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## **TERTIARY LIFTS SHARE SUSPENSION AND PROVIDES UPDATE ON GHURAYYAH LICENCE PROGRESS**

- **New Exploration Licence Application Being Processed in Saudi Arabia**
  - **JV Agreement Amended To Accelerate Saudi Partners' Financial Contributions**
  - **Niobium Now Major Metal Of Value After Threefold Price Rise Since Suspension**
  - **New Local Joint Venture Operating Vehicle To Be Set Up**
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Tertiary Minerals plc ("Tertiary" or "the Company") is pleased to announce the immediate lifting of the voluntary suspension of its shares from trading on AIM and provide an update on its Ghurayyah tantalum-niobium project in Saudi Arabia in respect of issues relating to the renewal of its exploration licence.

The Company has agreed a course of action with its Saudi joint venture partners and with the Deputy Ministry for Mineral Resources in Saudi Arabia ("DMMR", the administrative authority overseeing mineral licences in Saudi Arabia) which the Company now expects will result in the issue of a new exploration licence over the Ghurayyah tantalum and niobium deposit in NW Saudi Arabia and ultimately in the issue of a mining licence.

Tertiary has applied, together with its two Saudi joint venture partners, and on the recommendation of the DMMR, for a new 5-year renewable exploration licence for a 47 km<sup>2</sup> area covering the Ghurayyah deposit and the surrounding area. This licence application is in the joint names of: Tertiary (Middle East) Ltd - a wholly-owned subsidiary of the Company (50%); AH Algosabi Bros Co (25%); Al Nahla Trading & Contracting Co (25%). The Mining Code provides that the holder of an exploration licence is entitled to apply for a mining licence over any commercially exploitable deposit.

The application is being processed by the DMMR, but the licence has not yet been issued. The licence application covers tantalum and niobium, the main metals of economic interest at Ghurayyah, and associated non-radioactive minerals. It does not include uranium as the Saudi Government does not wish to license that material for production at the present time. The Company's previous economic evaluations of the deposit have considered revenue from tantalum, niobium and zircon only.

The Company believes that the new Ghurayyah exploration licence will be issued in due course, although the terms and conditions it may contain relating to the processing of radioactive minerals are as yet unclear.

In order to strengthen the relationship between the Company and its investment partners the existing joint venture agreement between Tertiary and its Saudi partners has also been amended by a Deed of Variation which speeds up the remaining US\$5m funding of the current feasibility studies at Ghurayyah. The two Saudi joint venture partners will accelerate their future earn-in contributions to the project and, together with Tertiary, form a local (Saudi) joint venture operating vehicle.

The Deed of Variation recognises that, notwithstanding the registered interests in any new licences when granted, the beneficial interests in such licences will be held from time to time according to the terms of the Joint Venture Agreement - Currently the Company holds the 100% beneficial interest until such time as the future earning obligations of the partners are met in full.

*“Work on the project feasibility studies, outside of Saudi Arabia, has continued steadily throughout the suspension period and we hope to issue a progress report shortly. Whilst the suspension has been a period of unwelcome uncertainty for shareholders, I am pleased that our licence application is being progressed and that we have advanced the relationship with our Saudi joint venture partners.”* comments Company Chairman Patrick Cheetham.

### **Tantalum/Niobium Markets/Prices**

In previous economic evaluations at Ghurayyah, tantalum and niobium revenues have been approximately equal. However, niobium is currently the main metal of value as its trading price has increased more than three-fold in the past six months. Tantalum prices are also starting to increase after a period of consolidation.

## **Background**

### **Ghurayyah Project**

The Ghurayyah deposit is located in the north west part of Saudi Arabia near the city of Tabuk. It is some 50km from the Red Sea coast and is accessible by vehicle, being approximately 15km from a major highway.

Ghurayyah is a world-class deposit containing valuable tantalum, niobium, zirconium and yttrium with a last estimated Inferred Mineral Resource of nearly 400 million tonnes grading 245 grammes/tonne (0.024%) tantalum pentoxide ( $Ta_2O_5$ ), 2,840 grammes/tonne (0.28%) niobium pentoxide ( $Nb_2O_5$ ), 8,915 grammes/tonne (0.89%) zirconium oxide ( $ZrO_2$ ), and 1,270 grammes/tonne (0.13%) yttrium oxide ( $Y_2O_3$ ).

Tantalum is used in capacitors in the electronics industry and niobium in stainless steel alloys. Zircon and Yttrium are used in the ceramics and electronics industries.

The deposit is a circular plug of granite nearly 1 kilometre wide that is uniformly mineralised throughout. It outcrops in five hills above the surrounding dried up river bed and continues to an average depth of 250m below surface. Mineralisation is open to expansion at depth.

A detailed economic and technical scoping study suggests the deposit has commercial potential as a future source of supply of tantalum, niobium and other non-radioactive raw materials and at an extraction rate of 1.5 million tonnes/year would have a mine life of over 200 years. A preliminary feasibility study is in progress.

Details of the markets for the metals of interest at Ghurayyah are given in the Company's 2006 Annual Report which can be found at <http://www.tertiaryminerals.com/reports.htm>

### **Suspension**

The Company's original exploration licence at Ghurayyah was granted in January 2002 for an initial term of five years renewable for a further period of up to 4 years. This licence covered tantalum, niobium, zircon, uranium, tin, rare-earths and associated minerals.

The original Ghurayyah Exploration Licence was granted under the then current mining code (law) (“the Old Code”) which was replaced in January 2005 with a new updated mining code (“the New Code”) which recognised and contains transitional provisions relating to licences granted under the Old Code.

In December 2006 the Company applied for a renewal of its exploration licence under the terms of its issue under the Old Code and the transitional provisions of the New Code. In December 2006 it also applied for a new Mining Licence under the New Code.

The decision to voluntarily suspend the Company's shares in January this year was made immediately following notification from DMMR that the Company's applications for a renewal of its Exploration Licence and for a Mining Lease over the Ghurayyah deposit in Saudi Arabia have been rejected due to alleged non-compliance with the technicalities of the conditions of application and renewal.

The Company believed and continues to believe, that it has fulfilled its obligations under the terms of its Exploration Licence and that it was entitled to a renewal under its terms of issue and that the licence also grants the right to obtain a Mining Lease. However, following discussions with its Saudi investment partners the Company elected to seek a mutually acceptable solution with DMMR to retain its interest in Ghurayyah. Consequently, and acting on recommendations from DMMR, the Company and its investment partners submitted the joint application referred to above in February 2007 with supplementary submissions being made since then.

For further information:

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