Tertiary Minerals plc

("Tertiary" or "the Group" or "Company")

13 December 2012

Audited Results for the year to 30 September 2012

Tertiary Minerals plc, an AIM-quoted mineral exploration and development company building a significant strategic position in the fluorspar sector is pleased to announce audited results for the year ended 30 September 2012.

Key Points:

- **Positive outlook for fluorspar market supported by Chinese policy initiatives to preserve domestic resources for domestic consumption.**
- **Maiden JORC Mineral Resource for Lassedalen - 4 million tonnes grading 25% fluorspar.**
- **Positive Scoping Study completed for Lassedalen.**
- **Prefeasibility studies and environmental permitting studies progressing at Storuman.**
- **Acquisition of MB Project in Nevada in line with strategy to develop long life fluorspar resources in strategic locations with favourable mining jurisdictions.**
- **Due diligence review of MB Project demonstrates world class potential.**
- **£10 million Equity Finance Facility agreed with Darwin Strategic.**

Commenting, Patrick Cheetham, Executive Chairman, said: "I am pleased to be reporting significant progress throughout the year. We end the year with three advanced fluorspar projects in the two largest fluorspar market areas in the world outside of China. The latest acquisition in Nevada USA shows world class potential and complements our more advanced projects in Northern Europe."

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About Tertiary Minerals plc

Tertiary Minerals plc (ticker symbol 'TYM') is an AIM-quoted mineral exploration and development company building a significant strategic position in the fluorspar sector. Fluorspar is an essential raw material in the chemical, steel and aluminium industries. Tertiary controls two significant Scandinavian projects (Storuman in Sweden and Lassedalen in Norway) and a large deposit of strategic significance in Nevada USA (MB Project).

Shares in the Company trade on AIM. EPIC: "TYM".

http://www.tertiaryminerals.com

Chairman's Statement

I have great pleasure in presenting the Company's results for the year ended 30 September 2012 and to report another year of significant progress towards realising our ambition to become an important supplier of fluorspar to European and US markets. It was a year in which we expanded our project interests into the USA with the acquisition of a potentially major deposit of fluorspar in Nevada.

In 2012, despite a slowdown in growth in China, we have seen a continuation in the decline in Chinese fluorspar exports to world markets as Chinese Government policies, aimed at preservation of domestic resources for domestic consumption, take effect. China's fluorspar policy is to restrict fluorspar raw material exports by consolidating mine supply and down-stream fluorine chemical production into a number of vertically integrated fluorine chemical manufacturers. China, now the world's largest consumer of fluorspar, is likely to become a net importer in future years.

This has helped to support fluorspar prices but with western economies stagnant in 2012 it is not surprising that fluorspar markets have weakened this year with prices for acid grade fluorspar coming off their highs in 2011. Nevertheless fluorspar prices remain well above the levels at which our various projects are economically attractive and we remain confident that in the longer term price trend will recover with demand.

Consequently Chinese exports of acid grade fluorspar, the essential raw material for the fluorine chemical industry, continue to decline and western consumers are looking to new sources of raw material supply. This is driving the Company's strategy and objective to become a reliable long term supplier of fluorspar, supporting the fluorine chemical supply chain through development of fluorspar mining projects in stable, democratic and mining friendly jurisdictions.

Against this very positive back-drop, I am pleased to report that the Company has also made considerable progress at its Storuman fluorspar project in Sweden during the year.

Storuman Fluorspar Project

At Storuman the Company is continuing with preliminary feasibility and permitting studies for the development of its 28 million tonne fluorspar resource. We are targeting production of 100,000 tonnes per year of acid grade fluorspar from an open pit mine starting in 2016. A mining operation on this scale would be a medium scale producer in world terms and the deposit is large enough to underpin a later expansion of production.

Work in 2012 has focused on extended development and testing of the metallurgical process on the Lower Zone mineralisation aimed at production of an acid grade fluorspar product at a more favourable, coarser, grain size than was obtained in previous testwork. This has already been achieved for samples from the Upper Zone mineralisation with very high recoveries.

The extended metallurgical programme has delayed the award of the pre-feasibility engineering study but environmental baseline studies, which determine the overall timeline to production, continue on schedule.

Lassedalen Fluorspar Project

The definition of a robust maiden Mineral Resource at Lassedalen earlier this year (4 million tonnes grading 25% fluorspar) added 1 million tonnes of fluorspar to the Company's resource base, now 3.8 million tonnes of contained fluorspar across the two projects.

The resource estimate provided a platform for a preliminary technical and economic scoping study for development of Lassedalen which indicated that an underground mine and processing plant is commercially viable, giving the Company confidence to progress the Lassedalen project to the next stage of development where the priority is further drilling and resource expansion.

Nevada Fluorspar Project

In September this year the Board announced a 50 year renewable lease agreement and option to purchase the MB Fluorspar Project in Nevada USA and the start of a three month due diligence review.

As announced at the end of November, that review resulted in the recovery and compilation of a large volume of historic exploration data that clearly defines a major fluorspar deposit with widespread thick and flat-lying zones of open-pit mineable fluorspar mineralisation, not bottomed by the majority of drilling carried out to-date.

I believe that the MB Project is an exciting opportunity with potential for definition of a world class deposit.

Sunrise Resources plc

The Company has retained its shareholding in Sunrise Resources plc (formerly Sunrise Diamonds plc) and although the value of this shareholding shows an increase in the accounting period, it has fallen since and its share price remains volatile.

Financials

I am pleased to be able to report that the Company has, despite very difficult capital conditions throughout 2012, been able to raise the funds necessary to make significant advances on its projects during the year. The Company was also able to secure a £10 million equity finance facility with Darwin Strategic and will use this judiciously when appropriate and as market conditions allow.

The Group reported a loss of £494,945 for the year (2011: £289,673). The audited financial statements are prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union.

Annual General Meeting

At the next Annual General Meeting shareholders will be asked to renew the usual share issue authorities and I hope you will once again support the Board in putting these in place.

As in 2011, both of the non-executive Directors are offered for re-election this year as they are no longer considered "independent" under the UK Corporate Governance Code, both having served the Company for more than 9 years. Whilst we recognise the need to strengthen and refresh the Board in the future, I consider that their continuing contribution represents value for money that is hard to replace.

Richard Clemmey was appointed to the Board during the year as full time Operations Director and is therefore offered for re-appointment.

I commend the various re-elections to you.

Conclusions

Despite good progress during the year, difficult market conditions persist and it is frustrating that our value creating achievements are not always reflected in the Company's share price performance. Nevertheless we are pleased that we have been able to secure access to capital for the immediate future and to continue the realisation of our strategic objectives.

Your Board is working hard to build a wider appreciation of the value of the business we are building for our shareholders and stakeholders.

We look forward to an exciting year ahead.

Patrick Cheetham
Executive Chairman

Operating Review

In 2012 the Company continued to expand the resource base for its Scandinavian fluorspar projects with the completion of a JORC compliant Mineral Resource Estimate and a positive scoping study for the Lassedalen fluorspar project in Norway. Preliminary feasibility and permitting studies are continuing at Storuman in Sweden and a major new strategic fluorspar project acquisition has been made in Nevada USA.

FLUORSPAR PROJECTS

About 6 million tonnes of fluorspar are used annually. Of this, 60% is produced as acid-grade fluorspar in the manufacture of hydrofluoric acid (HF) and derivative fluorine chemicals including refrigerant gases (fluorocarbons), fluoropolymers (e.g. Teflon™), and aluminium trifluoride (a flux used in the reduction of alumina to aluminium) and 40% is produced as metallurgical grade fluorspar for use as a flux in the iron and steel industry. There are also a number of smaller but nonetheless important uses for fluorine – for example as LiPF6 electrolyte in Lithium-ion batteries, via UF6 in the manufacture of nuclear fuel, in petroleum cracking and in pharmaceuticals where over 50% of new drugs include fluorine in their formulations.

Storuman Fluorspar Project, Sweden

The Company's 100% owned Storuman project is located in north central Sweden and is linked by the E12 highway to the port city of Mo-i-Rana in Norway and by road and rail to the port of Umeå on the Gulf of Bothnia.

Preliminary Feasibility Study Progressing
At Storuman, which hosts a 28 million tonne fluorspar resource, the Company is engaged in a preliminary feasibility study based on an open pit mine producing 100,000 tonnes per year of acid grade fluorspar (>97% CaF_2 and less than 1% silica) from two mineralised zones. A scoping study was completed in 2010.

A mining operation on this scale would be a medium scale producer in world terms and the deposit is large enough to consider a later expansion of production.

Consultants have been selected for the various aspects of the prefeasibility study, including hydrological, hydrogeological and tailings disposal studies. A transport and logistics study is ongoing with support and input from the Swedish Government funded Nordic Logistics Centre.

Tenders have now been received for the main part of the study which will draw together these external component studies and include the main mine design, engineering design, capital and operating costs estimation. This major study is expected to be awarded in early 2013 for completion by the end of 2013.

Of particular significance was the opening this year of a new railhead facility completed in Storuman with a direct link to the wharf at Umeå port and this export facility could result in significant transport and capital costs savings for the Project.

Metallurgical Testwork
An important component of the preliminary feasibility study is the design of the process flow-sheet, which will be based on the results of the metallurgical testwork underway.

The Scoping Study, which indicated very positive financial returns, was based on a flow-sheet that assumed blending and fine grinding the ore from the Upper and Lower ore zones based on testing a composite of the two zones. The PFS testwork programme is evaluating the different metallurgical characteristics of the two ore zones separately and aims to produce acid-grade fluorspar at a coarser grind size as this will bring further financial benefits in terms of lower grinding energy costs as well as a wider customer base for the product. This testwork has been progressing throughout 2012.

Excellent results have been obtained from the Upper Zone (approx. 40% of deposit) where fluorspar meeting the above acid grade chemical specifications has been produced with very high recoveries (>90%). Work is currently focused on the Lower Zone (approx. 60% of deposit) and aims to improve recovery at coarser product sizing which can be an important specification for some fluorspar consumers.

Testwork on the Lower Zone needs to be completed before the process flow-sheet can be defined to support the engineering studies and capital and operating cost estimates. The work will determine whether the two mineralised horizons are best blended or processed separately through a concentration plant.

Mine & Environmental Permitting Studies Continuing
Base line environmental sampling, which commenced last year, has continued this year in order to establish the two year record considered necessary for the submission of an environmental management plan and permit application.

Various component studies for the permit application have been completed including archaeological, reindeer herding studies and other socio-environmental studies. The Company hosted its first public information meeting in May 2012 and it continues its dialogue with the local reindeer herding community leaders, in order to develop mutual understanding and trust.

The current objective is to submit a mining lease application and environmental permit application by the end of 2013. Mine construction is targeted to start in 2016.

Lassedalen Fluorspar Project, Norway

The Lassedalen Fluorspar Mine is favourably located near Kongsberg, 80km to the south-west of Oslo in Norway. It is less than 1km from highway E134 and approximately 50km from the nearest Norwegian port. It is well placed for European export markets as well as an important established market within southern Norway where fluorspar is used to manufacture aluminium fluoride for use in Norway's large hydro-powered aluminium smelting and refining industry.

During 2012 the Company completed a JORC compliant Mineral Resource Estimate and a positive technical and economic scoping study for development of the project.

Maiden Mineral Resource Estimate
In January this year SRK Consulting (Sweden) AB ("SRK") delivered their JORC compliant Inferred Mineral Resource Estimate of ***4 million tonnes grading 24.6% fluorspar (CaF_2).***

The Mineral Resource Estimate is based on a database that includes geological and other data from 29 surface drill holes drilled by Norsk Hydro A/S in the 1970s, historic assay data from 26 of these holes and recent assay data generated by the Company from re-logging and re-sampling of 23 of the surface drill holes carried out in 2011. The database also includes drill sampling data from an underground development level established 50m below surface during World War II.

The Company considers that mineralisation at Lassedalen has not been closed off by the historical drilling along strike or at depth and that there is good potential for the discovery of additional mineralisation.

Positive Technical & Economic Scoping Study Completed
In April 2012 the Company commissioned Wardell Armstrong International Ltd. (WAI) to undertake a preliminary technical and economic evaluation of the Lassedalen project utilising the SRK Mineral Resource Estimate.

The study envisaged an underground mine and surface plant processing an average of 543,000 tonnes of ore per year and producing 100,000 tonnes per year of acid grade fluorspar concentrate.

WAI also carried out a programme of metallurgical testwork (bench scale) during which acid grade fluorspar concentrate has been produced. The testwork formed the basis of the mineral processing flowsheet whereby ore is processed using three stage crushing, ball milling, pre-flotation of the sulphide minerals and flotation of the fluorite to produce acid grade fluorspar (97.5% CaF_2).

A pre-tax cashflow model was generated for the project by using the study's estimates for capital expenditure and annual operating expenditure for the life of mine production schedule which have been estimated to a cost accuracy of +/-35%.

Initial capital costs were estimated to be US$78 million and for the purpose of the study, a selling price for acid grade fluorspar of US$491 per tonne CIF Rotterdam was assumed based on the average mid-market price in the years 2009, 2011 and 2012 (leaving out 2010 which was heavily affected by the global financial crisis).

The study's financial model indicates a Net Present Value for the project of $31.6 million and a pre-tax Internal Rate of Return of 20.2% over a 6.6 year mine life.

The project is therefore considered sufficiently robust to support progress of the Lassedalen project to the next stage of development. The first priority will be additional drilling to identify additional resources along strike and down dip.

A plan and timetable for environmental permitting has been completed and a programme of engagement initiated with local government bodies.

New MB Fluorspar Project, Nevada USA

As part of its strategy to become a significant global player in the strategically important fluorspar mining business, Tertiary Minerals announced in September 2012 a lease agreement and option to acquire a group of mining claims in Nevada ("the MB Property"), western USA which has potential to host a major fluorspar deposit with world class potential.

The MB Property claims are located 19km southwest of the town of Eureka in central Nevada, USA. Eureka, on US Highway 50, is the administrative centre for Eureka County. Nevada is long recognised as one of the most attractive mining jurisdictions in the world and the most attractive in the USA. 85% of Eureka's inhabitants are employed in the mining industry.

The lease of the MB Property is in line with the Company's strategy to acquire and develop long-life fluorspar mining assets in stable, democratic, mining friendly jurisdictions.

The US Government considers fluorspar to be a strategic mineral. There is a large market for fluorspar in the US and around the Pacific Rim, but currently no significant US production.

Review of Historic Exploration Results Defines Major Deposit of Fluorspar

The MB Property was explored in the 1960s by Union Carbide for beryllium and subsequently for different commodities by a number of different companies including Asarco, Bear Creek Mining, U.S. Borax, Amselco, Arimetco and Homestake. A total of 108 drill holes were completed.

Over the past three months the Company has been able to source all of the drill results for previous explorers, which although mainly exploring for other commodities, included fluorspar (fluorine) in their analyses. The data includes a report by Asarco which refers to a tonnage-grade estimate of 110 million tonnes grading 10% CaF_2. All of the Asarco drilling falls within the property. Drilling carried out after Asarco included even deeper drilling by Bear Creek Mining which shows that fluorspar mineralisation was continuing at the end of holes nearly 400m deep.

Significant drilling results extend over an area of ***1.5km by 1.5km with drill intersections both from surface and at depths of up to 400m. Drill intersections in the range of 20-130m thick grading c.10% fluorspar are numerous and the majority of such holes ended in fluorspar mineralisation.*** Higher grade intersections are also reported ***e.g. 13.7m grading 21.3% CaF_2 from 44.20m in Asarco hole A10 and 14.9m grading 20.6% CaF_2 from 331 metres in Bear Creek hole BC11.***

Mineralisation on the property remains open in most directions and at depth.

In addition to compiling and reviewing historical data the Company has carried out a legal compliance review of the claims and staked a further 49 claims to extend the property. The MB Property now comprises 89 contiguous unpatented mining claims covering an area of 1,712 acres.

Geology & Style of Mineralisation

At the MB Property flat lying fluorspar mineralisation occurs as a skarn-type replacement of flat lying limestone beneath a quartzite cap. The source of the mineralising fluids in skarn systems is usually a granite intrusive and mineral grades tend to increase where fluid flows are focused or pooled – for example at impermeable barriers such as the overlying quartzite. The style of mineralisation also tends to change with distance from the source intrusion and is often higher grade, sometimes with associated base or precious metal mineralisation, proximal to the source granite and lower grade in more distal zones. The source granite has not been intersected and so there is an exciting additional target for high grade mineralisation in proximal zones yet to be tested by drilling.

The Next Step

The Company has been unable to locate drill core or other drill samples from the project; they may not have been preserved. Consequently the Company is not currently in a position to carry out any re-sampling of historic samples to generate comparative data that would allow the historical results to be used in a modern estimate of a Mineral Resource to a recognised standard. However, it is anticipated that the available data is sufficiently detailed to allow a tonnage-grade estimate to be produced and classified as an Exploration Target under JORC. Quotations are now being obtained for this work.

It is anticipated that only limited infill drilling will then be needed to define a JORC Compliant Mineral Resource.

OTHER PROJECTS

Finland Gold Project
The Company's gold projects in Finland include the Kaaresselkå and Kiekerömaa gold prospects in the Lappland Greenstone Belt. This belt hosts a number of advanced gold projects and two operating gold mines including the six million ounce Kittila Gold mine operated by Canadian major, Agnico Eagle Mines.

Drilling was carried out last year and applications were made in 2012 to extend the life of the exploration claims. A decision is awaited.

Rosendal Tantalum Project
In November 2012 the Company's exploration licence application was granted after a four year application period.

The Rosendal project was evaluated by Tertiary Minerals in 2002 when drilling and resource estimation was carried out and preliminary feasibility studies ("PFS") commenced.

A pegmatite hosted JORC compliant Minerals Resource of 1 million tonnes grading 255ppm tantalum pentoxide (Ta_2O_5) was defined, open at depth. The majority of the pegmatite comprises sodium feldspar which is used in the manufacture of glass, glazes and in other industrial applications. Tantalum is used mainly in electronic applications.

The PFS evaluation considered production of tantalum only using the 2002 prevailing tantalite price of US$35-40/lb Ta_2O_5. It showed the project to be marginal and no further work was carried out. Since 2002, the price for tantalite has increased 4-fold and is now being sustained in the range $120-130/lb Ta_2O_5. A Scandinavian source of tantalum could be well received as tantalite buyers and consumers of tantalum metal now seek ethically sourced, conflict-free supplies in compliance with the requirements of the 2011 US Dodd-Frank Wall Street Reform and Consumer Protection Act. The Company will now determine how best to valorise the project.

Sivakkalehto Project, Finland
This project is a legacy from the Company's exploration for Iron-Oxide-Copper-Gold exploration at Kolari in northern Finland. A legacy claim application has now been refused on the grounds that an exception to the statutory 5-year moratorium on new claim applications over the area of the Company's previous claim holding was not, in this case, justified.

No news has been received during the year from Saudi Arabia regarding the progress of the Company's ***Ghurayyah*** exploration licence application.

Fluorspar Market Summary

The current global demand for fluorspar is around 6 million tonnes per year. Acidspar represents the largest share of the fluorspar market by volume, with current demand being around 3.5 million tonnes per year, and also has the highest value added concentrate in terms of price per tonne. The two primary uses of acidspar are:

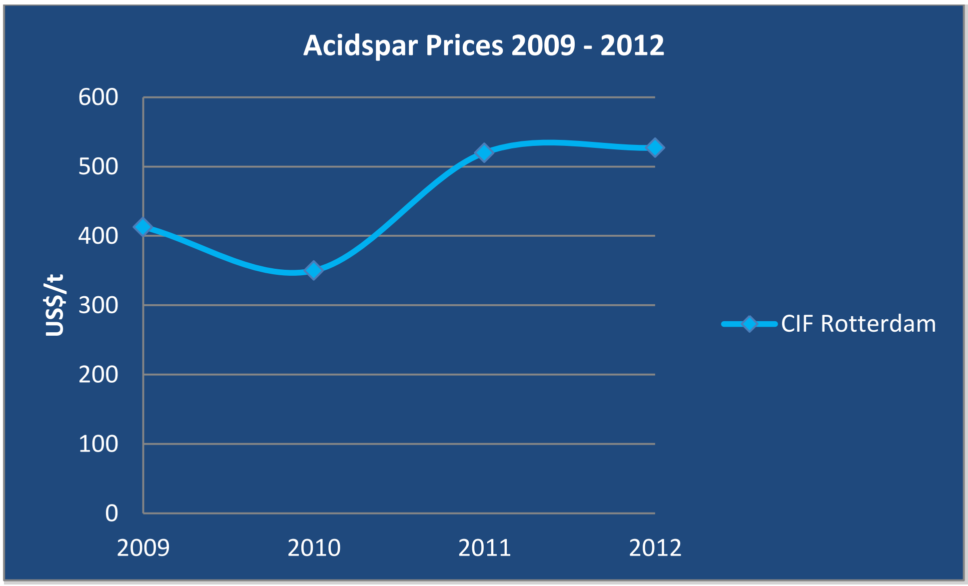
- The manufacture of Aluminium Fluoride (AlF_2) which is used as a flux in the aluminium manufacturing process.

- The manufacture of Hydrogen Fluoride (HF) with the largest use of the HF being the manufacturer of Refrigerant gases.

The global supply and demand for fluorspar has seen steady growth over the decade 1998 to 2008. In 2009 the global financial crisis contributed to a contraction in acidspar supply and demand but has since recovered with demand steadily rising.

China is the leading producer of acidspar representing over 50% of the total output. However during the last decade there has been a continued trend of reducing Chinese acidspar exports. This significant reduction in exports is due to a combination of growth in internal demand and China's Government policies aimed at guaranteeing domestic supply and to protect limited reserves. As the downstream value added fluorspar consumer industry continues to grow this could result in China becoming a net importer of fluorspar in the future.

The changing supply-demand dynamics of fluorspar over the last few years has seen overall prices steadily increasing and even through the recent global financial crisis where price levels dropped, they still remained relatively strong.



Source: Industrial Minerals

The largest acidspar consuming regions outside of China are Western Europe, Canada and the USA, collectively importing more than 980,000 tonnes of acidspar per year. The uncertainty of Chinese acidspar supply has resulted in increasing pressure on these regions to secure long term sources and recent upstream Merger and Acquisition integration in the industry reflects this position.

The changing fluorspar supply and demand dynamics has been recognised by the European Commission (EC) who in 2010 classified fluorspar as 1 of the 14 critical raw materials, where the high risk of supply shortage has been identified and the subsequent impact on the economy is higher compared with most of the other raw materials.

Fluorspar is sold on contract and traded globally. The China export price for acidspar is a traditional benchmark price and, at the end of November 2012 was published as $400-415/tonne and the equivalent price delivered into Europe (CIF Rottedam) was US$500-530/tonne.

Financial & Risk Review

Financial Review

The Group reports a loss of £494,945 for the year (2011: £289,673) after administration costs of £466,211 (2011: £282,181)and after crediting interest of £4,050 (2011: £5,114). The loss includes expensed pre-licence and reconnaissance exploration costs of £32,784 (2011: £12,606). Administration costs include as non-cash costs the value of certain options and warrants held by employees and others as required by IFRS 2.

Administration overhead costs have been shared with Sunrise Resources plc, to the benefit of both companies. This cost sharing is continuing.

The Group is not expected to report profits until it disposes of or is able to profitably develop or otherwise turn to account its exploration and development projects.

Intangible assets in the financial statements total £1,843,349 at year end.

Equity Issues

The Group's exploration activities continue to be funded from capital and in July 2012 a placing of shares raised £500,225 before expenses.

Non-Current Assets

Details of intangible assets, property, plant and equipment and investments are set out in notes 8, 9 and 10 of the financial statements.

Risks

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible.

The principal risks and uncertainties facing the Group at this stage in its development are:

Exploration Risk

The Company's business is mineral exploration and evaluation which are speculative activities and whilst the directors are satisfied that good progress is being made, there is no certainty that the Group will be successful in the definition of economic mineral deposits, or that it will proceed to the development of any of its projects or otherwise realise their value.

Resource Risk

All mineral deposits have risk associated with their defined grade and continuity. Minerals Reserves and Resources are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and metal price assumptions.

Development Risk

Delays in permitting, financing and commissioning a project may result in delays to the Group meeting future production targets. Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.

Mining and Processing Technical Risk

Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, ground water conditions and other geological conditions, may still render a mining and processing operation economically or technically non-viable.

Environmental Risk

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

Financing & Liquidity Risk

Liquidity risk is the risk that the Company will not be able to raise working capital for its ongoing activities. The Group's goal is to finance its exploration and evaluation activities from future cash flows but until that point is reached the Company is reliant on raising working capital from equity markets or from industry sources. There is no certainty such funds will be available when needed.

Political Risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries have enhanced risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

Partner Risk

Whilst there has been no past evidence of this, the Group can be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.

Financial Instruments

Details of risks associated with the Group's Financial Instruments are given in note 2 to the financial statements.

Key Performance Indicators

The Board considers that normal performance indicators are not appropriate measures of the progress of an exploration and development company and refers shareholders to both the detailed information in the Operating Review and this Financial & Risk Review for further information on the Group's progress during the year.

Forward Looking Statements

This Annual Report contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of the approval of the Annual Report. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.

Board of Directors

The Directors and Officers of the Company are:

Patrick Cheetham, aged 52 - Executive Chairman
Mr Cheetham is the founder of the Company. He is a mining geologist with 31 years experience in mineral exploration and 25 years in public company management. Mr Cheetham started his career as an exploration geologist in Australia with Western Mining Corporation and prior to that worked for Imperial Metals Corporation in British Columbia, Canada. From 1986 to 1993 he was joint managing director of Dragon Mining NL, during which time he was responsible for the formation of that company, the identification of and acquisition of its exploration projects, its listing on the Australian Stock Exchange and the subsequent development of its exploration projects. In 1993 Patrick co-founded Archaean Gold N.L. which, in 1996, was the subject of a successful $50 million takeover bid by Lachlan Resources NL. He is currently also Chairman of Sunrise Resources plc.

Richard Clemmey, aged 40 - Operations Director
Mr Clemmey is a Chartered Engineer with more than 20 years of mine/quarry development and management experience. A graduate of the Royal School of Mines in London, Richard spent the first 7 years of his career in the Middle East for Derwent Mining Ltd developing and managing a chromite mining business. On return to the UK Richard has held many senior positions including Operations Manager for Lafarge running their flagship industrial minerals operation in the north of England; General Manager for Hargreaves GB Ltd responsible for their quarrying and recycling operations and UK Operations Manager for Marshalls plc responsible for 8 quarrying operations. Richard returned back to the Middle East working as General Manager for CFE Rock managing their industrial minerals operations in Oman before joining Tertiary Minerals plc in September 2011. He was appointed by the Board to the position of Operations Director in May 2012.

Donald McAlister, aged 53 - Non-Executive Director*
Mr McAlister is a founding director of the Company and has 20 years experience in all financial aspects of the resource industry. He was until recently finance director of Ridge Mining plc. Prior to that he was finance director of Reunion Mining in 1994 having worked previously at Enterprise Oil plc, Texas Eastern N Sea Inc and Cluff Oil Holdings plc. Donald's experience includes the economic evaluation of gold and base metal mines and the arranging of project finance for feasibility studies and mine developments. He has also been involved in the listing of Reunion Mining plc on the Luxembourg and London Stock Exchanges. He is familiar with all financial aspects of resource companies including metal hedging, tax planning and economic modelling. He is currently Finance Director of Mwana Africa PLC.

David Whitehead, aged 70 - Non-Executive Director†
Mr Whitehead is a mining geologist. He joined Tertiary in April 2002 on retiring as Vice-President, Integration, Exploration and Innovation at BHP Billiton Group Plc, having been with the Billiton Group since 1976. As Chief Executive, Exploration and Development of Billiton Plc from 1997, David created and introduced a market oriented and commercial approach to minerals exploration, involving the formation of strategic alliances with junior exploration companies and the leveraging of group capabilities with funding obtained in venture capital markets. Following the merger of Billiton with BHP, David, among other things, led the team responsible for the integration of the two companies' exploration and development groups. He has a broad range of exploration and general mining and management skills, including experience of project development and operating mine management. Mr Whitehead was until recently Chairman of ENK plc.

Colin Fitch LLM, FCIS, Company Secretary
Colin Fitch is a Barrister-at-Law, and was previously Corporate Finance Director of Kleinwort Benson, Partner and Head of Corporate Finance at Rowe & Pitman (SG Warburg Securities) and Assistant Secretary at the London Stock Exchange. He has also held a number of non-executive directorships of public and private companies, including Merrydown Plc. He is currently Company Secretary for Sunrise Resources plc.

***** Chairman of the Audit Committee and member of the Remuneration Committee.

† Chairman of the Remuneration Committee and member of the Audit Committee.

Information from Directors' Report

Principal Activities
The principal activity of the Company is that of a holding company for its subsidiaries. The principal activity of the Group, which comprises the Company and its subsidiaries, is the identification, acquisition, exploration and development of mineral projects. The main areas of activity are Sweden, Finland, Norway, USA and Saudi Arabia.

The Group's exploration activity in Sweden is undertaken through a Swedish registered branch, Svensk filial till Tertiary Gold Limited. In Finland the exploration activity is carried out through a Finnish registered branch, Tertiary Gold Limited, Filial i Finland and in the USA, through a subsidiary, Tertiary Minerals US Inc.

Business Review and Future Developments
The Chairman's Statement together with the Operating Review and the Financial & Risk Review provide detailed information on the development of the Group's business during the year and indications of likely future developments.

Going Concern
In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches, as and when required. When any of the Company's projects move to the development stage, specific project 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 and planned discretionary project expenditures necessary to maintain the Company and Group as going concerns. 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. 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.

Results
The Group's loss for the year was £494,945 (2011: £289,673).

Dividend
The directors are unable to recommend the payment of any ordinary dividend.

Financial Instruments & Other Risks
Details of the Group's Financial Instruments and risk management objectives and of the Group's exposure to risk associated with its Financial Instruments is given in note 20 to the financial statements.

The business of mineral exploration and evaluation has inherent risks. Details of risks and uncertainties that affect the Group's business are given in the Financial & Risk Review.

Directors
The Directors holding office in the period were:

Mr P L Cheetham
Mr D A R McAlister
Mr D Whitehead
Mr R Clemmey (Appointed May 2012)

Shareholders
As at the date of this report the following interests of 3% or more in the issued share capital of the Company appeared in the register:

As at 12 December 2012	**Number of shares**	**% of share capital**
Barclayshare Nominees Limited	16,200,606	12.41
HSDL Nominees Limited	11,023,284	8.44
TD Waterhouse Nominees (Europe) Ltd SMKTNOMS	9,763,999	7.48
Ronald Bruce Rowan	8,000,000	6.13
Patrick Lyn Cheetham	7,533,288	5.77
Goldman Sachs Securities (Nominees) Ltd COSEG	4,903,095	3.75
Ahmed Hamad Algosaibi and Brothers	4.088,548	3.13

Suppliers and Contractors
The Group's policy and payment of creditors will continue unchanged in the next financial year.

Charitable and Political Donations
During the year, the Group made no charitable or political donations.

Accounting Policies
The financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, and their interpretations adopted by the International Accounting Standards Board (IASB). They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Further details of the Group's accounting policies can be found in note 1 of the financial statements.

Statement of Directors' Responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the parent Company's financial statements in accordance with those standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Disclosure of Audit Information

Each of the directors has confirmed that so far as he is aware, there is no relevant audit information of which the Company's Auditor is unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

A resolution to re-appoint PKF (UK) LLP as Auditor of the Company and the Group will be proposed at the forthcoming Annual General Meeting.

Annual Report

The Company's 2012 Annual Report will be published and sent to shareholders in due course and copies will be available to the public, free of charge, from the Registered Office of the Company at Sunrise House, Hulley Road, Macclesfield, Cheshire SK10 2LP and will be downloadable from the Company's website at www.tertiaryminerals.com.

Annual General Meeting

Notice of the Company's Annual General Meeting will be sent out to shareholders with the Annual Report

Corporate Governance

Companies whose shares trade on AIM are not required to make an annual statement to shareholders regarding compliance with the UK Corporate Governance Code. The Company is committed to high standards of corporate governance and the Board seeks to comply with the principles of the UK Corporate Governance Code, insofar as it is appropriate to the Company at this stage in its development.

The Board of Directors currently comprises the Chairman and Chief Executive (in combined role), the Operations Director and two non-executive directors. The Board considers that this structure is suitable for the Company having regard to the fact that it is not yet revenue-earning. However, it is the intention of the Board to separate the roles of Chairman and Chief Executive in future, as projects are developed and financial resources permit.

The two non-executive directors have both served for more than nine years and under the terms of the Code cannot now be regarded as independent. It is proposed that they should continue to seek annual re-election rather than retiring by rotation. The Company has been fortunate to secure the services of Donald McAlister and David Whitehead during that time and both continue to provide valuable advice based on their long experience of the mining industry.

The Board is aware of the need for independent non-executive directors and is considering making additional appointments.

Role of the Board

The Board's role is to agree the Group's long term direction and strategy and monitor achievement of its business objectives. The Board meets four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic and operational matters.

Notwithstanding that the non-executive directors are not considered to be independent under the terms of the Code they are considered by the Board to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Directors have the facility to take external independent advice in furtherance of their duties at the Group's expense and have access to the services of the Company Secretary.

The Board delegates certain of its responsibilities to the Audit, Remuneration and Nomination Committees of the Board. These Committees operate within clearly defined terms of reference.

Audit Committee

The Audit Committee, composed entirely of non-executive directors, meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

Remuneration Committee

The Remuneration Committee also comprises the non-executive directors. The Remuneration Committee meets at least once a year to determine the appropriate remuneration for the Company's executive directors, ensuring that this reflects their performance and that of the Group, and to demonstrate to shareholders that executive remuneration is set by Board members who have no personal interest in the outcome of their decisions.

The Company has in place an Inland Revenue approved share option scheme and also issues warrants to subscribe for shares to directors and employees. The Board is aware that non-executive directors are not considered to be independent under the terms of the Code if they hold warrants to buy shares in the Company and so the Board will be taking advice in 2013 on the terms on which their holdings might be cancelled and replaced by shares or alternative means of remuneration.

Currently the remuneration of the executive directors comprises a basic salary and participation in the issue of warrants. The Remuneration Committee will set performance targets for executives when the Group's projects reach a more advanced stage. Directors' emoluments are disclosed in note 4 to the financial statements and details of directors' warrants are disclosed in note 17.

Nomination Committee
The Nomination Committee comprises the Chairman, Operations Director and the non-executive directors. The Nomination Committee meets at least once per year to lead the formal process of rigorous and transparent procedures for Board appointments and to make recommendations to the Board in accordance with the requirements of the UK Corporate Governance Code and other applicable rules and regulations, insofar as they are appropriate to the Group at this stage in its development.

Conflicts of Interest
The Companies Act 2006 permits directors of public companies to authorise directors' conflicts and potential conflicts, where appropriate and the Articles of Association contain a provision to this effect.

At 30 September 2012, Tertiary Minerals plc held 7.05% of the issued share capital of Sunrise Resources plc and the Chairman of Tertiary Minerals plc is also Chairman of Sunrise Resources plc. Tertiary Minerals plc also provides management services to Sunrise Resources plc, in the search, evaluation and acquisition of new projects.

Procedures are in place in order to avoid any conflict of interest between the Company and Sunrise Resources plc.

Internal Controls & Risk Management
The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

Corporate Social Responsibility
The Board takes regular account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development the Board has not adopted a specific policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of the Group's stakeholders through individual policies and through ethical and transparent actions.

The Company has adopted an Anti-corruption Policy and Code of Conduct.

Shareholders
As set out above, the Board seeks to protect shareholders' interests by following, where appropriate, the guidelines in the UK Corporate Governance Code and the directors are always prepared where practicable, to enter into a dialogue with shareholders to promote a mutual understanding of objectives. The Annual General Meeting provides the Board with an opportunity to informally meet and communicate directly with investors.

Environment
The Board recognises that its principal activity, mineral exploration, has potential to impact on the local environment and consequently has adopted an Environmental Policy to ensure that the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same.

The Group's activities, carried out in accordance with Environmental Policy, have had only minimal environmental impact and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

Employees

The Group encourages its employees to understand all aspects of the Group's business and seeks to remunerate its employees fairly, being flexible where practicable. The Group gives full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Board takes account of employees' interests when making decisions, and suggestions from employees aimed at improving the Group's performance are welcomed.

Suppliers and Contractors

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers. The amount shown in the Consolidated and Company Statement of Financial Position in respect of trade payables at the end of the financial year represents 37 days of average daily purchases (2011: 14 days).

Health and Safety

The Board recognises it has a responsibility to provide strategic leadership and direction in the development of the Group's health and safety strategy in order to protect all of its stakeholders. The Company has developed a health and safety policy to clearly define roles and responsibilities and in order to identify and manage risk.

Publication of Statutory Accounts

The financial information set out in this announcement does not constitute the Company's Statutory Accounts for the period ended 30 September 2012 or 2011. The financial information for 2011 is derived from the Statutory Accounts for 2011. Full audited accounts in respect of that financial period have been delivered to the Registrar of Companies. The Statutory Accounts for 2012 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditor has reported on the 2012 and 2011 accounts. Neither set of accounts contain a statement under section 498(2) or (3) the Companies Act 2006 and both received an unqualified audit opinion. However there was an emphasis of matter in relation to a requirement that the Company raise funds in the future to continue as a going concern.

Consolidated Income Statement
for the year ended 30 September 2012

	Notes	**2012** **£**	2011 £
Pre-licence exploration costs		**32,784**	12,606
Administrative expenses		**466,211**	282,181
Operating loss		**(498,995)**	(294,787)
Interest receivable		**4,050**	5,114
Loss on ordinary activities before taxation	3	**(494,945)**	(289,673)
Tax on loss on ordinary activities	7	**—**	—
Loss for the year attributable to equity holders of the parent		**(494,945)**	(289,673)
Loss per share — basic and diluted (pence)	6	**(0.41)**	(0.26)

All amounts relate to continuing activities.

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2012

	2012 **£**	2011 £
Loss for the year	**(494,945)**	(289,673)
Movement in revaluation of available for sale investment	**69,529**	118,458
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**10,956**	(6,927)
Total comprehensive loss for the year attributable to the equity holders of the parent	**(414,460)**	(178,142)

Consolidated and Company Statement of Financial Position
at 30 September 2012

Company Number 03821411

	Notes	**Group 2012 £**	**Company 2012 £**	Group 2011 £	Company 2011 £
Non-current assets					
Intangible assets	8	**1,843,349**	**—**	1,376,946	—
Property, plant & equipment	9	**15,272**	**12,770**	22,845	19,980
Investment in subsidiary	10	**—**	**4,323,095**	—	3,816,088
Available for sale investment	10	**355,375**	**355,375**	285,846	285,846
		2,213,996	**4,691,240**	1,685,637	4,121,914
Current assets					
Receivables	11	**75,936**	**67,987**	87,970	55,132
Cash and cash equivalents	12	**841,299**	**805,135**	1,178,941	1,125,487
		917,235	**873,122**	1,266,911	1,180,619
Current liabilities					
Trade and other payables	13	**(134,322)**	**(79,183)**	(164,523)	(51,739)
Net current assets		**782,913**	**793,939**	1,102,388	1,128,880
Net assets		**2,996,909**	**5,485,179**	2,788,025	5,250,794
Equity					
Called up share capital	14	**1,305,862**	**1,305,862**	1,188,161	1,188,161
Share premium account		**6,826,760**	**6,826,760**	6,449,238	6,449,238
Merger reserve		**131,096**	**131,096**	131,096	131,096
Share option reserve		**315,688**	**315,688**	187,567	187,567
Available for sale revaluation reserve		**72,646**	**115,171**	3,117	45,642
Foreign currency reserve		**147,308**	**—**	136,352	—
Accumulated losses		**(5,802,451)**	**(3,209,398)**	(5,307,506)	(2,750,910)
Equity attributable to the owners of the parent		**2,996,909**	**5,485,179**	2,788,025	5,250,794

Consolidated Statement of Changes in Equity

Group	Share capital £	Share premium account £	Merger reserve £	Share option reserve £	Available for sale revaluation reserve £	Foreign currency reserve £	Accumulated losses £	Total £
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	—	—	—	—	—	—	(289,673)	(289,673)
Change in fair value	—	—	—	—	118,458	—	—	118,458
Exchange differences	—	—	—	—	—	(6,927)	—	(6,927)
Total comprehensive loss for the year	**—**	**—**	**—**	**—**	**118,458**	**(6,927)**	**(289,673)**	**(178,142)**
Share issue	302,999	1,414,126	—	—	—	—	—	1,717,125
Share based payments	—	—	—	54,471	—	—	—	54,471
At 30 September 2011	**1,188,161**	**6,449,238**	**131,096**	**187,567**	**3,117**	**136,352**	**(5,307,506)**	**2,788,025**
Loss for the period	—	—	—	—	—	—	(494,945)	(494,945)
Change in fair value	—	—	—	—	69,529	—	—	69,529
Exchange differences	—	—	—	—	—	10,956	—	10,956
Total comprehensive loss for the year	**—**	**—**	**—**	**—**	**69,529**	**10,956**	**(494,945)**	**(414,460)**
Share issue	117,700	377,522	—	—	—	—	—	495,222
Share based payments	—	—	—	128,121	—	—	—	128,121
At 30 September 2012	**1,305,861**	**6,826,760**	**131,096**	**315,688**	**72,646**	**147,308**	**(5,802,451)**	**2,996,908**

Company Statement of Changes in Equity

Company	Share capital £	Share premium account £	Merger reserve £	Share option reserve £	Available for sale revaluation reserve £	Accumulated losses £	Total £
At 30 September 2010	**885,162**	**5,035,112**	**131,096**	**133,096**	**(72,816)**	**(2,741,097)**	**3,370,553**
Loss for the period	—	—	—	—	—	(9,813)	(9,813)
Change in fair value	—	—	—	—	118,458	—	118,458
Total comprehensive loss for the year	**—**	**—**	**—**	**—**	**118,458**	**(9,813)**	**108,645**
Share issue	302,999	1,414,126	—	—	—	—	1,717,125
Share based payments	—	—	—	54,471	—	—	54,471
At 30 September 2011	**1,188,161**	**6,449,238**	**131,096**	**187,567**	**45,642**	**(2,750,910)**	**5,250,794**
Loss for the period	—	—	—	—	—	(458,488)	(458,488)
Change in fair value	—	—	—	—	69,529	—	69,529
Total comprehensive loss for the year	**—**	**—**	**—**	**—**	**69,529**	**(458,488)**	**(388,959)**
Share issue	117,700	377,522	—	—	—	—	495,222
Share based payments	—	—	—	128,121	—	—	128,121
At 30 September 2012	**1,305,861**	**6,826,760**	**131,096**	**315,688**	**69,529**	**(3,209,398)**	**5,485,178**

Consolidated and Company Statement of Cash Flows
for the year ended 30 September 2012

	Notes	**Group 2012 £**	**Company 2012 £**	Group 2011 £	Company 2011 £
Operating activity					
Operating loss		**(498,995)**	**(462,402)**	(294,787)	(14,767)
Depreciation charge		**8,100**	**7,210**	5,984	5,540
Impairment charge		**—**	**—**	—	—
Share based payment charge		**128,121**	**128,121**	54,471	54,471
Increase/(decrease) in provision for impairment of loans to subsidiaries		**—**	**762**	—	(250,483)
Decrease/(increase) in receivables	11	**12,035**	**(12,855)**	(45,709)	(16,167)
(Decrease)/increase in payables	13	**(14,944)**	**27,444**	68,742	7,782
Net cash outflow from operating activity		**(365,683)**	**(311,720)**	(211,299)	(213,624)
Investing activity					
Interest received		**4,050**	**3,914**	5,114	4,954
Purchase of intangible assets		**(481,604)**	**—**	(666,855)	—
Purchase of property, plant & equipment	9	**(527)**	**—**	(27,591)	(24,315)
Additional loans to subsidiaries		**—**	**(507,768)**	—	(433,875)
Net cash outflow from investing activity		**(478,081)**	**(503,854)**	(689,332)	(453,236)
Financing activity					
Issue of share capital (net of expenses)		**495,222**	**495,222**	1,717,125	1,717,125
Net cash inflow from financing activity		**495,222**	**495,222**	1,717,125	1,717,125
Net (decrease)/increase in cash and cash equivalents		**(348,542)**	**(320,352)**	816,494	1,050,265
Cash and cash equivalents at start of year		**1,178,941**	**1,125,487**	370,334	75,222
Exchange differences		**10,900**	**—**	(7,887)	—
Cash and cash equivalents at 30 September	12	**841,299**	**805,135**	1,178,941	1,125,487

Notes to the Financial Statements
for the year ended 30 September 2012

Background
Tertiary Minerals plc is a public company incorporated and domiciled in England. It is traded on the AIM market of the London Stock Exchange and its shares also trade on AIM – EPIC: TYM.

The Company is a holding company for a number of companies (together, "the Group") incorporated and domiciled in England. The Group's financial statements are presented in Pounds Sterling (£) which is also the functional currency of the Company.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

1. Accounting policies

(a) Basis of preparation
The financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union. They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board, but have not been adopted, will have a material impact on the financial statements.

(b) Going concern
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, specific project 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 overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. 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 Group and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their 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.

(c) Basis of consolidation
Investments in subsidiaries are valued at the lower of cost or recoverable amount, with an ongoing review for impairment.

The Group's financial statements consolidate the financial statements of Tertiary Minerals plc and its subsidiary undertakings using the acquisition method and eliminate intercompany balances and transactions.

The Group has contractual arrangements with other participants to engage in joint activities that do not create an entity carrying on a trade or business of its own. The Group includes its share of assets and liabilities in such joint arrangements, measured in accordance with the terms of each arrangement, which is usually pro rata to the Group's interest in the joint arrangement.

In accordance with section 408 of the Companies Act 2006, Tertiary Minerals plc is exempt from the requirement to present its own Statement of Comprehensive Income. The amount of the loss for the financial year recorded within the financial statements of Tertiary Minerals plc is £458,488 (2011: £9,813).

(d) Intangible assets
Exploration and evaluation

Accumulated exploration and evaluation costs incurred in relation to separate areas of interest (which may comprise more than one exploration licence or exploration licence applications) are capitalised and carried forward where:

(1) such costs are expected to be recouped through successful exploration and development of the area, or alternatively by its sale; or

(2) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

A bi-annual review is carried out by the directors to consider whether any exploration and development costs have suffered impairment in value and, if necessary, provisions are made according to these criteria.

Accumulated costs where the Group does not yet have an exclusive exploration licence and in respect of areas of interest which have been abandoned, are written off to the income statement in the year in which the pre-licence expense was incurred or in which the area was abandoned.

Development
Exploration, evaluation and development costs are carried at the lower of cost and expected net recoverable amount. On reaching a mining development decision, exploration and evaluation costs are reclassified as development costs and all development costs on a specific area of interest will be amortised over the useful economic life of the projects, once they become income generating, and the costs can be recouped.

(e) Property, plant & equipment
All property, plant and equipment assets are stated at cost less accumulated depreciation. Depreciation is provided by the Group on all property, plant & equipment, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings 20% to 33% per annum.

Useful life and residual value are reassessed annually.

(f) Available for sale investments
Available for sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Available for sale investments are initially measured at cost and subsequently at fair value, being the equivalent of market value, with changes in value recognised in equity. Gains and losses arising from available for sale investments are recognised in the income statement when they are sold or impaired.

(g) Trade and other receivables and payables
Trade and other receivables and payables are measured at initial recognition at fair value and subsequently measured at amortised cost.

(h) Cash and cash equivalents
Cash and cash equivalents consist of cash at bank and in hand and short term bank deposits with a maturity of three months or less.

(i) Deferred taxation
Deferred taxation, if applicable, is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable.

(j) Foreign currencies

The functional and presentation currency of the Company and subsidiaries is Pounds Sterling (£) and this is the currency of the primary economic environment in which the Company and subsidiaries operate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

For consolidation purposes, the assets and liabilities of overseas subsidiaries, associated undertakings, joint arrangements and the net investment in foreign operations are translated at the closing exchange rates. Income statements of overseas subsidiaries are translated at exchange rates at the date of transaction. Exchange differences arising on these translations are taken to the foreign currency reserve.

(k) Leasing and hire purchase commitments

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the income statement on a straight-line basis.

(l) Share based payments

The Company issues warrants and options to employees (including directors) and suppliers. For all options and warrants issued after 7 November 2002 the fair value of the services received is recognised as a charge measured at fair value on the date of grant and determined in accordance with IFRS 2, adopting the Black–Scholes–Merton model. The fair value is charged to administrative expenses on a straight-line basis over the vesting period, together with a corresponding increase in equity, based on the management's estimate of shares that will eventually vest. The expected life of the options and warrants is adjusted based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The details of the calculation are shown in note 15.

(m) Judgements and estimations in applying accounting policies

In the process of applying the Group's accounting policies above, the Group has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements:

Intangible fixed assets — exploration and evaluation

Capitalisation of exploration and evaluation costs requires that costs be assessed against the likelihood that such costs will be recoverable against future exploitation or sale or alternatively, where activities have not reached a stage which permits a reasonable estimate of the existence of mineral reserves, a judgement that future exploration or evaluation should continue. This requires management to make estimates and judgements and to make certain assumptions, often of a geological nature, and most particularly in relation to whether or not an economically viable mining operation can be established in future. Such estimates, judgements and assumptions are likely to change as new information becomes available. When it becomes apparent that recovery of expenditure is unlikely the relevant capitalised amount is written off to the income statement.

Impairment

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. The Group will look to evidence produced by its exploration activities to indicate whether the carrying value is impaired. Assessment of the impairment of assets is a judgement based on analysis of the future likely cash flows from the relevant project, including consideration of:

(a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

(c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

(d) Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Going concern
The preparation of financial statements requires an assessment of the validity of the going concern assumption. The validity of the going concern assumption is dependant on finance being available for the continuing working capital requirements of the Group. Based on the assumption that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts.

Share based payments
The estimates of share based payments costs require that management selects an appropriate valuation model and make decisions on various inputs into the model including the volatility of its own share price, the probable life of the options before exercise, and behavioural considerations of employees.

2. Segmental analysis
The Chief Operating Decision Maker is the Board of Directors. The Board considers the business has one reportable segment, the management of exploration projects, which is supported by a Head Office function. For the purpose of measuring segmental profits and losses the exploration segment bears only those direct costs incurred by or on behalf of those projects. No Head Office cost allocations are made to this segment. The Head Office function recognises all other costs.

2012	Exploration Projects £	Head Office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs	—	—	—
Pre-licence exploration costs	—	(32,784)	(32,784)
Share based payments	—	(128,121)	(128,121)
Other expenses	—	(338,090)	(338,090)
Operating Loss	—	(498,995)	(498,995)
Bank interest received	—	4,050	4,050
Loss on ordinary activities before taxation	—	(494,945)	(494,945)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders		(494,945)	(494,945)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kaareselkä Gold Project, Finland	259,582	—	259,582
Kiekerömaa Gold Project, Finland	123,237	—	123,237
Kolari Iron Project, Finland	—	—	—
Rosendal Tantalum Project, Finland	—	—	—
Lassedalen Fluorspar Project, Norway	314,220	—	314,220
Gjerpen Fluorspar Project, Norway	7,140	—	7,140
Storuman Fluorspar Project, Sweden	1,114,955	—	1,114,955
Ghurayyah Tantalum Project, Saudi Arabia	—	—	—
MB Fluorspar Project, U.S.A.	24,215	—	24,215
	1,843,349		1,843,349
Property, plant & equipment	—	15,272	15,272
Investment in subsidiary	—	—	—
Available for sale investment	—	355,375	355,375
	1,843,349	370,647	2,213,996
Current assets			
Receivables	—	75,935	75,935
Cash and cash equivalents	—	841,299	841,299
	—	917,234	917,234
Current liabilities			
Trade and other payables	(68,965)	(65,357)	(134,322)
Net current assets	(68,965)	851,877	782,912
Net assets	1,774,384	1,222,524	2,996,908
Other data			
Deferred exploration additions	466,347	—	466,347
Exchange rate adjustments to deferred exploration costs	—	(56)	(56)

2011	Exploration Projects £	Head Office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs	—	—	—
Pre-licence exploration costs	—	(12,606)	(12,606)
Share based payments	—	(54,471)	(54,471)
Other expenses	—	(227,710)	(227,710)
Operating Loss	—	(294,787)	(294,787)
Bank interest received	—	5,114	5,114
Loss on ordinary activities before taxation	—	(289,673)	(289,673)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders	—	(289,673)	(289,673)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kaareselkä Gold Project, Finland	260,056	—	260,056
Kiekerömaa Gold Project, Finland	114,908	—	114,908
Kolari Iron Project, Finland	—	—	—
Lassedalen Fluorspar Project, Norway	108,224	—	108,224
Rosendal Tantalum Project, Finland	—	—	—
Storuman Fluorspar Project, Sweden	893,758	—	893,758
Ghurayyah Tantalum Project, Saudi Arabia	—	—	—
	1,376,946	—	1,376,946
Property, plant & equipment	—	22,845	22,845
Investment in subsidiary	—	—	—
Available for sale investment	—	285,846	285,846
	1,376,946	308,691	1,685,637
Current assets			
Receivables	—	87,970	87,970
Cash and cash equivalents	—	1,178,941	1,178,941
	—	1,266,911	1,266,911
Current liabilities			
Trade and other payables	(84,222)	(80,301)	(164,523)
Net current assets	(84,222)	1,186,610	1,102,388
Net assets	1,292,724	1,495,301	2,788,025
Other data			
Deferred exploration additions	666,855	—	666,855
Exchange rate adjustments to deferred exploration costs	—	961	961

3. Loss on ordinary activities before taxation

	2012 £	2011 £
The operating loss is stated after charging		
Operating lease rentals — land and buildings	**17,849**	15,136
Fees payable to the Group's Auditor for:		
The audit of the Group's annual accounts	**6,210**	6,210
Fees payables to the Group's Auditor and its associates for other services:		
The audit of the Group's subsidiaries, pursuant to legislation	**3,200**	3,200
Other services relating to taxation	**12,750**	-
Other Services	**1,050**	1,050
Depreciation — owned assets	**8,100**	5,984

4. Directors' emoluments

	2012 £	2011 £
Remuneration in respect of directors was as follows:		
P L Cheetham (salary)	**56,949**	43,891
R Clemmey (salary)	**61,710**	—
D A R McAlister (salary)	**11,500**	10,000
D Whitehead (fees)	**11,500**	11,000
D Whitehead (gain on exercise of share options)	**—**	36,045
	141,659	100,936

The above remuneration amounts do not include non cash share based payments charged in these financial statements in respect of warrants issued to the directors amounting to £82,235 (2011: £47,068) or Employer's National Insurance contributions of £15,290 (2011: £5,625).

5. Staff costs

	2012 £	2011 £
Staff costs for Group and Company, including directors, were as follows:		
Wages and salaries	**190,461**	136,220
Social security costs	**20,220**	13,305
Share based payments	**85,466**	59,943
	296,147	209,468

The average monthly number of employees, including directors, employed by the Group and Company during the year was as follows:

	2012 Number	2011 Number
Technical employees	**3**	3
Administration employees (including non-executive directors)	**3**	4
	6	7

6. Loss per share

Loss per share has been calculated on the loss and the weighted average number of shares in issue during the year.

	2012	2011
Loss (£)	**(494,945)**	(289,673)
Weighted average shares in issue (No.)	**121,137,967**	112,533,476
Basic and diluted loss per share (pence)	**(0.41)**	(0.26)

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for the basic earnings per ordinary share. This is because the exercise of share warrants and options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

7. Taxation on ordinary activities

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2011: £nil).

The tax credit for the year is lower than the credit resulting from the loss before tax at the standard rate of corporation tax in the UK — 24% (2011: 26%). The differences are explained below.

	2012 £	2011 £
Tax reconciliation		
Loss on ordinary activities before tax	**(494,945)**	(289,673)
Tax at 24% (2011: 26%)	**(118,787)**	(75,315)
Effects (at 24%) (2011: 26%) of:		
Differences between capital allowances and depreciation	**2,169**	(1,182)
Pre-trading expenditure no longer deductible for tax purposes	**278,411**	311,039
Utilisation of losses brought forward	**(161,793)**	(234,542)
Tax losses carried forward	**—**	—
Tax on loss from ordinary activities	**—**	—

Factors that may affect future tax charges

The Group has total losses carried forward of £4,330,434 (2011: £4,101,780). This amount would be recoverable if sufficient profits were made in the future. The deferred tax asset has not been recognised as the future recovery is uncertain given the exploration status of the Group.

8. Intangible assets

Group	**Deferred exploration expenditure 2012 £**	Deferred exploration expenditure 2011 £
Cost		
At start of year	**2,624,508**	1,956,692
Additions	**466,347**	666,855
Exchange adjustments	**56**	961
At 30 September	**3,090,911**	2,624,508
Impairment losses		
At start of year	**(1,247,562)**	(1,247,562)
Charge during year	**—**	—
At 30 September	**(1,247,562)**	(1,247,562)
Carrying amounts		
At 30 September	**1,843,349**	1,376,946
At start of year	**1,376,946**	709,130

9. Property, plant & equipment

	Group fixtures and fittings 2012 £	**Company fixtures and fittings 2012 £**	Group fixtures and fittings 2011 £	Company fixtures and fittings 2011 £
Cost				
At start of year	**60,929**	**31,204**	40,838	14,389
Additions	**527**	**—**	27,591	24,315
Disposals	**—**	**—**	(7,500)	(7,500)
At 30 September	**61,456**	**31,204**	60,929	31,204
Depreciation				
At start of year	**(38,084)**	**(11,224)**	(39,600)	(13,184)
Charge for the year	**(8,100)**	**(7,210)**	(5,984)	(5,540)
Released on disposal	**—**	**—**	7,500	7,500
At 30 September	**(46,184)**	**(18,434)**	(38,084)	(11,224)
Net Book Value				
At 30 September	**15,272**	**12,770**	22,845	19,980
At start of year	**22,845**	**19,980**	1,238	1,205

10. Investments

Subsidiary undertakings

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2012	Principal activity
Tertiary Gold Limited	England & Wales	100% of ordinary shares	Mineral exploration
Tertiary (Middle East) Ltd	England & Wales	100% of ordinary shares	Mineral exploration

Investment in subsidiary undertakings	**Company 2012 £**	Company 2011 £
Ordinary shares — Tertiary (Middle East) Limited	**1**	1
Ordinary shares — Tertiary Gold Limited	**93,792**	93,792
Loan — Tertiary (Middle East) Limited	**679,267**	678,505
Less — Provision for impairment	**(679,267)**	(678,505)
Loan — Tertiary Gold Limited	**4,214,532**	3,722,295
Loan — Tertiary Minerals US Inc.	**14,770**	—
At 30 September	**4,323,095**	3,816,088

Available for sale investment

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2012	Principal activity
Sunrise Resources plc	England & Wales	7.05% of ordinary shares	Mineral exploration

Available for sale investment	**Group 2012 £**	**Company 2012 £**	Group 2011 £	Company 2011 £
Value at start of year	**285,846**	**285,846**	167,387	167,387
Movement in valuation of available for sale investment	**69,529**	**69,529**	118,459	118,459
At 30 September	**355,375**	**355,375**	285,846	285,846

The fair value of the available for sale investment is equal to the market value of the shares in Sunrise Resources plc at 30 September 2012, based on the closing mid-market price of shares on the AIM Market.

11. Receivables

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade receivables	**33,610**	**33,610**	34,493	34,493
Other receivables	**16,345**	**15,015**	31,816	3,020
Prepayments	**25,981**	**19,362**	21,661	17,619
	75,936	**67,987**	87,970	55,132

The Group aged analysis of trade receivables is as follows:

	Not impaired £	30 days or less £	Over 30 days £	Total carrying amount £
2012 Trade receivables	**33,610**	**33,610**	**—**	**33,610**
2011 Trade receivables	34,493	34,493	—	34,493

12. Cash and cash equivalents

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Cash at bank and in hand	**39,340**	**5,204**	62,647	11,175
Short-term bank deposits	**801,959**	**799,931**	1,116,294	1,114,312
	841,299	**805,135**	1,178,941	1,125,487

13. Trade and other payables

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade payables	**71,874**	**43,340**	38,547	18,533
Other taxes and social security costs	**10,792**	**10,792**	7,620	7,620
Accruals	**48,044**	**21,439**	113,633	20,863
Other payables	**3,612**	**3,612**	4,723	4,723
	134,322	**79,183**	164,523	51,739

14. Share capital

	2012 No.	2012 £	2011 No.	2011 £
Allotted, called up and fully paid				
Ordinary shares of 1p each	**130,586,214**	**1,305,862**	118,816,214	1,188,161
	130,586,214	**1,305,862**	118,816,214	1,188,161

During the year to 30 September 2012 the following share issues took place:

An issue of 11,770,000 1.0p ordinary shares at 4.25p per share, by way of placing, for a total consideration of £495,223 net of expenses (20 July 2012).

During the year to 30 September 2011 a total of 30,299,994 1.0p ordinary shares were issued, at an average price of 5.67p, for a total consideration of £1,717,125.

15. Warrants and options granted

Unexercised warrants **Issue date**	**Exercise price**	**Number**	**Exercisable**	**Expiry dates**
31/10/07	8.75p	1,300,000	Any time before expiry	31/10/13
31/10/07	8.75p	200,000	Any time before expiry	31/10/13
09/12/08	2.375p	2,000,000	Any time before expiry	09/12/14
09/12/08	2.375p	600,000	Any time before expiry	09/12/14
07/12/09	4.375p	2,300,000	Any time before expiry	07/12/14
07/12/09	4.375p	600,000	Any time before expiry	07/12/14
17/12/10	6.25p	2,300,000	Any time before expiry	07/12/15
17/12/10	6.25p	600,000	Any time before expiry	07/12/15
01/09/11	6.75p	250,000	Any time before expiry	01/09/16
01/09/11	6.75p	250,000	Any time after 01/09/2013	01/09/16
01/09/11	11.00p	250,000	Any time after 01/09/2014	01/09/16
01/09/11	11.00p	250,000	Any time after 01/09/2015	01/09/16
26/01/12	9.75p	2,300,000	Any time after 26/01/2013	26/01/17
26/01/12	9.75p	400,000	Any time after 26/01/2013	26/01/17
15/06/12	7.50p	2,000,000	Any time before expiry	15/06/15

Unexercised options **Issue date**	**Exercise price**	**Number**	**Exercisable**	**Expiry Dates**
29/01/04	15.0p	60,000	Any time before expiry	29/01/14
31/01/05	10.0p	50,000	Any time before expiry	31/01/15

Warrants and options are issued for nil consideration and are exercisable as disclosed above. They are exchangeable on a one for one basis for each ordinary share of 1.0p at the exercise price on the date of conversion.

On 15 June 2012 the Company entered into a three year Equity Financing Facility ("EFF") with Darwin Strategic Limited ("Darwin"). The agreement provides the Company with the facility to draw down up to £10 million, by issuing subscription notices requiring Darwin to subscribe for ordinary shares of the Company on certain terms and conditions. In conjunction with the EFF agreement the Company has entered into a warrant agreement allowing Darwin to subscribe for up to 2,000,000 new Ordinary Shares in the capital of the Company at 7.5p per share, exercisable at any time before 15 June 2015.

Share-based payments
The Company has an Inland Revenue approved share option scheme for all employees. Options are exercisable at a price equal to the market price of the Company's shares on the date of grant.

The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options may be forfeited if the employee leaves the Company.

In addition, the Company issues warrants to directors and employees, outside of the approved scheme, on varying terms and conditions.

Details of the share warrants and options outstanding during the year are as follows:

	2012		2011	
	Number of warrants and share options	**Weighted average exercise price Pence**	Number of warrants and share options	Weighted average exercise price Pence
Outstanding at start of year	**11,505,000**	**5.800**	8,265,000	5.560
Granted during the year	**4,700,000**	**8.793**	3,900,000	6.923
Exercised during the year	**—**	**—**	(300,000)	2.375
Forfeited during the year	**(150,000)**	**10.000**	—	—
Expired during the year	**(345,000)**	**14.170**	(360,000)	15.170
Outstanding at 30 September	**15,710,000**	**6.470**	11,505,000	5.800
Exercisable at 30 September	**12,260,000**	**5.560**	4,705,000	5.760

The warrants and options outstanding at 30 September 2012 had a weighted average exercise price of £0.06 and a weighted average remaining contractual life of 3 years.

In the year ended 30 September 2012, warrants were granted on 26 January 2012 and 15 June 2012. The aggregate of the estimated fair values of the warrants granted on these dates is £144,570. In the year ended 30 September 2011, warrants were granted on 17 December 2010 and 1 September 2011. The aggregate of the estimated fair values of the warrants granted on these dates is £108,657.

No options were granted in the year ended 30 September 2012 or the year ended 30 September 2011.

The inputs into the Black–Scholes–Merton Option Pricing Model are as follows:

	2012	2011
Weighted average share price	**7.03p**	5.54p
Weighted average exercise price	**8.79p**	6.92p
Expected volatility	**80%**	80%
Expected life	**3 years**	4 years
Risk-free rate	**0.73%**	2.19%
Expected dividend yield	**0%**	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous four years. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Company recognised total expenses of £128,121 and £54,471 related to equity-settled share-based payment transactions in 2012 and 2011 respectively.

16. Operating lease commitments

The Company rents office premises under an operating lease agreement. The current lease term is for one year, expiring on 30 November 2013. No contingent rent is payable.

Future minimum lease payments under non-cancellable operating leases are:

	2012 Land & buildings £	2011 Land & buildings £
Office accommodation:		
Within one year	**2,985**	2,926

The Company does not sub-lease any of its leased premises.

Lease payments recognised in profit for the period amounted to £17,849 (2011: £15,136).

17. Related party transactions

Directors and directors' interests

The directors holding office in the period and their beneficial interests in the share capital of the Company are:

	At 30 September 2012				At 30 September 2011	
		Warrants				
	Shares Number	**Number**	**Exercise price**	**Expiry date**	Shares Number	Warrants Number
P L Cheetham*	**10,376,913**	**1,000,000**	**8.750p**	**31/10/2013**	10,376,913	5,500,000
		1,500,000	**2.375p**	**09/12/2014**		
		1,500,000	**4.375p**	**07/12/2014**		
		1,500,000	**6.250p**	**17/12/2015**		
		1,500,000	**9.750p**	**26/01/2017**		
D A R McAlister	**457,821**	**100,000**	**8.750p**	**31/10/2013**	457,821	1,000,000
		300,000	**2.375p**	**09/12/2014**		
		300,000	**4.375p**	**07/12/2014**		
		300,000	**6.250p**	**17/12/2015**		
		300,000	**9.750p**	**26/01/2017**		
D Whitehead	**—**	**100,000**	**8.750p**	**31/10/2013**	—	700,000
		300,000	**4.375p**	**07/12/2014**		
		300,000	**6.250p**	**17/12/2015**		
		300,000	**9.750p**	**26/01/2017**		
R Clemmey	**—**	**250,000**	**6.750p**	**01/09/2016**	—	1,000,000
		250,000	**6.750p**	**01/09/2016**		
		250,000	**11.000p**	**01/09/2016**		
		250,000	**11.000p**	**01/09/2016**		

* Includes 2,843,625 shares held by K E Cheetham, wife of P L Cheetham.

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings as at 30 September 2012. The directors of the Company are the directors of all Group companies.

Details of the parent company's investment in subsidiary undertakings are shown in note 10.

Sunrise Resources plc
During the year the Company recharged costs of £ 108,464 (2011: £121,218) to Sunrise Resources plc being shared overheads of £21,770 (2011: £19,285), costs paid on behalf of Sunrise Resources plc of £7,343 (2011: £12,374), staff salary costs of £45,137 (2011: £50,986) and directors' salary costs of £34,214 (2011: £38,571). The salary costs in notes 4 and 5 are shown net of these recharges.

At the balance sheet date an amount of £33,579 (2011: £34,525) was due from Sunrise Resources plc, which was repaid in November 2012.

P L Cheetham, a director of Tertiary Minerals plc, is also a director of Sunrise Resources plc.

Shares and warrants held in Sunrise Resources plc by the Tertiary Minerals plc directors are as follows :

	At 30 September 2012				At 30 September 2011	
		Warrants				
	Shares Number	**Number**	**Exercise price**	**Expiry date**	Shares Number	Warrants Number
P L Cheetham*	**11,673,386**	**500,000**	**2.000p**	**31/10/13**	10,881,198	7,000,000
		2,000,000	**0.575p**	**08/12/14**		
		2,000,000	**0.850p**	**07/12/15**		
		2,000,000	**2.500p**	**07/12/15**		
		2,000,000	**1.250p**	**24/02/17**		
D A R McAlister	**550,000**	**—**	**—**	**—**	550,000	—
D Whitehead	**—**	**—**	**—**	**—**	—	—
R Clemmey	**—**	**500,000**	**1.250p**	**24/02/2017**	—	—

* Includes 5,500,000 shares held by K E Cheetham, wife of P L Cheetham.

18. Post-balance sheet event
There were no material post-balance sheet events up to the date of this report.

19. Capital management
The Group's capital requirements are dictated by its project and overhead funding requirements from time to time. Capital requirements are reviewed by the Board on a regular basis.

The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns, to increase the value of the assets of the business and to provide an adequate return to shareholders in the future when exploration assets are taken into production.
The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure the possibilities open to the Group in future include issuing new shares, consolidating shares, returning capital to shareholders, taking on debt, selling assets and adjusting the amount of dividends paid to the shareholders.

20. Financial instruments
At 30 September 2012, the Group's and Company's financial assets consisted of available for sale investments, trade receivables and cash and cash equivalents. At the same date, the Group and Company had no financial liabilities other than trade and other payables due within one year and had no agreed borrowing facilities as at this date. There is no material difference between the carrying and fair values of the Group and Company's financial assets and liabilities.

The carrying amounts for each category of financial instruments held at 30 September 2012, as defined in IAS 39, are as follows:

	Group	**Company**	Group	Company

	2012	**2012**	2011	2011
	£	**£**	£	£
Loans & receivables	**891,254**	**853,760**	1,245,250	1,163,000
Available for sale investments	**355,375**	**355,375**	285,846	285,846
Financial liabilities at amortised cost	**123,530**	**68,391**	156,903	44,119

Risk management
The principal risks faced by the Group and Company resulting from financial instruments are liquidity risk, foreign currency risk and, to a lesser extent, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks as summarised below. The policies have remained unchanged from previous periods as these risks remain unchanged.

Liquidity risk
The Group currently holds cash balances in Sterling, US Dollars, Swedish Kronor, Euros, Canadian Dollars and Saudi Riyals to provide funding for exploration and evaluation activity, whilst the Company holds cash balances in Sterling. The Group and Company are dependent on equity fundraising through private placings which the directors regard as the most cost-effective method of fundraising. The directors monitor cash flow in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

Currency risk
The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise, as in the opinion of the directors, the cost of hedging against fluctuations would be greater than the related benefit from doing so. Where a material order is made in a different currency, funds are converted to that currency at prevailing rates and held on short term treasury deposits at prevailing fixed interest rates pending payment.

Bank and cash balances, including the Group's share of funds in the Ghurayyah joint arrangement, were held in the following denominations:

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
United Kingdom Sterling	**806,808**	1,141,379	**805,135**	1,125,487
United States Dollar	**23,055**	30,566	**—**	—
Swedish Krona	**11,198**	6,955	**—**	—
European Euro	**179**	—	**—**	—
Canadian Dollar	**53**	37	**—**	—
Saudi Riyal	**6**	4	**—**	—
	841,299	1,178,941	**805,135**	1,125,487

Surplus funds in all currencies are placed with NatWest bank on a number of short-term treasury deposits at varying fixed rates of interest, but the Group held only one US Dollar treasury deposit at 30 September 2012.

The Company and the Group are exposed to changes in the US Dollar/UK Sterling exchange rate mainly in the sterling value of US Dollar denominated financial assets and any profit or loss arising from such changes reports to equity.

Sensitivity analysis shows that the Sterling value of its US Dollar denominated financial assets at 30 September 2012 would increase or decrease by £1,153 for each 5% increase or decrease in the value of Sterling against the Dollar.

Neither the Company or the Group is exposed to material transactional currency risk.

Interest rate risk
The Group and Company finance their operations through equity fundraising and therefore do not carry borrowings.

Fluctuating interest rates have the potential to affect the loss and equity of the Group and the Company insofar as they affect the interest paid on financial instruments held for the benefit of the Group. The directors do not consider the effects to be material to the reported loss or equity of the Group or the Company presented in the financial statements.

Credit risk
The Company has exposure to credit risk through receivables such as VAT refunds, invoices issued to related parties and its joint arrangements for management charges. The amounts outstanding from time to time are not material other than for VAT refunds which are considered by the directors to be low risk.

The Company has exposure to credit risk in respect of its cash deposits with NatWest bank and this exposure is considered by the directors to be low.

Company Information

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