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PLAN TO DRILL PRIME IRON TARGET IN HEART OF FINLAND'S MAIN IRON ORE DISTRICT

- **Testing Strongest Magnetic Anomaly in Kolari Iron District**
- **Historic Work Points To Over 200 Million Tonnes Of Magnetite**
- **Joint Venture Offer Turned Down From Leading Company In Order To Value-Add**
- **Emphasis On New Nordic Projects Whilst Saudi Licence Awaited**

Tertiary Minerals plc ("Tertiary" or "the Company") is pleased to announce that it intends to drill a prime iron ore target in Kolari at the heart of Finland's main iron ore district.

The "Sivakkalehto" target represents the strongest known magnetic anomaly in the Kolari iron district where magnetite iron ore was last worked in the 1980's by Finnish company Rautaruukki Oy. The Geological Survey of Finland (GTK) has reported that geophysical interpretation of this magnetic anomaly suggests that the Sivakkalehto deposit may contain over 200 million tonnes¹ of the iron mineral magnetite within a 2km by 300-500m broad area within Tertiary's claims.

The Sivakkalehto target sits in the heart of the Kolari-Pajala iron province which stretches over the border into Sweden. Today, Canadian company Northland Resources, capitalised at over £210 million, is undertaking intensive exploration and feasibility studies on surrounding claims for the development of a new iron ore mine. Last month Northland released a NI43-101 compliant² iron-copper-gold resource at its 100% owned Hannukainen deposit at Kolari which lies 10km to the north of Tertiary's Sivakkalehto target. Total Measured plus Indicated resources are reported by Northland to be 84.6 million tonnes with an average grade of 34.6% Fe, 0.20% Cu, and 0.093 g/t Au using a cut-off of 15% Fe. An additional 81.6 million tonnes @ 35.7 % Fe + 0.13%Cu + 0.036 g/t Au have been defined in the inferred category.

Northland's Hannukainen iron deposits give rise to distinctive magnetic anomalies, but the Sivakkalehto magnetic anomaly is the strongest known in the whole Kolari iron district and previous drilling by Rautaruukki Oy has returned significant intersections of iron mineralisation which warrant follow up, including:

Hole No.	From	To	Interval	Fe %
R1	36m	347m	311m	14% Fe
inc	298m	303m	5m	62% Fe
R4	203m	219m	16m	54% Fe

R21	239m	355m	116m	26% Fe
inc.	259m	304m	45m	40% Fe
R22	278m	296m	17m	56% Fe
R12	273m	304m	31m	56% Fe

Copper mineralisation has not been evaluated at Sivakkalehto although it is known from limited historic assays to be present in places at low grades.

“The historic drilling results for iron compare favourably to those reported at Hannukainen by Northland and suggests at least a similar resource potential within our project, but this can only be confirmed by drilling.” commented Patrick Cheetham, Tertiary’s Chairman. “There is a big economic advantage to have production within the European market with significant savings on the cost of importing iron ore from the southern hemisphere.” he added.

The Company has been approached in recent months by a leading company for a farm-in at Sivakkalehto but has opted in favour of adding value itself before talking to interested parties. It has just completed modelling of recently collected airborne magnetic data, and is planning a drilling programme in October to test for shallow iron-ore positions.

Tertiary is placing more emphasis on its Nordic portfolio, with new prospects being generated, while awaiting the granting of its exploration licence on the giant Ghurayyah tantalum-niobium, deposit in Saudi Arabia.

“Our activities in the Nordic countries have been on the backburner and consequently overlooked by the market in recent times. We hope to be able to give details of additional developments there soon.” commented Mr. Cheetham.

The Company has held its Kolari property for five years as part of its IOCG (iron oxide-copper-gold) project portfolio. Other Tertiary IOCG deposits are at Vähäjoki, Finland and Ahmavuoma in North Sweden.

Further info:

Patrick Cheetham, Executive Chairman, Tertiary Minerals plc. Tel: +44 (0)1625-626203

Ron Marshman/John Greenhalgh, City of London PR Limited. Tel: +44(0)20-7628-5518

Notes:

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.

1. The historical tonnage figure referred to by GTK for Sivakkalehto does not conform to any resource categories in any recognised resource estimation Code or Instrument. The Company believes that this tonnage figure is speculative and should not be relied upon. The Company does not have - and is not aware of - any resource estimates which conform to the standards laid out in any recognised Code or Instrument.

2. National Instrument 43-101 (NI 43-101) is a rule developed by the Canadian Securities Administrators and administered by the provincial securities commissions that governs how issuers disclose scientific and technical information about their mineral projects to the public. It incorporates definitions of resources and reserves adopted by the Canadian Institute of Mining, Metallurgy and Petroleum.