



Building a Strategic Position in the Fluorspar Sector

Tertiary Minerals plc

AIM Announcement

30 May 2019

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

HALF-YEARLY REPORT 2019

Tertiary Minerals plc, the AIM-traded company building a multi-commodity project portfolio, announces its unaudited interim results for the six months ended 31 March 2019.

OPERATIONAL SUMMARY FOR THE SIX MONTHS ENDING 31 MARCH 2019:

Paymaster Project and Acquisition Opportunities

- The Company has staked claim to the Paymaster zinc-copper-silver-cobalt-tellurium prospect in Nevada, USA
- Grab samples assay up to 21% zinc (Zn), 6.5% lead (Pb), 3.3% copper (Cu) and 253g/t silver (Ag)
- Mineralisation intermittently exposed and sampled over 1.7km strike length
- Samples also contain high levels of high-tech metals tellurium and cobalt (Co)
- Successful soil sampling programme recently completed:
 - 165 soil samples
 - Significant elevated levels of Ag, Cu, Zn, Co and Pb over a strike length of over 2,000 metres, maximum values:
 - Ag: 17.5 ppm
 - Cu: 896 ppm
 - Zn: 872 ppm
 - Co: 33 ppm
 - Pb: 2251 ppm
- The Company will now conduct follow-up field work to define drilling targets
- Several new projects are currently being assessed in line with the Company's strategy to build a new multi-commodity project portfolio to enable the Company to reduce its future geographical, technical, permitting and commodity risk exposure and provide long-term shareholder value

Storuman Fluorspar Project, Sweden – Exploitation (Mine) Permit Progress

- The Company, together with its Swedish Lawyers, has prepared and submitted, on the 3 May 2019, a detailed appeal to the Swedish government against the decision by the Swedish Mining Inspectorate to reject Tertiary's Exploitation (Mine) Permit in its current form

MB Fluorspar Project, Nevada, USA – Metallurgical Testwork Progress

- Scoping Study level bench scale metallurgical testwork progressing at SGS Lakefield in Canada with the aim of producing commercial grade acid-spar and mica
- Testwork has indicated that some of the ore is metallurgically complex, presenting certain processing challenges, and therefore the Company has engaged the services of one of the world's leading consultant fluorspar metallurgists to assist with the testwork

Lassedalen Fluorspar Project, Norway

- The project continues to be a lower priority for the Company given the commitments on its other larger/more advanced fluorspar projects, acquisition opportunities and new Paymaster Project

Kaaresselkä and Kiekerömaa Gold Projects, Finland

- The Company retains pre-production and net smelter royalty interest in two gold projects owned by Aurion Resources
- Aurion is a Canadian listed exploration company with primary focus on the development of its Finnish gold projects, several of which are under joint venture with B2Gold. Kinross Gold Corporation are also significant shareholders of Aurion

Partnership with Global Commodities Trading Group

- Possehl continues to support the Tertiary management team with the development of its fluorspar operations and the evaluation of potential acquisition targets

Financial Results - Summary:

- Operating Loss for the six-month period of £183,018 comprises:
 - Revenue of £106,747; less
 - Administration costs of £240,163 (which includes non-cash share-based payments of £3,013); and
 - Pre-licence and reconnaissance exploration costs totalling £49,602
- Total Group Loss of £182,873 is after crediting:
 - Interest income of £145
- 83,333,333 Ordinary Shares were issued during the reporting period by way of placing at a price of 0.3 pence per share.
- 418,578 Ordinary Shares were issued during the reporting period to a director in satisfaction of outstanding directors fees at a price of 0.325 pence per share

ENQUIRIES

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Chairman's Statement

I am pleased to present our Interim Report for the six-month period ended 31 March 2019.

Following my 2018 annual report to shareholders we received the unwelcome news, in January this year, that the Mining Inspector in Sweden had rejected our Mine Permit application for the Storuman Fluorspar Project, siding with the view of the County Administration that the proposed mine tailings site could not coexist with traditional herding activities in that area. The Company and its legal team strongly believes that the Mining Inspector has not properly considered the Company's submission on avoidance and mitigating measures and so, this month, we submitted an appeal of the decision to the Swedish Government together with a letter of support from the local Storuman municipal government. We await the outcome.

We are continuing our scoping level work on the large MB Fluorspar Project in Nevada, USA, where a programme of metallurgical testwork is in progress to address metallurgical complexities in those deposits that have been considered for early production. The project contains multiple zones of fluorspar mineralisation with different metallurgical characteristics and consideration is being given to a further drill programme to test for high-grade and metallurgically more-amenable deposits.

The fluorspar market remains strong and we continue to enjoy the support of global trading commodities group Possehl in the continuing evaluation of our fluorspar projects. However, the Board recognises that, whilst its key fluorspar deposits are large and potentially valuable, the current development hurdles have progressively eroded investor interest in the Company. The Board is actively addressing this and in the past few months we have been advancing a programme of low-cost mineral exploration and claim staking in the western USA to expand and diversify the Company's project portfolio and lower the Company's exposure to commodity and permitting risk.

The first of these projects - Paymaster, in Nevada - was staked to cover high-grade base metal-silver-cobalt-tellurium surface showings in a skarn environment in the highly productive Walker Lane mineral belt. Similar geological environments host world-class base and precious-metal deposits elsewhere in the western USA.

The Company is now pleased to announce the results of a soil sampling programme at Paymaster where significant values of silver, copper, cobalt, lead and zinc have been found over a strike length of 2km. Values of over half an ounce of silver per ton and 0.2% lead in soil are standout results. Follow up work is now planned to define drill targets.

Our most recent project acquisition is the Pyramid Gold Project in Nevada where we have secured an option to purchase a group of patented mining claims containing high-grade epithermal gold mineralisation which was discovered by drilling in the 1980s but never followed up. The scope of this exciting target is highlighted by an associated 750m long gold-in-soil anomaly and widespread gold-bearing surface samples. Nevada is ranked as the best mining jurisdiction in the world by the Frazer Institute and such targets are hard to find in this mature exploration province. We hope to move quickly to carry out confirmatory and follow-up drilling.

We continue to watch with interest the progress of Aurion Resources in Finland where our pre-production and net smelter royalty interests in two gold projects held by Aurion have been brought into sharper focus by Aurion's high-grade gold discoveries on the neighbouring Risti project. Aurion has a large land package and is being supported financially by large gold producer Kinross Gold Corporation.

The Company's financial results for the half-year are in line with expectations and largely reflect the Company's project and administration expenditures and enabling fundraising.

My expectation is that the Company's recent initiatives in Nevada, USA, will result in a higher level of news flow and investor interest than has been the case in the past several months and so look forward to keeping shareholders informed of further developments.

Patrick L Cheetham
Executive Chairman
30 May 2019

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 multi-commodity project portfolio.

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.

Consolidated Income Statement

for the six months to 31 March 2019

	Six months to 31 March 2019 Unaudited £	Six months to 31 March 2018 Unaudited £	Twelve months to 30 September 2018 Audited £
Revenue	106,747	110,554	218,841
Administration costs	(240,163)	(269,480)	(507,931)
Pre-licence exploration costs	(49,602)	(11,954)	(38,725)
Impairment of deferred exploration asset	-	-	(1,976,618)
Operating loss	(183,018)	(170,880)	(2,304,433)
Gain on disposal of available for sale investment	-	37,263	37,094
Interest receivable	145	78	142
Loss before income tax	(182,873)	(133,539)	(2,267,197)
Income tax	-	-	-
Loss for the period attributable to equity holders of the parent	(182,873)	(133,539)	(2,267,197)
Loss per share – basic and diluted (pence) (Note 2)	(0.05)	(0.04)	(0.65)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2019

	Six months to 31 March 2019 Unaudited £	Six months to 31 March 2018 Unaudited £	Twelve months to 30 September 2018 Audited £
Loss for the period	(182,873)	(133,539)	(2,267,197)
Other comprehensive income:			
Items that have been reclassified subsequently to the Income Statement:			
Disposal from available for sale investment reserve	-	(37,263)	(38,634)
	-	(37,263)	(38,634)
Items that could be reclassified subsequently to the Income Statement:			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(1,180)	(209,948)	(62,575)
Fair value movement on available for sale investment reserve	-	(111,316)	(72,010)
	(1,180)	(321,264)	(134,585)
Items that will not be reclassified to the Income Statement:			
Changes in the fair value of equity investments	(69,550)	-	-
	(69,550)	-	-
Total comprehensive loss for the period attributable to equity holders of the parent	(253,603)	(492,066)	(2,440,416)

Company Registration Number 03821411
Consolidated Statement of Financial Position

at 31 March 2019

	As at 31 March 2019 Unaudited £	As at 31 March 2018 Unaudited £	As at 30 September 2018 Audited £
Non-current assets			
Intangible assets	2,730,899	4,406,689	2,670,386
Property, plant & equipment	2,658	2,463	3,308
Available for sale investment	-	164,391	202,328
Financial assets at fair value through other comprehensive income	132,778	-	-
	2,866,335	4,573,543	2,876,022
Current assets			
Receivables	67,786	95,668	96,653
Cash and cash equivalents	217,432	474,052	218,297
	285,218	569,720	314,950
Current liabilities			
Trade and other payables	(44,974)	(75,464)	(65,163)
Net current assets	240,244	494,256	249,787
Net assets	3,106,579	5,067,799	3,125,809
Equity			
Called up Ordinary Shares	44,307	35,910	35,932
Deferred Shares	2,644,062	2,644,062	2,644,062
Share premium account	10,008,687	9,784,363	9,785,702
Merger reserve	131,096	131,096	131,096
Share option reserve	112,952	204,522	168,923
Fair value reserve	(6,324)	25,291	63,226
Foreign currency reserve	303,157	156,964	304,337
Accumulated losses	(10,131,358)	(7,914,409)	(10,007,469)
Equity attributable to the owners of the parent	3,106,579	5,067,799	3,125,809

Consolidated Statement of Changes in Equity

	Ordinary Share Capital £	Deferred Shares £	Share Premium Account £	Merger Reserve £	Share Warrant Reserve £	Fair Value Reserve £	Foreign Currency Reserve £	Accumulated Losses £	Total £
At 30 September 2017	31,708	2,644,062	9,331,768	131,096	259,690	173,870	366,912	(7,840,036)	5,099,070
Loss for the period	-	-	-	-	-	-	-	(170,802)	(170,802)
Change in fair value	-	-	-	-	-	(111,316)	-	-	(111,316)
Transfer of disposals to income statement	-	-	-	-	-	(37,263)	-	37,263	-
Exchange differences	-	-	-	-	-	-	(209,948)	-	(209,948)
Total comprehensive loss for the period	-	-	-	-	-	(148,579)	(209,948)	(133,539)	(492,066)
Share issue	4,202	-	452,595	-	-	-	-	-	456,797
Share based payments expense	-	-	-	-	3,998	-	-	-	3,998
Transfer of expired warrants	-	-	-	-	(59,166)	-	-	59,166	-
At 31 March 2018	35,910	2,644,062	9,784,363	131,096	204,522	25,291	156,964	(7,914,409)	5,067,799
Loss for the period	-	-	-	-	-	-	-	(2,135,029)	(2,135,029)
Change in fair value	-	-	-	-	-	39,306	-	-	39,306
Transfer of disposals to income statement	-	-	-	-	-	(1,371)	-	1,371	-
Exchange differences	-	-	-	-	-	-	147,373	-	147,373
Total comprehensive loss for the period	-	-	-	-	-	37,935	147,373	(2,133,658)	(1,948,350)
Share issue	22	-	1,339	-	-	-	-	-	1,361
Share based payments expense	-	-	-	-	4,999	-	-	-	4,999
Transfer of expired warrants	-	-	-	-	(40,598)	-	-	40,598	-
At 30 September 2018	35,932	2,644,062	9,785,702	131,096	168,923	63,226	304,337	(10,007,469)	3,125,809
Loss for the period	-	-	-	-	-	-	-	(182,873)	(182,873)
Change in fair value	-	-	-	-	-	(69,550)	-	-	(69,550)
Exchange differences	-	-	-	-	-	-	(1,180)	-	(1,180)
Total comprehensive loss for the period	-	-	-	-	-	(69,550)	(1,180)	(182,873)	(253,603)
Share issue	8,375	-	222,985	-	-	-	-	-	231,360
Share based payments expense	-	-	-	-	3,013	-	-	-	3,013
Transfer of expired warrants	-	-	-	-	(58,984)	-	-	58,984	-
At 31 March 2019	44,307	2,644,062	10,008,687	131,096	112,952	(6,324)	303,157	(10,131,358)	3,106,579

Consolidated Statement of Cash Flows
for the six months to 31 March 2019

**Building a Strategic Position in
the Fluorspar Sector**

Tertiary Minerals plc

	Six months to 31 March 2019 Unaudited £	Six months to 31 March 2018 Unaudited £	Twelve months to 30 September 2018 Audited £
Operating activity			
Total loss after tax excluding interest received	(183,018)	(170,880)	(2,267,339)
Depreciation charge	812	2,003	4,019
Shares issued in settlement of outstanding wages	1,360	6,797	8,158
Share based payment charge	3,013	3,998	8,997
Impairment charge – deferred exploration asset	-	-	1,976,618
Gain on disposal of available for sale investment	-	-	(37,094)
(Increase)/decrease in receivables	28,867	(1,415)	(2,400)
Increase/(decrease) in payables	(20,189)	(344)	(10,645)
Net cash outflow from operating activity	(169,155)	(159,841)	(319,686)
Investing activity			
Interest received	145	78	142
Exploration and development expenditures	(61,318)	(102,415)	(201,622)
Disposal of development asset	-	-	-
Disposal of available for sale investment	-	133,264	133,094
Purchase of property, plant & equipment	(162)	(105)	(2,966)
Net cash (outflow)/inflow from investing activity	(61,335)	30,822	(71,352)
Financing activity			
Issue of share capital (net of expenses)	230,000	450,000	450,000
Net cash inflow from financing activity	230,000	450,000	450,000
Net (decrease)/increase in cash and cash equivalents	(490)	320,981	58,962
Cash and cash equivalents at start of period	218,297	159,278	159,278
Exchange differences	(375)	(6,207)	57
Cash and cash equivalents at end of period	217,432	474,052	218,297

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 2019 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 2018. 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 2019. The implementation of new standards and interpretations has not led to any changes in the Group's accounting policies (other than presentation and disclosure) or had any other material impact on its financial position. 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 2019 and the six months ended 31 March 2018 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 2018 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2018 have been filed with the Registrar of Companies. The Independent Auditor's Report on the Annual Report and Financial Statement for the year ended 30 September 2018 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 for a 15 month period. These projections include the proceeds of future fundraising necessary within the period 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.

	Six months to 31 March 2019 Unaudited	Six months to 31 March 2018 Unaudited	Twelve months to 30 September 2018 Audited
Loss for the period (£)	(182,873)	(133,539)	(2,267,197)
Weighted average shares in issue (No.)	389,173,054	343,522,305	351,361,810
Basic and diluted loss per share (pence)	(0.05)	(0.04)	(0.65)

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 2019 the following share issues took place:

An issue of 83,333,333 0.01p Ordinary Shares at 0.3p per share, by way of a placing, for a total consideration of £250,000 before expenses (25 January 2019).

An issue of 418,578 0.01p Ordinary Shares at 0.325p per share, to a director, in satisfaction of outstanding directors' fees, for a total consideration of £1,360 (21 February 2019).