



Tertiary Minerals plc

Building a Strategic Position in the Fluorspar Sector

AIM Announcement

19 October 2017

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

Corporate and Operational Update

Tertiary Minerals plc, the AIM traded company building a strategic position in the fluorspar sector, is pleased to provide an operational update for its key fluorspar projects, royalty interests and project acquisition activity. The Company is developing its three key fluorspar assets where more than 13 Mt of contained fluorspar (CaF₂ %) has been defined - JORC classified Indicated and Inferred.

Commenting today, Managing Director, Richard Clemmey said: **"During recent months management has been progressing the Storuman project in Sweden through the Mine permitting process. Metallurgical testwork at the MB project in Nevada is progressing and is aimed at producing a commercial grade mica product alongside commercial grade acid-spar. Management is also focused on acquisition opportunities in the fluorspar and industrial minerals sector. Advanced discussions and technical due diligence are in progress and we look forward to releasing further news in due course"**.

HIGHLIGHTS:

Storuman Fluorspar Project, Sweden

- The re-assessment process of the Exploitation (Mine) Permit by the Swedish Mining Inspectorate is progressing
- The Swedish Mining Inspectorate requested additional information relating to the original EIA, which the Company provided in May 2017
- The Mining Inspectorate confirmed the additional information is sufficient and subsequently re-invited all stakeholders to comment on the application – current deadline for responses being 27 October 2017

MB Fluorspar Project, Nevada, USA

- Scoping Study level bench scale metallurgical testwork progressing at SGS Lakefield in Canada with the aim of producing commercial grade acid-spar
- Testwork scope includes the production of commercial grade mica as a secondary product – potential valuable upside

Lassedalen Fluorspar Project, Norway

- The seasonal environmental testwork required as part of the due diligence for the purchase of land and old fluorspar mine workings from Hydro has been completed by Niva and data review now underway
- Following satisfactory environmental data review, the Company is planning to progress with the required technical and legal due diligence prior to taking ownership of the Hydro land position

Finland Gold Projects – Aurion Resources

- The 83,072 shares the Company received as part consideration have increased in value from £85,000 to more than £140,000 (based on current mid-market price and exchange rates)
- Kinross Gold Corporation has recently completed a private placement with Aurion resulting in Kinross owning 9.98% of the issued and outstanding share capital of Aurion
- Tertiary retain pre-production and production royalty interests in the projects

Potential Acquisition

- Advanced discussions and technical due diligence are underway for shortlisted fluorspar project
- Project has the potential to be near-term revenue generating

Customer Engagement

- The Company continues to engage with key end-users and fluorspar traders, providing regular project updates, technical and commercial co-operation. Further discussions to be held at the upcoming global fluorspar conference on 23-25 October 2017

ENQUIRIES

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Further Information

Background

Fluorspar is classified as a critical raw material by the European Commission (high risk of supply shortage and consequent impact on the economy) and the USA also considers fluorspar to be a strategic mineral. Due to its unique chemical properties, lightest of the halogens, it is largely irreplaceable and is used in a wide range of applications. Key uses include:

- Refrigeration – **new generation of zero ozone depleting potential (ODP) and very low global warming potential (GWP) refrigerants**, hydrofluoroolefins (HFO's) - driven by environmental legislation, most recently the Kigali Amendment: 170 nations agreed to phase down low ODP, high GWP Hydrofluorocarbons (HFCs)
- Flux for **Energy reduction** in the steel and aluminium industry
- **Emerging uses** – e.g. fluoropolymers in lithium batteries

The Company continues in its quest to become a reliable long-term and competitive supplier of high quality fluorspar to world markets through the acquisition and development of fluorspar deposits located close to established infrastructure and key markets in stable, democratic and mining friendly jurisdictions.

Storuman Fluorspar Project, Sweden

The Company's 100% owned Storuman project is located in north central Sweden where the Company has defined a large near-surface fluorspar JORC compliant Mineral Resource:

Classification	Million Tonnes (Mt)	Fluorspar (CaF ₂ %)
Indicated	25.0	10.28
Inferred	2.7	9.57
Total	27.7	10.21

The Company submitted its Exploitation (Mine) Permit application in July 2014 to the Swedish Mining Inspectorate and following an extensive consultation process the 25 year Exploitation (Mine) Permit was granted on 18 February 2016.

However, as a consequence of the Supreme Court's decision to overturn the grant of a third-party mining company's mining permit in the south of Sweden (Norra Karr Mine Permit - rare earth element project, owned by Leading Edge Minerals) the government returned the Storuman Mine Permit case, along with many other cases, back to the Swedish Mining Inspectorate for re-assessment in December 2016. The re-assessment is intended to consider the impact of mining in the concession area on a wider surrounding area. Earlier this year the Swedish Mining Inspectorate requested additional information from the Company relating to the original Environmental Impact Assessment (EIA) and the wider area. The Company provided the additional information to the Swedish Mining Inspectorate in the form of an updated EIA in May 2017. The additional information was accepted by the Mining Inspectorate which has subsequently invited all stakeholders to provide comments on the application and additional information, with the current deadline for responses being 27 October 2017. Further updates will be provided as and when available, but it is worth noting that the Company has no influence on the speed at which the re-assessment of the grant of the mining permit is being processed by the Authorities.

Whilst the process is slow and frustrating, the Company continues to co-operate with the Mining Inspectorate and believes that the Mine Permit application and EIA are of a very high standard. The Company also continues to have the support of the majority of key stakeholders at Storuman, with the notable exception of the Sami reindeer herding community, and remains 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 the Company will therefore not spend any further money on exploration or development of Storuman until the matter is resolved.

MB Fluorspar Project, Nevada, USA

The MB Property comprises 146 contiguous mining claims covering an area more than 2,800 acres and is located 19km south-west of the town of Eureka in central Nevada, USA. Four phases of drilling completed by the Company have resulted in the definition of a large fluorspar JORC compliant Mineral Resource:

Classification	Million Tonnes (Mt)	Fluorspar (CaF ₂ %)
Indicated	6.1	10.8
Inferred	80.3	10.7
Total	86.4	10.7

The initial metallurgical testwork is now underway at SGS Lakefield to ascertain if commercial grade acid-spar and commercial grade mica can be produced from the ore. This is the first critical step in the preparation of a Scoping Study for the project. The results of the testwork will determine the next steps in the development of the MB fluorspar projects. The ore presents some metallurgical challenges and the Company has therefore engaged the services of one of the world's leading fluorspar metallurgists to assist with the testwork.

Lassedalen Fluorspar Project, Norway

The Lassedalen Fluorspar Project is located near Kongsberg, 80km to the south-west of Oslo in Norway. The Company has defined a small, higher grade fluorspar JORC compliant Mineral Resource on the property:

Classification	Million Tonnes (Mt)	Fluorspar (CaF ₂ %)
Inferred	4.0	24.60

A key landowner for the Company's Lassedalen fluorspar project is the global aluminium company, Hydro. In November 2016 Tertiary and Hydro entered into heads of terms whereby Tertiary will acquire the land (for 1 Norwegian Krone) and historic mine workings from Hydro following successful due diligence and purchase agreement completion. The seasonal environmental testwork required as part of the due diligence has recently been completed by Niva and data review is underway. Following satisfactory data review the Company is planning to progress with the technical and legal due diligence prior to taking ownership of the Hydro land position.

Finland Gold Projects – Aurion Resources

In March 2017, the Company successfully completed the sale of two legacy gold assets, Kaasselkä and Kiekerömaa in Finland, to TSX-V listed Aurion Resources Ltd. The Company was paid £100,000 initial consideration for the projects, £15,000 in cash and £85,000 in Aurion Shares. The Company also retains a pre-production and production royalty interest in the projects and therefore providing the opportunity for potential income in the future.

Aurion has recently announced the discovery of a new bonanza gold zone, called Aurora at its 100% owned Risti project. The Kaasselkä project is located in the same regional deformation zone, to the south of Risti where 133 rock grab samples collected from predominantly large and angular subcropping quartz-tourmaline blocks assayed from nil to 1563.5 g/t Au, including 36 samples which assayed greater than 31 g/t Au (1 ounce per tonne). The average grade of all 133 samples is 74.3 g/t Au. In September this year Kinross Gold Corporation completed a

private placement with Aurion resulting in Kinross owning 9.98% of the issued and outstanding share capital of Aurion.

This has resulted in an increase in the value of the Aurion Shares held by Tertiary by more than £55,000, the current value being more than £140,000 (based on current mid-market price and exchange rates). The Company believe that Aurion is in a strong position to develop the Kaaresselkä and Kiekerömaa projects in the future.

Potential Acquisition

In January this year the Company updated the market on its 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. Finding quality projects is not an easy task, but following the shortlisting of a number of projects for further evaluation the Company is engaged in detailed discussions with the owners of one such fluorspar project and technical due diligence has started; however there is no guarantee that the deal will be successfully executed at this point.

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).

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

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.