

AIM Announcement

Date 24 May 2013

TERTIARY MINERALS PLC
www.tertiaryminerals.com
("the Company")

Subscription for Ordinary Shares and Equity Swap

Tertiary Minerals plc ("the Company"), the AIM traded company building a strategic position in the fluorspar sector, is pleased to announce that it has entered into a Subscription Agreement and, separately, an Equity Swap Agreement with YA Global Master SPV, Ltd. ("YAGM").

HIGHLIGHTS:

- ❖ YAGM has subscribed for a total of 23,636,364 new ordinary shares in the Company at a price of 5.5p per share and therefore for £1.3 million in aggregate.
- ❖ Separately the Company and YAGM have entered into an equity swap agreement over 11,818,176 of the Subscription Shares.
- ❖ YAGM has agreed restrictions on the volume of ordinary shares in the Company that it can trade from time to time.

Commenting today, Executive Chairman Patrick Cheetham said *"This structured fundraising provides the Company with an immediate and significant injection of capital that will allow the Company to continue with the development of its key fluorspar projects, namely the Preliminary Feasibility Study (PFS) and environmental base-line sampling at Storuman in Sweden and the recently announced drilling programme at the MB Fluorspar Project in Nevada. At the same time, the amount that we ultimately receive from YAGM under the Equity Swap Agreement will be geared to the share price over the next twelve months rather than the current market price"*.

Subscription Agreement

YAGM has subscribed for a total of 23,636,364 new ordinary shares in the Company ("the Subscription Shares") at a price of 5.5p per share ("the Subscription Price") and therefore for £1.3 million in aggregate.

The Company agreed that a subscription fee would be payable to YAGM of £130,000, which the Company has elected to satisfy by the issue of a further 2,363,636 new ordinary shares in the Company ("the Fee Shares").

Completion of the Subscription Agreement is conditional on admission of the Subscription Shares and the Fee Shares to trading on AIM of the London Stock Exchange. Application will be made for the admission of the Subscription Shares and the Fee Shares (being 26,000,000 new ordinary shares in aggregate) to trading on AIM ("AIM Admission") and it is expected that AIM Admission will occur and that trading in the new ordinary shares will commence on AIM at 8.00 am on Friday, 31 May 2013.

The Subscription Shares and the Fee Shares will rank pari passu in all respects with the Company's existing issued ordinary shares.

Equity Swap Agreement

The Company and YAGM have entered into an Equity Swap Agreement ("the Equity Swap Agreement") over 11,818,176 of the Subscription Shares ("the Swap Shares"). In return for a payment by the Company to YAGM of £400,000 ("the Initial Escrowed Funds"), twelve monthly settlement payments in respect of such payment will be made by YAGM to the Company, or by the Company to YAGM, based on a formula related to the difference between the prevailing market price (as defined in the Equity Swap Agreement) of the Company's ordinary shares in any month and a 'benchmark price' that is 5% above the Subscription Price. Thus the funds received by the Company in respect of the Swap Shares will be dependent on the future price performance of the Company's ordinary shares.

The Initial Escrowed Funds will be deposited into an escrow account ("the Escrow Account") and the subsequent monthly settlement payments will be managed through the Escrow Account under the terms of the Equity Swap Agreement.

The Company has given YAGM customary warranties under the Subscription Agreement and the Equity Swap Agreement and indemnities under the Equity Swap Agreement. YAGM may elect to terminate the Equity Swap Agreement and accelerate the payments due under it in certain circumstances. The Company may pause a monthly payment under the Equity Swap Agreement once in each six month period.

YAGM has agreed that it and its affiliates will refrain from holding any net short position in respect of the Company's ordinary shares and has agreed restrictions on the volume of ordinary shares in the Company that it can trade from time to time until the expiry of earlier termination of the Equity Swap Agreement.

Following AIM Admission, the Company's enlarged issued share capital will comprise 161,766,214 ordinary shares. The Company does not hold any shares in treasury. This figure of 161,766,214 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Following the issue of the Subscription Shares and the Swap Shares, YAGM will be interested in 26,000,000 ordinary shares in the Company, representing 16.1% of the issued share capital.

ENQUIRIES:

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