



**AIM Announcement**

**26 May 2017**

**TERTIARY MINERALS PLC  
("Tertiary" or "the Company")**

**Half-Yearly Report 2017**

Tertiary Minerals plc, the AIM-traded company building a strategic position in the fluorspar sector, announces its unaudited interim results for the six months ended 31 March 2017.

**Operational Highlights:**

**Storuman Fluorspar Project, Sweden:**

- Exploitation (Mine) Permit has been referred to the Swedish Mining Inspectorate for re-assessment
- The re-assessment is progressing; the Company has met with the Mining Inspectorate twice in 2017 and information supplementing the original application will be supplied to the Mining Inspectorate in May 2017
- With the continued support from key stakeholders, the Company is hopeful of a positive resolution in 2017

**MB Fluorspar Project, Nevada, USA:**

- Scoping Study modelling and testwork ongoing
- Scoping Study to be completed following successful completion of the modelling and testwork

**Lassedalen Fluorspar Project, Norway:**

- Due diligence has commenced for the purchase of land and old mine workings from Hydro

**Kaaresselkä and Kiekerömaa Gold Projects, Finland:**

- Successful completion of the sale of its gold assets to TSX-V listed Aurion Resources Ltd
- £100,000 initial consideration has been paid by Aurion: £15,000 in cash and £85,000 in Aurion shares (being 83,072 shares)
- Tertiary retain pre-production and production royalty interests in the projects

**Acquisition Opportunities:**

- A number of projects have been shortlisted which are potentially near-term revenue generating
- More detailed evaluation and due diligence is in progress

**Financial Results - Summary:**

- Operating Loss for the six month period of £156,140 (six months to 31 March 2016: £219,962) comprises:
  - Revenue of £134,885; less
  - Administration costs of £286,654 (which includes non-cash share based payments of £6,272); and
  - Pre-licence and reconnaissance exploration costs totalling £4,371
- ● Total Group Loss of £211,850 is after charging:
  - Impairment of available for sale investment of £55,987
  - Interest income of £277
- ● 132,720 Ordinary Shares were issued during the reporting period to a non-executive director in lieu of fees at a price of 1.025 pence per share

## **ENQUIRIES**

<b>Tertiary Minerals plc</b> Richard Clemmey, Managing Director Patrick Cheetham, Executive Chairman	<b>Tel: +44 (0)1625 838 679</b>
<b>S P Angel Corporate Finance LLP</b> <b>Nominated Adviser &amp; Joint Broker</b> Ewan Leggat/Lindsay Mair	<b>Tel: +44 (0)203 470 0470</b>
<b>Beaufort Securities Limited</b> <b>Joint Broker</b> Elliot Hance	<b>Tel: +44 (0)207 382 8300</b>

### **Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

### **Notes to Editors**

Tertiary Minerals plc (ticker symbol 'TYM') is an AIM-traded 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).

### **CAUTIONARY NOTICE**

The news release may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's directors. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements. Accordingly, you should not rely on any forward-looking statements and save as required by the AIM Rules for Companies or by law, the Company does not accept any obligation to disseminate any updates or revisions to such forward-looking statements.

## **Chairman's Statement**

I am pleased to present our Interim Report for the six month period ended 31 March 2017.

The Company has made considerable progress in recent years with its 100% owned fluorspar projects, progressing through the development cycle from discovery towards commercial production.

A number of key issues have, however, resulted in delays to the development of our most advanced project, Storuman in Sweden. The government has asked the Swedish Mining Inspector to re-assess its grant of our Mining Concession in the light of a Supreme Court decision to overturn the grant of a third party mining company's mining concession in the south of Sweden. This re-assessment, intended to consider the impact of mining in the concession area on a wider surrounding area, is underway and additional submissions are being made by the Company. Whilst this is frustrating, many companies in Sweden are similarly affected.

We continue to have the support of the majority of key stakeholders at Storuman, with the notable exception of the Sami reindeer herding community, and remain hopeful of a positive resolution to this in 2017. Any ratification of the grant of the mining concession will, however, be open to appeal and so we are firm in our resolve not to spend any further money on exploration or development of Storuman until the matter is resolved.

In Norway, at our Lassedalen Fluorspar Project, we have commenced due diligence work on the purchase from large Norwegian aluminium producer, Hydro, of the land and mineral rights that underlie our government exploration permissions exploration. A forerunner company of Hydro was responsible for mining fluorspar at Lassedalen in World War II and Hydro is a major consumer of fluorspar downstream products. Due to the presence of old mine workings on the property, a programme of environmental baseline sampling is being undertaken as part of the due diligence. Otherwise the project remains on hold pending a review of project priorities.

In Nevada, USA, our drilling over the past few years has demonstrated a very large resource of low-grade fluorspar at the MB Project. We are continuing our technical and economic studies which include metallurgical studies aimed at production of acid grade fluorspar and the evaluation of a potential by-product industrial filler grade mica. We have also planned a further drilling programme to test for higher grade fluorite mineralisation in specific target areas. We aim to complete a Scoping Study in 2017.

Fluorspar prices in the USA and Europe have remained stable, albeit at low levels, during the first part of 2017. The fluorochemical industry continues to go through a transition stage whereby the fluorine based HFC refrigerant chemicals are being phased out under various global climate change agreements and legislation and being replaced by new zero ozone-depleting and low global warming potential HFO fluorine based chemicals. China has begun to see an improvement in its fluorspar prices during the period, predominantly driven by supply disruptions and improved demand for refrigerants and hydrofluoric acid. Refrigerant demand in the USA has also improved during the period, and this coupled with the US recently imposing anti-dumping duties on China origin refrigerants may result in a more positive outlook for fluorspar prices and demand in the medium-term.

Outside of fluorspar, we were pleased to report in March 2017 the closing of the sale of our Kaaresselkä and Kiekerömaa gold projects in Finland to Canadian listed company Aurion Resources Ltd for £100,000 in cash and shares. We would also receive further payments on the definition of Ore Reserves and Mineral Resources and a royalty on production. Our own historical work on the project leads us to believe that such reserves and resources are likely to be defined with further exploration. The Lapland Gold belt is an emerging gold producing province and Aurion Resources has made a number of new high-grade discoveries in the region of the Kaaresselkä Project. We hope to share in Aurion's future success.

In January this year we updated the market on our business strategy and, whilst the Company remains committed to its fluorspar business and the development of its fluorspar assets, it has, since then, been reviewing complementary project acquisition opportunities capable of generating revenue and profits in a shorter timescale. It has currently shortlisted a number of projects where more detailed evaluation and due diligence is in progress.

I would like to take this opportunity to thank shareholders for their continuing support and overwhelming approval at the March 2017 General Meeting of the Board's proposal to subdivide the Ordinary Shares to facilitate future fundraising and we look forward to reporting further progress in 2017.

**Patrick L Cheetham**  
**Executive Chairman**  
26 May 2017

## Consolidated Income Statement

for the six months to 31 March 2017

	Six months to 31 March 2017 Unaudited £	Six months to 31 March 2016 Unaudited £	Twelve months to 30 September 2016 Audited £
Revenue	134,885	84,568	190,124
Administration costs	(286,654)	(297,169)	(558,857)
Pre-licence and other exploration costs	(4,371)	(7,361)	(25,343)
<b>Operating loss</b>	<b>(156,140)</b>	(219,962)	(394,076)
Impairment of available for sale investment	(55,987)	(81,142)	(81,142)
Interest receivable	277	968	1,712
Loss before income tax	(211,850)	(300,136)	(473,506)
Income tax	-	-	-
<b>Loss for the period attributable to equity holders of the parent</b>	<b>(211,850)</b>	(300,136)	(473,506)
Loss per share – basic and diluted (pence) (note 2)	(0.08)	(0.14)	(0.20)

# Consolidated Statement of Comprehensive Income

for the six months to 31 March 2017

	Six months to 31 March 2017 Unaudited £	Six months to 31 March 2016 Unaudited £	Twelve months to 30 September 2016 Audited £
<b>Loss for the period</b>	<b>(211,850)</b>	<b>(300,136)</b>	<b>(473,506)</b>
Other comprehensive income:			
<b>Items that could be reclassified subsequently to the Income Statement:</b>			
Fair value movement on available for sale investment	<b>(3,638)</b>	-	-
Foreign exchange translation differences on foreign currency net investments in subsidiaries	<b>59,852</b>	217,075	466,534
<b>Items that have been reclassified subsequently to the Income Statement:</b>			
Fair value movement on available for sale investment	<b>(107,104)</b>	-	51,117
Transfer from available for sale investment reserve on impairment of available for sale investment	<b>55,987</b>	-	-
<b>Total comprehensive income/(loss) for the period attributable to equity holders of the parent</b>	<b>(206,753)</b>	<b>(83,061)</b>	<b>44,145</b>

**Company Registration Number 03821411**  
**Consolidated Statement of Financial Position**  
at 31 March 2017

	As at 31 March 2017 Unaudited £	As at 31 March 2016 Unaudited £	As at 30 September 2016 Audited £
<b>Non-current assets</b>			
Intangible assets	4,497,712	4,038,021	4,429,261
Property, plant & equipment	6,607	13,147	9,785
Available for sale investments	231,463	153,353	204,470
	<b>4,735,782</b>	<b>4,204,521</b>	<b>4,643,516</b>
<b>Current assets</b>			
Receivables	86,975	104,578	105,032
Cash and cash equivalents	145,212	286,773	448,474
	<b>232,187</b>	<b>391,351</b>	<b>553,506</b>
<b>Current liabilities</b>			
Trade and other payables	(62,555)	(78,501)	(92,488)
<b>Net current assets</b>	<b>169,632</b>	<b>312,850</b>	<b>461,018</b>
<b>Net assets</b>	<b>4,905,414</b>	<b>4,517,371</b>	<b>5,104,534</b>
<b>Equity</b>			
Called up share capital	2,670,769	2,168,453	2,669,442
Share premium account	9,066,769	9,116,364	9,066,735
Merger reserve	131,096	131,096	131,096
Share warrant reserve	254,567	370,269	343,486
Available for sale investment reserve	(3,638)	-	51,117
Foreign currency reserve	442,206	132,895	382,354
Accumulated losses	(7,656,355)	(7,401,706)	(7,539,696)
<b>Equity attributable to the owners of the parent</b>	<b>4,905,414</b>	<b>4,517,371</b>	<b>5,104,534</b>

## Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium Account £	Merger Reserve £	Share Warrant Reserve £	Available for Sale Reserve £	Foreign Currency Reserve £	Accumulated Losses £	Total £
<b>At 30 September 2015</b>	<b>1,878,592</b>	<b>8,812,452</b>	<b>131,096</b>	<b>443,813</b>	-	<b>(84,180)</b>	<b>(7,192,302)</b>	<b>3,989,471</b>
Loss for the period	-	-	-	-	-	-	(218,994)	(218,994)
Impairment of available for sale investment	-	-	-	-	-	-	(81,142)	(81,142)
Exchange differences	-	-	-	-	-	217,075	-	217,075
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,075</b>	<b>(300,136)</b>	<b>(83,061)</b>
Share issue	289,861	303,912	-	-	-	-	-	593,773
Share based payments expense	-	-	-	17,188	-	-	-	17,188
Transfer of expired warrants	-	-	-	(90,732)	-	-	90,732	-
<b>At 31 March 2016</b>	<b>2,168,453</b>	<b>9,116,364</b>	<b>131,096</b>	<b>370,269</b>	-	<b>132,895</b>	<b>(7,401,706)</b>	<b>4,517,371</b>
Loss for the period	-	-	-	-	-	-	(173,370)	(173,370)
Change in fair value	-	-	-	-	51,117	-	-	51,117
Exchange differences	-	-	-	-	-	249,459	-	249,459
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,117</b>	<b>249,459</b>	<b>(173,370)</b>	<b>127,206</b>
Share issue	500,989	(49,629)	-	-	-	-	-	451,360
Share based payments expense	-	-	-	8,597	-	-	-	8,597
Transfer of expired warrants	-	-	-	(35,380)	-	-	35,380	-
<b>At 30 September 2016</b>	<b>2,669,442</b>	<b>9,066,735</b>	<b>131,096</b>	<b>343,486</b>	<b>51,117</b>	<b>382,354</b>	<b>(7,539,696)</b>	<b>5,104,534</b>
Loss for the period	-	-	-	-	-	-	(155,863)	(155,863)
Transfer of impairment to income statement	-	-	-	-	55,987	-	(55,987)	-
Change in fair value	-	-	-	-	(110,742)	-	-	(110,742)
Exchange differences	-	-	-	-	-	59,852	-	59,852
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,755)</b>	<b>59,852</b>	<b>(211,850)</b>	<b>(206,753)</b>
Share issue	1,327	34	-	-	-	-	-	1,361
Share based payments expense	-	-	-	6,272	-	-	-	6,272
Transfer of expired warrants	-	-	-	(95,191)	-	-	95,191	-
<b>At 31 March 2017</b>	<b>2,670,769</b>	<b>9,066,769</b>	<b>131,096</b>	<b>254,567</b>	<b>(3,638)</b>	<b>442,206</b>	<b>(7,656,355)</b>	<b>4,905,414</b>





# Consolidated Statement of Cash Flows

for the six months to 31 March 2017

	Six months to 31 March 2017 Unaudited £	Six months to 31 March 2016 Unaudited £	Twelve months to 30 September 2016 Audited £
<b>Operating activity</b>			
Total loss after tax	(212,127)	(301,104)	(475,218)
Depreciation charge	3,265	3,471	6,833
Shares issued in lieu of net fees	1,361	1,361	2,721
Impairment charge – available for sale investment	55,987	81,142	81,142
Share based payment charge	6,272	17,188	25,784
Non-cash additions to available for sale investment	(52,735)	(86,272)	(86,272)
(Increase)/decrease in receivables	18,057	(14,269)	(14,723)
Increase/(decrease) in payables	(29,933)	(24,279)	(10,292)
<b>Net cash outflow from operating activity</b>	<b>(209,853)</b>	<b>(322,762)</b>	<b>(470,025)</b>
<b>Investing activity</b>			
Interest received	277	968	1,712
Development expenditures	(108,558)	(292,326)	(473,527)
Disposal of exploration asset	15,000	-	-
Purchase of property, plant & equipment	(87)	(9,322)	(9,322)
<b>Net cash outflow from investing activity</b>	<b>(93,368)</b>	<b>(300,680)</b>	<b>(481,137)</b>
<b>Financing activity</b>			
Issue of share capital (net of expenses)	-	592,412	1,042,412
<b>Net cash inflow from financing activity</b>	<b>-</b>	<b>592,412</b>	<b>1,042,412</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(303,221)</b>	<b>(31,030)</b>	<b>91,250</b>
Cash and cash equivalents at start of period	448,474	309,815	309,815
Exchange differences	(41)	7,988	47,409
<b>Cash and cash equivalents at end of period</b>	<b>145,212</b>	<b>286,773</b>	<b>448,474</b>

# Notes to the Interim Statement

## 1. Basis of preparation

The consolidated interim financial information has been prepared in accordance with the accounting policies that are expected to be adopted in the Group's full financial statements for the year ending 30 September 2017 which are not expected to be significantly different to those set out in Note 1 of the Group's audited financial statements for the year ended 30 September 2016. These are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) or that are expected to be adopted and effective at 30 September 2017. The financial information has not been prepared (and is not required to be prepared) in accordance with IAS 34. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information.

The financial information in this statement relating to the six months ended 31 March 2017 and the six months ended 31 March 2016 has neither been audited nor reviewed by the Auditors, pursuant to guidance issued by the Auditing Practices Board. The financial information presented for the year ended 30 September 2016 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2016 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for the year ended 30 September 2016 was unqualified, although did draw attention to matters by way of emphasis in relation to going concern, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's planned discretionary project expenditures and to maintain the Company and Group as a going concern. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

## 2. Loss per share

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

	<b>Six months to 31 March 2017 Unaudited</b>	Six months to 31 March 2016 Unaudited	Twelve months to 30 September 2016 Audited
Loss for the period (£)	<b>(211,850)</b>	(300,136)	(473,506)
Weighted average shares in issue (No.)	<b>266,987,238</b>	215,811,549	233,830,700
Basic and diluted loss per share (pence)	<b>(0.08)</b>	(0.14)	(0.20)

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares used for the purpose of calculating diluted earnings per share are identical to those used to calculate the basic earnings per ordinary share. This is because the exercise of share warrants would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS33.

### **3. Share capital**

During the six months to 31 March 2017 the following share issues took place:

An issue of 132,720 1.0p Ordinary Shares at 1.025p per share to a director, in satisfaction of directors' fees, for a total consideration of £1,361 (31 January 2017).

### **4. Event after the Balance Sheet date**

#### ***Capital subdivision***

At a General Meeting on 13 April 2017 the shareholders approved the subdivision of the Company's ordinary share capital whereby each existing ordinary share with a nominal value of 1p was subdivided into 1 new ordinary share of 0.01p and 1 deferred share of 0.99p each.

The New Ordinary Shares have the same rights as those currently accruing to the Existing Ordinary Shares in issue under the Articles of Association of the Company, including those relating to voting and entitlement to dividends.

The Deferred Shares have no significant rights attached to them and carry no right to vote or participate in distribution of surplus assets and are not admitted to trading on the AIM market of the London Stock Exchange plc. The Deferred Shares effectively carry no value.

#### ***Placing***

On 26 May 2017, an issue of 50,000,000 0.01p Ordinary Shares was made at a price of at 0.6p per share, by way of a placing, for a total gross consideration of £300,000.

### **5. Interim report**

Copies of this interim report are available from Tertiary Minerals plc, Silk Point, Queens Avenue, Macclesfield, Cheshire SK10 2BB, United Kingdom. It is also available on the Company's website at [www.tertiaryminerals.com](http://www.tertiaryminerals.com).