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14 April 2008

## **DRILLING STARTS ON STORUMAN FLUORSPAR DEPOSIT IN SWEDEN**

- **12 Drill Holes Will Test Deposit Over 2km Known Strike Length And For Extensions**
- **Fluorspar Prices Still Rising In Tight Markets**
- **Applications Submitted For Extended Ground Holding And Additional Fluorspar Prospect**

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Tertiary Minerals plc ("Tertiary" or "the Company") is pleased to announce that it starts drilling today on its 100% owned Storuman fluorspar deposit in the Västerbotten district of Northern Sweden.

The Company has moved quickly to start its evaluation work following acquisition of the project in January this year. An environmental permit has been obtained for drilling and initially twelve diamond drill holes are planned. Eight holes will test the known shallow fluorspar zone along the axis of its 2 km known extent and four will test for extensions to the NW where some of the highest grades were reported from drilling programmes carried out in the 1970s. Mineralisation has not been closed off in any direction from its outcrop.

A second drill rig is scheduled to be mobilised to site later this week to accelerate the drill programme which aims to confirm the thicknesses and grades of potentially economic mineralisation and to collect samples for bench scale metallurgical testwork. The information obtained from the drilling and subsequent metallurgical testwork will form the basis for a technical and economic scoping study which the Company aims to complete this summer.

The Company also announces that it is extending its ground holding with applications for three further exploration licences, two to cover possible extensions to the known deposit and one elsewhere in the region where a further untested fluorspar deposit is believed to occur.

The price of fluorspar continues to rise on world markets with some fluorspar consumers, several of which are based in Europe, facing critical supply shortages as traditional supplies from China are diverted to meet growing Chinese domestic demand. China has recently imposed export quotas and export taxes to discourage export and thus ensure domestic supplies. The latest reported price for Chinese fluorspar delivered to Europe is \$350/tonne.

### **Background Information**

Fluorspar is the commercial name for the industrial mineral fluorite (calcium fluoride - chemical formula CaF<sub>2</sub>). It is the main industrial source of fluorine for the manufacture of hydrofluoric acid and derivative fluorine chemicals including refrigerants, PTFE (Teflon™) and aluminium hydrofluoride, a flux used in the reduction of alumina to aluminium. It is also used as a flux in steel making, in the ceramics industry and in the manufacture of nuclear fuel (uranium hexafluoride).

The Storuman fluorite deposit was first evaluated by the Swedish Gränges Group in the 1970's when drilling, resource evaluation and pilot plant metallurgical testwork was carried out. Subsequently the Gränges Group was taken over and broken up and the discovery was largely forgotten.

Storuman is a flat-lying sandstone-hosted replacement deposit. It has been defined, but not closed off, by 39 diamond drill holes and extends over an area of at least 2 km by 1.2 km where it is typically 3-10m thick. No recent resource estimate has been made for the deposit. However, in 1974 Gränges documented an "ore reserve" of 12.5 million tonnes grading 13.3% CaF<sub>2</sub>. Of this, 37% fell within an open-pit designed by Gränges, the rest being reportedly mineable from underground. This estimate is not compliant with any current resource or reserve code and should therefore only be used to indicate that the tonnage potential of this deposit is very large.

Granges drilling did not close off the deposit and it is open to expansion on three sides along from, and away from, the trace of its outcrop along the side of a hill. Some of the highest grade drill intersections having been made at the extremities of the drilled area e.g. :

Drill hole 26 : 3.4 m grading 23% CaF<sub>2</sub> from 9.9 m depth\*

Drill hole 34 : 15.2 m grading 14% CaF<sub>2</sub> from 47.3 m depth\*

Drill hole 38 : 3.0 m grading 20% CaF<sub>2</sub> from 34.2 m depth\*

(\* Drilled thicknesses reported are believed to approximate to true thicknesses).

Metallurgical testwork carried out by Gränges was successful in producing acid grade (min. 97% CaF<sub>2</sub>) fluorspar concentrate with very good recoveries.

The deposit is located in an area with well established infrastructure. It is located adjacent to a sealed highway and only 15km from the regional town of Storuman which is connected by rail to the City and Port of Umeå on the Gulf of Bothnia.

A conceptual target for the Company is a mining operation producing at least 100,000 tonnes per annum of acid grade fluorspar. The world market for fluorspar is just over 5 million tonnes per annum of which 65% is for acid grade fluorspar.

At present, China accounts for over half of world fluorspar production but exports only 25% of its output. Export tonnages have fallen by more than half since the year 2000 and this trend is predicted to continue. Furthermore, the quality of the exported material is both declining and becoming unpredictable.

Further details of the Storuman project, site photos, and schematic drill plans can be found on the Company's website at: <http://www.tertiaryminerals.com/index.php?page=storuman>

*Note:*

*The information in this release has been compiled and reviewed by Mr. Patrick Cheetham (MIMMM, MAusIMM) who is a qualified person for the purposes of the AIM Guidance Note for Mining Oil & Gas Companies issued on March 16, 2006. Mr Cheetham is a Member of the Institute of Materials, Minerals & Mining and also a member of the Australasian Institute of Mining & Metallurgy.*

**Further info:**

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