to take the Company forward towards production and I look forward to reporting further progress.

Patrick L Cheetham
Executive Chairman
23 May 2011

Further information:

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Consolidated Income Statement

for the six months to 31 March 2011

	Six months to 31 March 2011 Unaudited £	Six months to 31 March 2010 Unaudited £	Twelve months to 30 September 2010 Audited £
Pre-licence exploration costs	**7,665**	22,074	32,960
Impairment of deferred exploration costs	**-**	69,134	69,134
Administrative expenses	**137,457**	109,413	220,456
Operating loss	**(145,122)**	(200,621)	(322,550)
Interest receivable	**1,598**	513	987
Loss on ordinary activities before taxation	**(143,524)**	(200,108)	(321,563)
Tax on loss on ordinary activities	**-**	-	-
Loss for the period attributable to equity holders of the parent	**(143,524)**	(200,108)	(321,563)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.14)**	(0.23)	(0.36)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2011

	Six months to 31 March 2011 Unaudited	Six months to 31 March 2010 Unaudited	Twelve months to 30 September 2010 Audited
	£	£	£
Loss for the period	**(143,524)**	(200,108)	(321,563)
Movement in revaluation of available for sale investment	**597,441**	(38,628)	-
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**18,952**	15,609	8,046
Total recognised income/(expense) since last accounts	**472,869**	(223,127)	(313,517)

Company Registration Number 03821411

Consolidated Statement of Financial Position

at 31 March 2011

	As at 31 March 2011 Unaudited £	As at 31 March 2010 Unaudited £	As at 30 September 2010 Audited £
Non-current assets			
Intangible assets	**1,117,145**	626,364	709,130
Property, plant & equipment	**25,044**	2,282	1,238
Available for sale investment	**764,830**	128,759	167,387
	1,907,019	757,405	877,755
Current assets			
Receivables	**104,476**	45,139	42,263
Cash and cash equivalents	**1,613,044**	531,259	370,334
	1,717,520	576,398	412,597
Current liabilities			
Trade and other payables	**(212,532)**	(70,930)	(95,781)
Net current assets	**1,504,988**	505,468	316,816
Net assets	**3,412,007**	1,262,873	1,194,571
Equity			
Called up share capital	**1,188,161**	884,157	885,162
Share premium account	**6,449,238**	5,033,480	5,035,112
Merger reserve	**131,096**	131,096	131,096
Share option reserve	**160,538**	113,645	133,096
Available for sale revaluation reserve	**482,100**	(153,969)	(115,341)
Foreign currency reserve	**162,231**	45,652	143,279
Accumulated losses	**(5,161,357)**	(4,791,188)	(5,017,833)
Shareholders' funds	**3,412,007**	1,262,873	1,194,571

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 2009	**883,346**	**5,031,655**	**131,096**	**96,051**	**(115,341)**	**135,233**	**(4,696,270)**	**1,465,770**
Loss for the period	-	-	-	-	-	-	(200,108)	(200,108)
Change in fair value	-	-	-	-	(38,628)	-	-	(38,628)
Exchange differences	-	-	-	-	-	15,609	-	15,609
Total comprehensive loss for the period	-	-	-	-	**(38,628)**	**15,609**	**(200,108)**	**(223,127)**
Share issue	811	1,825	-	-	-	-	-	2,636
Share based payments	-	-	-	17,594	-	-	-	17,594
At 31 March 2010	**884,157**	**5,033,480**	**131,096**	**113,645**	**(153,969)**	**150,842**	**(4,896,378)**	**1,262,873**
Loss for the period	-	-	-	-	-	-	(121,455)	(121,455)
Change in fair value	-	-	-	-	38,628	-	-	38,628
Exchange differences	-	-	-	-	-	(7,563)	-	(7,563)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**38,628**	**(7,563)**	**(121,455)**	**(90,390)**
Share issue	1,005	1,632	-	-	-	-	-	2,637
Share based payments	-	-	-	19,451	-	-	-	19,451
At 30 September 2010	**885,162**	**5,035,112**	**131,096**	**133,096**	**(115,341)**	**143,279**	**(5,017,833)**	**1,194,571**
Loss for the period	-	-	-	-	-	-	(143,524)	(143,524)
Change in fair value	-	-	-	-	597,441	-	-	597,441
Exchange differences	-	-	-	-	-	18,952	-	18,952
Total comprehensive profit for the period	-	-	-	-	**597,441**	**18,952**	**(143,524)**	**472,869**
Share issue	302,999	1,414,126	-	-	-	-	-	1,717,125
Share based payments	-	-	-	27,442	-	-	-	27,442
At 31 March 2011	**1,188,161**	**6,449,238**	**131,096**	**160,538**	**482,100**	**162,231**	**(5,161,357)**	**3,412,007**

Consolidated Statement of Cash Flows

for the six months to 31 March 2011

	Six months to 31 March 2011 Unaudited £	Six months to 31 March 2010 Unaudited £	Twelve months to 30 September 2010 Audited £
Operating activities			
Operating loss	**(145,122)**	(200,621)	(322,550)
Issue of shares in lieu of net wages	**-**	2,637	5,273
Depreciation charge	**2,222**	994	2,037
Impairment charge	**-**	69,134	69,134
Share based payment charge	**27,442**	17,594	37,045
Decrease/(increase) in receivables	**(62,213)**	6,957	9,833
Increase/(decrease) in payables	**116,751**	(5,701)	19,150
Net cash outflow from operating activity	**(60,920)**	(109,006)	(180,078)
Investing activities			
Interest received	**1,598**	513	987
Purchase of intangible assets	**(388,275)**	(94,292)	(169,394)
Purchase of property, plant & equipment	**(26,030)**	(706)	(706)
Net cash outflow from investing activity	**(412,707)**	(94,485)	(169,113)
Financing activity			
Issue of share capital (net of expenses)	**1,717,125**	-	-
Net cash inflow from financing activity	**1,717,125**	-	-
Net (decrease)/increase in cash and cash equivalents	**1,243,498**	(203,491)	(349,191)
Cash and cash equivalents at start of period	**370,334**	725,080	725,080
Exchange differences	**(788)**	9,670	(5,555)
Cash and cash equivalents at end of period	**1,613,044**	531,259	370,334

Notes to the Interim Statement

1. Basis of preparation

The interim financial statements are unaudited and do not constitute statutory accounts as defined within the Companies Act 2006.

The interim financial statement has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and their interpretations adopted by the International Accounting Standards Board (IASB). As is permitted by the AIM rules the directors have not adopted the requirements of IAS34 "Interim Financial Reporting" in preparing the financial statements. Accordingly the financial statements are not in full compliance with IFRS. The accounting policies used in the preparation of the interim financial information are the same as those used in the Company's audited financial statements for the year ended 30 September 2010.

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, project specific financing will be required.

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 realize 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 2011 Unaudited	Six months to 31 March 2010 Unaudited	Twelve months to 30 September 2010 Audited
Loss for the period (£)	**(143,524)**	(200,108)	(321,563)
Weighted average shares in issue (No.)	**106,216,216**	88,362,279	88,408,966
Basic loss per share (pence)	**(0.14)**	(0.23)	(0.36)

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 2011 the following share issues took place:

An issue of 29,999,994 1.0p ordinary shares at 6.0p per share, by way of a placing, for a total consideration of £1,710,000 net of expenses (15 December 2010).

An issue of 300,000 1.0p ordinary shares at 2.14p per share, by way of a warrant exercise, for a total consideration of £7,125 (22 February 2011).

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