



**ANNOUNCEMENT OF AUDITED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
30 SEPTEMBER 2010**

**TERTIARY MINERALS PLC**  
("Tertiary" or "the Company")  
[www.tertiaryminerals.com](http://www.tertiaryminerals.com)

**Final Results**

Tertiary Minerals plc, a diversified mineral explorer and developer building a significant strategic position in the fluorspar sector, is pleased to announce final results for the year ended 30 September 2010. During the year when the Board set out the key objective to position Tertiary as a major supplier of fluorspar to European markets.

**Key Points:**

- Completion of a positive independent Scoping Study at the Company's 100% owned Storuman fluorspar project in Sweden;
- Preliminary feasibility studies initiated for Storuman with major resource definition drilling programme completed;
- Exploration rights granted, for the Lassedalen fluorspar project in Norway containing and estimated 4 million tonnes of mineralisation and 1.2 million tonnes of fluorspar mineral at a grade of 29% fluorspar;
- Tertiary now controls approximately 4 million tonnes of fluorspar across two Scandinavian projects;
- Fluorspar is an essential raw material and a source of fluorine for the fluoro-chemical, steel and aluminium industries;
- Chinese fluorspar supplies to Europe are declining as domestic demand increases and China moves from major exporter to net importer; and
- European Commission published a report in June placing fluorspar on the "critical list" of 14 minerals considered essential to European industry and, for which supply shortages are foreseen.

Commenting in his Chairman's Statement released today, Patrick Cheetham, Executive Chairman, said: **"I am pleased to see that recent market developments in fluorspar have vindicated your Board's decision two years ago to acquire the Storuman project. We are evaluating potentially world class fluorspar assets in Europe as Chinese supply to Europe declines.**

**"The two 100% owned fluorspar projects in Scandinavia contain an estimated 4.2 million tonnes of fluorspar and your Company is one very few public listed companies offering investors exposure to this important commodity".**

**ENQUIRIES**

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## **Chairman's Statement**

It is with great pleasure that I present your Company's results for the year ended 30 September 2010, a year when the Board set out the key objective to position Tertiary Minerals plc as a major supplier of fluorspar to European markets.

Fluorspar (Calcium fluoride,  $\text{CaF}_2$ ) is an essential raw material and a source of fluorine for the fluoro-chemical, steel and aluminium industries. Supply dynamics have changed markedly over the past several years as China, once a major exporter of fluorspar to world markets, builds its industrial capacity and moves from a major exporter of fluorspar to a net importer.

During the period under review, fluorspar prices have been rising in response to increasing demand for fluoro-chemicals in refrigeration and auto air conditioning in the developing world and continuing tightness of supply from China. Prices are currently quoted at \$365 (delivered Rotterdam) with pricing pressure reportedly on the upside.

Tertiary now controls deposits containing approximately 4 million tonnes of fluorspar across two Scandinavian projects. The importance of these projects was underlined in June this year when the European Commission published a report placing fluorspar on the "critical list" of 14 minerals considered essential to European industry and, for which supply shortages are foreseen.

### **Storuman Fluorspar Project**

It was timely then that we reported, in July, the completion of an independent technical and economic scoping study on our 100% owned Storuman Fluorspar project in northern Sweden.

The project is located in northern Sweden in an area with well established infrastructure and is based on a large area of flat lying sandstone hosted fluorspar mineralisation containing a tonnage and grade estimate of 28 to 31 million tonnes grading 11.2-12.3%  $\text{CaF}_2$  at a cut-off grade of 8%  $\text{CaF}_2$ .

The scoping study suggests a long life viable project is possible with an attractive payback and particularly strong cash flow over the important first five years of the project. At current fluorspar prices, an 18 year mine life was considered generating US\$616 million in revenues for US\$46 million of initial capital costs. Net pre-tax operating cash flow of \$17 million per annum is predicted in the first five years of production with a 2.8 year payback of capital, pre-production strip, and further feasibility costs.

Following receipt of this report the Company initiated further feasibility studies, and in October and November 2010 carried out a 46 hole drill programme to define JORC classified Indicated and Inferred Mineral Resources. Analytical results are awaited and we expect to be able to release a Mineral Resource estimate towards the end of the first quarter of 2011.

### **Lassedalen Fluorspar Project**

In July, we announced the acquisition of a second fluorspar project at Lassedalen near Kongsberg, 80km to the south-west of Oslo in Norway. The area has excellent infrastructure and a rich mining history.

Drilling was carried out at Lassedalen in the 1970s and contemporary reports suggest the deposit contains a potential 1.2 million tonnes of fluorspar. We have located the 1970s drill core and now plan a programme of re-sampling which we hope may allow for the definition of a JORC Mineral Resource. Core will also be selected for preliminary metallurgical testwork.

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## **Other projects**

Work on the Group's other projects during the year has been limited. There has been no change to the status of the Ghurayyah project licence application in Saudi Arabia. A new licence has been applied for at the Kolari iron project in Finland, and the gold exploration projects have also remained on hold during 2010. However, drilling programmes have been budgeted for early 2011 on the Kaaretselkä and Kiekeromaa gold projects.

## **Sunrise Resources plc**

The Company has maintained its shareholding in Sunrise Resources plc (formerly Sunrise Diamonds plc), the AIM-quoted diversified mineral exploration and development specialist, and continues to provide management services to Sunrise Resources. Procedures are in place to avoid conflicts of interest between the two companies.

I am pleased to report that the value of this shareholding is now substantially higher than this time last year.

## **Financials**

The Group reported a loss of £321,563 for the year (2009: £270,269). The audited financial statements are prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union.

## **Conclusions**

As I look back on 2010, I am pleased to see that recent market developments in fluorspar have vindicated your Board's decision two years ago to acquire the Storuman project. We are evaluating potentially world class fluorspar assets in Europe as Chinese supply to Europe declines. Tertiary Minerals has the opportunity to become a major supplier of fluorspar to Europe. The two 100% owned fluorspar projects in Scandinavia contain an estimated 4.2 million tonnes of fluorspar and your Company is one very few public listed companies offering investors exposure to this important commodity.

Our Mineral Resource definition drilling programme at Storuman is now completed and we look forward to reporting further progress during 2011.

**Patrick Cheetham**  
Executive Chairman  
7 December 2010

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**Tertiary Minerals plc**  
**Consolidated Income Statement**  
**for the year ended 30 September 2010**

	2010 £	2009 £
Pre-licence exploration costs	32,960	38,127
Impairment of deferred exploration costs	69,134	27,673
Administrative expenses	220,456	211,195
<b>Operating loss</b>	<b>(322,550)</b>	<b>(276,995)</b>
Interest receivable	987	6,726
Loss on ordinary activities before taxation	(321,563)	(270,269)
Tax on loss on ordinary activities	-	-
<b>Loss for the year attributable to equity holders of the parent</b>	<b>(321,563)</b>	<b>(270,269)</b>
Loss per share – basic and diluted (pence)	(0.36)	(0.36)

All amounts relate to continuing activities.

Tertiary Minerals plc

Consolidated and Company Statement of Comprehensive Income

for the year ended 30 September 2010

	Group 2010 £	Company 2010 £	Group 2009 £	Company 2009 £
<b>Loss for the year</b>	<b>(321,563)</b>	<b>(1,124,489)</b>	(270,269)	(183,209)
Movement in revaluation of available for sale investment	-	-	(90,131)	(90,131)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	<b>8,046</b>	-	57,769	-
<b>Comprehensive (loss)/income for the year</b>	<b>(313,517)</b>	<b>(1,124,489)</b>	(302,631)	(273,340)

Tertiary Minerals plc

Company Registration Number : 03821411

Consolidated and Company Statement of Financial Position

at 30 September 2010

	Group 2010 £	Company 2010 £	Group 2009 £	Company 2009 £
<b>Non-current assets</b>				
Intangible assets	709,130	-	595,269	-
Property, plant & equipment	1,238	1,206	2,569	2,250
Investment in subsidiary	-	3,131,730	-	3,858,757
Available for sale investment	167,387	167,387	167,387	167,387
	<b>877,755</b>	<b>3,300,323</b>	765,225	4,028,394
<b>Current assets</b>				
Receivables	42,263	38,965	52,096	48,620
Cash and cash equivalents	370,334	75,222	725,080	416,946
	<b>412,597</b>	<b>114,187</b>	777,176	465,566
<b>Current liabilities</b>				
Trade and other payables	(95,781)	(43,957)	(76,631)	(41,236)
<b>Net current assets</b>	<b>316,816</b>	<b>70,230</b>	700,545	424,330
<b>Net assets</b>	<b>1,194,571</b>	<b>3,370,553</b>	1,465,770	4,452,724
<b>Equity</b>				
Called up share capital	885,162	885,162	883,346	883,346
Share premium account	5,035,112	5,035,112	5,031,655	5,031,655
Merger reserve	131,096	131,096	131,096	131,096
Share option reserve	133,096	133,096	96,051	96,051
Available for sale revaluation reserve	(115,341)	(72,816)	(115,341)	(72,816)
Foreign currency reserve	143,279	-	135,233	-
Accumulated losses	(5,017,833)	(2,741,097)	(4,696,270)	(1,616,608)
<b>Equity attributable to the owners of the parent</b>	<b>1,194,571</b>	<b>3,370,553</b>	1,465,770	4,452,724

Tertiary Minerals plc

Consolidated and Company Statement of Cash Flows

for the year ended 30 September 2010

	Group 2010 £	Company 2010 £	Group 2009 £	Company 2009 £
<b>Operating activities</b>				
Operating loss	(322,550)	(196,212)	(276,995)	(187,577)
Issue of shares in lieu of net wages	5,273	5,273	15,275	15,275
Depreciation charge	2,037	1,750	3,149	1,566
Impairment charge	69,134	-	27,673	-
Share based payment charge	37,045	37,045	30,432	30,432
Decrease/(Increase) in receivables	9,833	9,655	1,120	(15,372)
Increase/(Decrease) in payables	19,150	2,721	(17,649)	(6,973)
<b>Net cash outflow from operating activity</b>	<b>(180,078)</b>	<b>(139,768)</b>	<b>(216,995)</b>	<b>(162,649)</b>
<b>Investing activities</b>				
Interest received	987	711	6,726	4,368
Purchase of intangible assets	(169,394)	-	(99,600)	-
Purchase of property, plant & equipment	(706)	(706)	(270)	(270)
Additional investment in subsidiaries	-	(201,961)	-	(139,406)
<b>Net cash outflow from investing activity</b>	<b>(169,113)</b>	<b>(201,956)</b>	<b>(93,144)</b>	<b>(135,308)</b>
<b>Financing activity</b>				
Issue of share capital (net of expenses)	-	-	404,000	404,000
<b>Net cash inflow from financing activity</b>	<b>-</b>	<b>-</b>	<b>404,000</b>	<b>404,000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(349,191)</b>	<b>(341,724)</b>	<b>93,861</b>	<b>106,043</b>
Cash and cash equivalents at start of year	725,080	416,946	591,968	310,903
Exchange differences	(5,555)	-	39,251	-
<b>Cash and cash equivalents at 30 September</b>	<b>370,334</b>	<b>75,222</b>	<b>725,080</b>	<b>416,946</b>

## NOTES

### 1. Accounting policies

#### (a) Basis of Preparation

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.

#### (b) Going Concern

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 necessary within the next 12 months to meet the Company's and Group's planned discretionary project expenditures and 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. This represents a material uncertainty related to events or conditions which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. 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 2010 or 2009. The financial information for 2009 is derived from the Statutory Accounts for 2009. Full audited accounts in respect of that financial period have been delivered to the Registrar of Companies.

The Statutory Accounts for 2010 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on the 2010 and 2009 accounts. The 2010 accounts did not contain a statement under the Companies Act 2006 s498(2) or (3), and the 2009 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.

	2010	2009
Loss (£)	<b>(321,563)</b>	(270,269)
Weighted average shares in issue (No.)	<b>88,408,966</b>	74,472,135
Basic and diluted loss per share (pence)	<b>(0.36)</b>	(0.36)

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 2010 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](http://www.tertiaryminerals.com).

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