



**ANNOUNCEMENT OF AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
30 SEPTEMBER 2009**

Chairman's Statement

I have pleasure in presenting the Company's audited financial statements for the year ended 30 September 2009.

So far in 2009, the much feared financial meltdown appears to have been averted with commodity prices and stock markets around the World staging strong recoveries - fuelled in part by governments' quantitative easing policies.

In late 2008, anticipating the imminent downturn, we reduced costs where possible but, importantly, we kept our small team of professionals together. Discretionary project expenditure was slowed during the first half of 2009 but - as some optimism returned to the markets, and after a further fundraising - we made a decision to push forward with work on our Storuman fluorspar project in Sweden, where good progress is now being made towards completion of a scoping study.

Storuman Fluorspar Project

Our work programmes will culminate in a scoping study and a preliminary economic evaluation of the project which is expected towards the end of the first quarter of 2010.

Some components of this study are complete. Following our drilling programme last year we were recently able to report the results for our consultant Scott Wilson's estimation of the tonnage and grade of mineralisation at Storuman. Their estimate of 28-31 million tonnes containing over 3 million tonnes of fluorspar is nearly double the previously reported estimate and I believe the size of the deposit has potential to grow further with additional drilling.

The most time consuming component of the scoping study is the metallurgical testwork programme. Good progress is being made in understanding the metallurgical character of the Storuman ore, and metallurgical challenges are being met. A significant achievement during the year was the demonstration that a saleable fluorspar concentrate can be produced.

Following the global economic crisis fluorspar demand fell sharply at the end of 2008, as might have been expected, and demand remains relatively weak. In early 2009 some fluorspar mines reduced output, or closed temporarily, but in some cases production levels have now returned to normal. In 2008-9 there has been a sharp fall in fluorspar prices from a 'peak' of US\$500/tonne to a prevailing price of US\$300/tonne which is, importantly, still substantially higher than prices just a few years ago. This reflects a continuing tightness in traditional supplies from China as their domestic demand grows, and export is discouraged by Government taxes.

Ghurayyah

We are still awaiting the issue of the new exploration licence over the world class Ghurayyah tantalum-niobium rare-earth deposit in Saudi Arabia and a recent communication from the Deputy Ministry for Minerals Resources confirms that our Consortium's licence application is still under active consideration.

Other licence applicants in Saudi Arabia have experienced similar delays.

Other Projects

At Vähäjoki, exploration drilling for copper and gold during the year by joint venture partner Inmet Mining Corporation of Canada did not generate ore-grade intersections and the project was returned to the Company as Inmet withdrew from the joint venture.

Work on the Company's other projects has been deferred during 2009, although further work is budgeted for 2010 for the Kaarelselkä gold project and Kolari iron project.

Sunrise Diamonds plc

The Company has maintained its shareholding in Sunrise Diamonds plc at 14% of the issued capital, and continues to provide management services to Sunrise Diamonds.

Procedures are in place in order to avoid any conflict of interest between the Company and Sunrise Diamonds in the search for, evaluation and acquisition of new projects.

Financials

The Group reported a loss of £270,269 for the year (2008: £791,965). The audited financial statements are prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union.

In Conclusion

The sustainability of the current market recovery remains uncertain and whilst we are pressing on with our key projects, we are also maintaining a tight control on expenditure. Pleasing progress is being made at Storuman and we look forward to the conclusion of the scoping study in 2010.

I would like to thank all my fellow directors and staff for their salary sacrifices during the year and our new and longstanding shareholders who continue to support the Company.

Patrick Cheetham

Executive Chairman

7 December 2009

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Tertiary Minerals plc

Consolidated Income Statement

for the year ended 30 September 2009

	2009 £	2008 £
Pre-licence exploration costs	38,127	53,292
Impairment of deferred exploration costs	27,673	481,842
Administrative expenses	211,195	289,768
Operating loss	(276,995)	(824,902)
Interest receivable	6,726	32,937
Loss on ordinary activities before taxation	(270,269)	(791,965)
Tax on loss on ordinary activities	-	-
Loss for the year attributable to equity holders of the parent	(270,269)	(791,965)
Loss per share – basic and diluted (pence)	(0.36)	(1.27)

All amounts relate to continuing activities.

Tertiary Minerals plc

Statements of Recognised Income and Expense

for the year ended 30 September 2009

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Loss for the year	(270,269)	(183,209)	(791,965)	(241,783)
Movement in revaluation of available for sale investment	(90,131)	(90,131)	(317,035)	(317,035)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	83,331	-	105,348	-
Total recognised (expense)/income since last accounts	(277,069)	(273,340)	(1,003,652)	(558,818)

at 30 September 2009

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Non-current assets				
Intangible assets	595,269	-	504,823	-
Property, plant & equipment	2,569	2,250	5,448	3,545
Investment in subsidiary	-	3,858,757	-	3,719,351
Available for sale investment	167,387	167,387	257,519	257,519
	765,225	4,028,394	767,790	3,980,415
Current assets				
Receivables	52,096	48,620	53,216	33,248
Cash and cash equivalents	725,080	416,946	591,968	310,903
	777,176	465,566	645,184	344,151
Current liabilities				
Trade and other payables	(76,631)	(41,236)	(94,280)	(48,209)
Net current assets	700,545	424,330	550,904	295,942
Net assets	1,465,770	4,452,724	1,318,694	4,276,357
Equity				
Called up share capital	883,346	883,346	636,037	636,037
Share premium account	5,031,655	5,031,655	4,859,689	4,859,689
Merger reserve	131,096	131,096	131,096	131,096
Share option reserve	96,051	96,051	65,619	65,619
Available for sale revaluation reserve	(115,341)	(72,816)	(25,210)	17,315
Foreign currency reserve	160,795	-	77,464	-
Accumulated losses	(4,721,832)	(1,616,608)	(4,426,001)	(1,433,399)
Shareholders' funds	1,465,770	4,452,724	1,318,694	4,276,357

Cash Flow Statements

for the year ended 30 September 2009

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Operating activities				
Operating loss	(276,995)	(187,577)	(824,902)	(267,057)
Issue of shares in lieu of net wages	15,275	15,275	-	-
Depreciation charge	3,149	1,566	3,318	1,545
Impairment charge	27,673	-	481,842	-
Share based payment charge	30,432	30,432	42,018	42,018
Decrease/(Increase) in receivables	1,120	(15,372)	9,252	20,525
(Decrease)/Increase in payables	(17,649)	(6,973)	15,973	7,307
Net cash outflow from operating activity	(216,995)	(162,649)	(272,499)	(195,662)
Investing activities				
Interest received	6,726	4,368	32,937	25,274
Purchase of intangible assets	(99,600)	-	(291,320)	-
Purchase of property, plant & equipment	(270)	(270)	(84)	-
Purchase of available for sale investments	-	-	(24,954)	(24,954)
Additional investment in subsidiaries	-	(139,406)	-	(332,695)
Net cash outflow from investing activity	(93,144)	(135,308)	(283,421)	(332,375)
Financing activity				
Issue of share capital (net of expenses)	404,000	404,000	690,916	690,916
Net cash inflow from financing activity	404,000	404,000	690,916	690,916
Net increase/(decrease) in cash and cash equivalents	93,861	106,043	134,996	162,879
Cash and cash equivalents at start of year	591,968	310,903	441,617	148,024
Exchange differences	39,251	-	15,355	-
Cash and cash equivalents at 30 September	725,080	416,946	591,968	310,903

NOTES

1. Accounting Policies

The financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, and their interpretations adopted by the International Accounting Standards Board (IASB). They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising and planned discretionary project expenditures necessary 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. 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. Publication of Non-Statutory Accounts

The financial information set out in this announcement does not constitute the Company's Statutory Accounts for the period ended 30 September 2009 or 2008. The financial information for 2008 is derived from the Statutory Accounts for 2008. Full audited accounts in respect of that financial period have been delivered to the Registrar of Companies.

The Statutory Accounts for 2009 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on the 2009 and 2008 accounts. The 2009 accounts did not contain a statement under the Companies Act 2006 s498(2) or (3), and the 2008 accounts did not contain a statement under the Companies Act 1985 s237(2) or (3), and both received an unqualified audit opinion. However there was an emphasis of matter in relation to a requirement that the Company raise funds in the future to continue as a going concern.

3. Loss per share

Loss per share has been calculated on the loss and the weighted average number of shares in issue during the year.

	2009	2008
Loss (£)	(270,269)	(791,965)
Weighted average shares in issue (No.)	74,472,135	62,560,506
Basic and diluted loss per share (pence)	<u>(0.36)</u>	<u>(1.27)</u>

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for the basic earnings per ordinary share. This is because the exercise of share warrants and options would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS 33.

4. Dividend

The directors are unable to recommend the payment of any ordinary dividend.

5. Annual Report

The Company's 2009 Annual Report will be published and sent to shareholders in due course and copies will be available to the public, free of charge, from the Registered Office of the Company at Sunrise House, Hulley Road, Macclesfield, Cheshire SK10 2LP and will be downloadable from the Company's website at www.tertiaryminerals.com.