AIM Announcement

22 May 2018

TERTIARY MINERALS PLC
(“Tertiary” or “the Company”)

HALF-YEARLY REPORT 2018

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 2018.

OPERATIONAL SUMMARY FOR THE SIX MONTHS ENDING 31 MARCH 2018:

Acquisition Opportunities

- Following the evaluation of a number of potential fluorspar project acquisitions, the Company is now focusing its efforts on one particular project that has the potential to generate revenue in the near term
- Early stage due diligence and negotiations are progressing
- There is no guarantee that the acquisition will proceed at this stage

Partnership with Global Commodities Trading Group

- Non-binding Memorandum of Understanding signed with Possehl Erzkontor GmbH & Co. KG (wholly owned subsidiary of CREMER) (“Possehl”) in November 2017
- Intention for Possehl and the Company to enter into a definitive sales and purchase agreement (“Offtake Agreement”), if and when the Tertiary projects reach commercial viability, whereby Possehl commit to purchase a minimum of 70% of commercial grade acid-spar to be produced at Tertiary’s three fluorspar projects
- As a condition of the Offtake Agreement Possehl, will provide part of the pre-financing to Tertiary, where funds will be advanced by Possehl to Tertiary to assist the Company in meeting its working capital needs and/or its capital investment needs for the development of its current and future fluorspar projects

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

- Recent positive meetings have been held between the head of The Swedish Mining Inspectorate, The County Administrative Board of Västerbotten and the Company
- Comprehensive supplementary reports and a legal statement have been submitted to Swedish Mining Inspectorate – requested as part of the Mine Permit re-assessment process
- The in-depth analysis shows that the Company’s proposed mining operations at Storuman, with mitigation measures proposed, will have only a minimal impact on reindeer husbandry and that there will be no impact on the Natura 2000 area
- The Swedish Mining Inspectorate will now assess feedback from key stakeholders and the Company remains hopeful for a positive decision regarding the award of the Mine Permit in the near future

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
- Early testwork has indicated that 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
- The Company along with the consultant metallurgist are now scoping the next phase of testwork following recent positive developments

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 and acquisition opportunities
- The Company has made the decision not to proceed with the purchase of land and historic mine workings from Norwegian aluminium producer, Hydro, on which part of the Lassedalen fluorspar project sits
- The Company continues to control exploration rights on the Hydro land and all other landholder parcels on which the project sits, through a combination of expropriation rights, exploration licences and landholder agreements

Kaaresselkä and Kiekerömaa Gold Projects, Finland

- Following the sale of the two projects in March 2017 to Aurion Resources, the Company sold its shares in Aurion Resources (paid as part initial consideration) in November 2017, resulting in a profit of £31,264
- The Company retains pre-production and net smelter royalty interest in the projects
- 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.

Financial Results - Summary:

- Operating Loss for the six-month period of £170,880 comprises:
  - Revenue of £110,554; less
  - Administration costs of £269,480 (which includes non-cash share based payments of £3,998); and
  - Pre-licence and reconnaissance exploration costs totalling £11,954
- Total Group Loss of £133,539 is after charging:
  - Gain on disposal of available for sale investment of £37,263
  - Interest income of £78
- 362,554 Ordinary Shares were issued during the reporting period to directors in lieu of fees at a price of 1.875 pence per share
- 41,666,670 Ordinary Shares were issued during the reporting period by way of placing, in December 2017, at a price of 1.2 pence per share.

ENQUIRIES

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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 2018.

The Company's plan to build a strategic position in the fluorspar sector has attracted the support of global commodities trading group, Possehl, part of the CREMER Group, with the signing of an important Memorandum of Understanding. This ("MOU"), whilst non-binding, paves the way for a definitive sales and purchase agreement for fluorspar from the Company's projects and, importantly, extends to the provision of pre-financing for commercial production and lends support to the Company's ambitions to develop not only its existing projects but to acquire a near-term revenue generating project.

The Company has evaluated a number of possible acquisition opportunities in the reporting period. Whilst most of these have been rejected for various reasons, one project opportunity is currently being taken forward through early due diligence and negotiations with the current owners. There is no guarantee that the acquisition will proceed at this stage.

Work on the Company's existing fluorspar projects in Europe and North America has largely focused on the Storuman Project in Sweden. The re-assessment process for the Company's Exploitation (Mine) Permit application for our Storuman Fluorspar Project in Sweden has consumed considerable management time to meet an April 2018 deadline for the submission of supplementary reports and legal statements in support of the grant of the permit.

Whilst the Storuman mine permit was originally granted in 2016, the government returned the permit case, along with many other cases, back to the Swedish Mining Inspectorate for re-assessment following a Supreme Court decision to overturn the grant of a third-party mining company's mine permit in the south of Sweden. The re-assessment is intended to consider the impact of mining in the concession area on a wider surrounding area. The Company has addressed these issues with detailed impact and mitigation studies and, after consultation with certain stakeholders, has submitted comprehensive additional information that demonstrates minimal impact with the mitigation measures proposed. We are hopeful of a favourable outcome in the near future.

In Nevada, USA, our previous exploration on the MB Project has defined a very large fluorspar resource with varying metallurgical characteristics in different zones. The zone of mineralisation that is most immediately accessible to open-pit mining is the most metallurgically complex. Nevertheless, I am pleased that progress is now being made in scoping study level testwork towards production of acid-grade fluorspar as well as a by-product industrial filler grade mica. Testwork continues under the guidance of our specialist consultants.

In Norway, work at our Lassedalen Fluorspar Project has assumed a lower priority due to its smaller fluorspar resource and a decision was made not to proceed with the purchase of land from large Norwegian aluminium producer, Hydro, a forerunner company of which was responsible for mining fluorspar at Lassedalen in World War II.

The pricing environment for fluorspar has continued to strengthen, particularly for delivery into Europe where, after a period of disconnect, prices are now catching up with Chinese domestic prices which have traditionally set the pricing benchmark. Downstream processors of fluorochemicals have recently reported strong sales and increased prices.

Earlier in the reporting period we announced the sale of our shareholding in Canadian TSX-listed Aurion Resources Ltd which we received as part payment for the sale of our Finnish gold projects. This resulted in a profit of £31,264 on the original transactional value and with good timing we achieved a price per share substantially above the current prevailing price. We will, however, continue to share in any of Aurion's future success on these projects as we are entitled to further payments on the definition of Ore Reserves and Mineral Resources and a royalty on production.

We look forward to reporting further progress through the rest of this financial year.

Patrick L Cheetham
Executive Chairman

22 May 2018

Consolidated Income Statement
for the six months to 31 March 2018

	Six months to 31 March 2018 Unaudited £	Six months to 31 March 2017 Unaudited £	Twelve months to 30 September 2017 Audited £
Revenue	**110,554**	134,885	241,024
Administration costs	**(269,480)**	(286,654)	(550,229)
Pre-licence and other exploration costs	**(11,954)**	(4,371)	(30,617)
Operating loss	**(170,880)**	(156,140)	(339,822)
Impairment of available for sale investment	**-**	(55,987)	(55,987)
Profit on disposal of available for sale investment	**37,263**	-	-
Interest receivable	**78**	277	277
Loss before income tax	**(133,539)**	(211,850)	(395,532)
Income tax	**-**	-	-
Loss for the period attributable to equity holders of the parent	**(133,539)**	(211,850)	(395,532)
Loss per share – basic and diluted (pence) (Note 2)	**(0.04)**	(0.08)	(0.14)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2018

	Six months to 31 March 2018 Unaudited	Six months to 31 March 2017 Unaudited	Twelve months to 30 September 2017 Audited
	£	£	£
Loss for the period	**(133,539)**	(211,850)	(395,532)
Other comprehensive income:			
Items that could be reclassified subsequently to the Income Statement:			
Fair value movement on available for sale investment	**(111,316)**	(54,755)	122,753
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(209,948)**	59,852	(15,442)
Items that have been reclassified subsequently to the Income Statement:			
Amount reclassified on disposal of available for sale investment	**(37,263)**	-	-
Total comprehensive income/(loss) for the period attributable to equity holders of the parent	**(492,066)**	(206,753)	(288,221)

Company Registration Number 03821411

Consolidated Statement of Financial Position

at 31 March 2018

	As at 31 March 2018 Unaudited £	As at 31 March 2017 Unaudited £	As at 30 September 2017 Audited £
Non-current assets			
Intangible assets	**4,406,689**	4,497,712	4,508,015
Property, plant & equipment	**2,463**	6,607	4,361
Available for sale investment	**164,391**	231,463	408,971
	4,573,543	4,735,782	4,921,347
Current assets			
Receivables	**95,668**	86,975	94,253
Cash and cash equivalents	**474,052**	145,212	159,278
	569,720	232,187	253,531
Current liabilities			
Trade and other payables	**(75,464)**	(62,555)	(75,808)
Net current assets	**494,256**	169,632	177,723
Net assets	**5,067,799**	4,905,414	5,099,070
Equity			
Called up Ordinary Shares	**35,910**	2,670,769	31,708
Deferred Shares	**2,644,062**		2,644,062
Share premium account	**9,784,363**	9,066,769	9,331,768
Merger reserve	**131,096**	131,096	131,096
Share option reserve	**204,522**	254,566	259,690
Available for sale investment reserve	**25,291**	(3,638)	173,870
Foreign currency reserve	**156,964**	442,206	366,912
Accumulated losses	**(7,914,409)**	(7,656,354)	(7,840,036)
Equity attributable to the owners of the parent	**5,067,799**	4,905,414	5,099,070

Consolidated Statement of Changes in Equity

	Ordinary Share Capital £	Deferred Shares £	Share Premium Account £	Merger Reserve £	Share Warrant Reserve £	Available for Sale Reserve £	Foreign Currency Reserve £	Accumulated Losses £	Total £
At 30 September 2016	**2,669,442**	**-**	**9,066,735**	**131,096**	**343,486**	**51,117**	**382,354**	**(7,539,696)**	**5,104,534**
Loss for the period	-	-	-	-	-	-	-	(211,850)	(211,850)
Change in fair value	-	-	-	-	-	(54,755)	-	-	(110,742)
Exchange differences	-	-	-	-	-	-	59,852	-	59,852
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**(54,755)**	**59,852**	**(211,850)**	**(206,753)**
Share issue	1,327	-	34	-	-	-	-	-	1,361
Share based payments expense	-	-	-	-	6,272	-	-	-	6,272
Transfer of expired warrants	-	-	-	-	(95,192)	-	-	95,192	-
At 31 March 2017	**2,670,769**	**-**	**9,066,769**	**131,096**	**254,566**	**(3,638)**	**442,206**	**(7,656,354)**	**4,905,414**
Loss for the period	-	-	-	-	-	-	-	(183,682)	(183,682)
Change in fair value	-	-	-	-	-	177,508	-	-	177,508
Exchange differences	-	-	-	-	-	-	(75,294)	-	(75,294)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**177,508**	**(75,294)**	**(183,682)**	**(81,468)**
Share split	(2,644,062)	2,644,062	-	-	-	-	-	-	-
Share issue	5,001	-	264,999	-	-	-	-	-	270,000
Share based payments expense	-	-		-	5,124	-	-	-	5,124
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**

Consolidated Statement of Cash Flows
for the six months to 31 March 2018

	Six months to 31 March 2018 Unaudited £	Six months to 31 March 2017 Unaudited £	Twelve months to 30 September 2017 Audited £
Operating activity			
Operating loss	**(170,880)**	(156,140)	(339,822)
Depreciation charge	**2,003**	3,265	5,910
Shares issued in lieu of net wages	**6,797**	1,361	1,361
Share based payment charge	**3,998**	6,272	11,396
Non-cash additions to available for sale investment	**-**	(52,735)	(52,735)
(Increase)/decrease in receivables	**(1,415)**	18,057	10,779
Increase/(decrease) in payables	**(344)**	(29,933)	(16,680)
Net cash outflow from operating activity	**(159,841)**	(209,853)	(379,791)
Investing activity			
Interest received	**78**	277	277
Development expenditures	**(102,415)**	(108,558)	(190,172)
Disposal of exploration asset	**-**	15,000	15,000
Disposal of available for sale investment	**133,264**	-	-
Purchase of property, plant & equipment	**(105)**	(87)	(486)
Net cash outflow from investing activity	**30,822**	(93,368)	(175,381)
Financing activity			
Issue of share capital (net of expenses)	**450,000**	-	270,000
Net cash inflow from financing activity	**450,000**	-	270,000
Net (decrease)/increase in cash and cash equivalents	**320,981**	(303,221)	(285,172)
Cash and cash equivalents at start of period	**159,278**	448,474	448,474
Exchange differences	**(6,207)**	(41)	(4,024)
Cash and cash equivalents at end of period	**474,052**	145,212	159,278

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 2018 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 2017. 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 2018. 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 2018 and the six months ended 31 March 2017 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 2017 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2017 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 2017 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 2018 Unaudited	Six months to 31 March 2017 Unaudited	Twelve months to 30 September 2017 Audited
Loss for the period (£)	**(133,539)**	(211,850)	(395,532)
Weighted average shares in issue (No.)	**343,522,305**	266,987,238	284,429,468
Basic and diluted loss per share (pence)	**(0.04)**	(0.08)	(0.14)

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 2018 the following share issues took place:

An issue of 41,666,670 0.01p Ordinary Shares at 1.2p per share, by way of placing, for a total consideration of £500,000 before expenses (6 December 2017).

An issue of 72,554 0.01p Ordinary Shares at 1.875p per share, to a director, in satisfaction of directors' fees, for a total consideration of £1,360 (31 January 2018).

An issue of 290,000 0.01p Ordinary Shares at 1.875p per share, to a director, in satisfaction of directors' fees, for a total consideration of £5,437 (31 January 2018).