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## **TERTIARY TO FAST-TRACK EVALUATION & DEVELOPMENT OF ITS MAJOR FLUORSPAR DEPOSIT IN NORTHERN SWEDEN**

- **Spring Start Scheduled For Start Of Drill Definition Programmes**
- **Strong Industry Interest In Off-Take Agreements And Project Participation**
- **Work At Kolari Validates Potential For Near Surface Bulk-Mineable Iron Ore**
- **Exploration Licence Awaited At Ghurayyah, Saudi Arabia**

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Tertiary Minerals plc ("Tertiary" or "the Company") will be providing the following update on its exploration activities at its AGM later today.

In late January the Company announced the acquisition of the Storuman project in Sweden where drilling in the 1970's indicated the potential for a world class deposit of the industrial mineral fluorspar which is mainly used as feedstock for the production of hydrofluoric acid and value added derivative fluorine chemicals.

The Company plans to fast track the evaluation and development of the Storuman deposit having already received a number of approaches from industry participants interested in fluorspar off-take and project participation. The Company has applied for the necessary permits to allow a March/April start to resource definition drilling where the first programme will comprise 10-12 drill holes to a maximum depth of 60m each spread evenly over the full 2km by 1.2km extent of the deposit. Most holes will be sited to twin drill holes reported from the 1970's discovery drilling programme to confirm the grade and distribution of fluorspar mineralisation and also to collect a representative set of samples for metallurgical characterisation and testwork. A few strategic drill holes will test for extensions to the known mineralisation.

The Company is targeting a combined open-pit and underground mine at Storuman producing at least 100,000 tonnes per annum of acid grade fluorspar which currently sells in Europe for over US\$300 per tonne, more than double the price a few years ago. The world market for fluorspar is just over 5 million tonnes per annum. At present, China accounts for over half of world fluorspar production but exports only 25% of its output and supplies to Europe are very tight.

Further drilling is also scheduled for the Company's Sivakkalehto iron-ore claims at Kolari in Finland where in early January the Company announced the intersection of wide zones of magnetite iron ore in three shallow drill-holes. Based on these results the Company inferred the possibility of a large body of near surface, bulk-mineable, disseminated magnetite mineralisation.

In order to validate this potential, detailed logging of magnetite mineralisation in old drill holes was carried out in February. These drill holes, and historic assaying, generally appear to

have targeted narrow zones of high-grade mineralisation at depths that could only be mined by underground mining methods and, at that time, drilling did not establish continuity of the high grade zones. The potential for wide zones of disseminated mineralisation was not considered.

Detailed magnetic susceptibility logging was carried out systematically on over 3.9km of drill core in 12 key drill holes. Magnetic susceptibility is a rock property measurement that is proportional to magnetite iron-ore content where no other significantly magnetic minerals occur and when calibrated against known assays values can provide an estimate of magnetite and iron content. Whilst no substitute for actual assays, when used correctly, this method is sufficiently reliable to quickly and cheaply indicate the form and extent of magnetite mineralisation.

This work has clearly validated the potential for substantial tonnages of near surface bulk-mineable iron mineralisation. Over the 550m strike length so far considered, it has defined a coherent envelope of disseminated magnetite mineralisation over 100m wide with a magnetite content of approximately 30% (equal to approximately 20% Fe). Most historical drill intersections were made in this body at depths of 100-300m but interpretation of ground magnetic surveys and the results from Company's three shallow drill holes suggests that the body is sub-vertical and sub-crops beneath glacial till cover.

In Saudi Arabia the Company is still waiting for the re-issue of its exploration licence over the World class Ghurayyah tantalum–niobium-rare-earth project. The Company remains confident that a new licence will be issued in due course and that the delays currently being experienced are not unique to its own circumstances but a result of licence processing requirements that are applicable to all new licences in the process of being issued.

Further details on the Company's Storuman and Kolari projects, including 3-D visualisations and schematic drill cross-sections, will be given in a presentation to the Annual General Meeting later today and this presentation will be available on the Company's website shortly.

### **Further info:**

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### **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.*