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("Tertiary" or "the Company")

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Project & Market Update

Building a Strategic Position in the Fluorspar Sector

Tertiary Minerals plc is pleased to report encouraging progress at its two fluorspar projects - Storuman in Sweden and Lassedalen in Norway - and to provide some updated perspective on the fluorspar market.

Today's update follows the Company's recent announcement of a £10 million funding facility as the Company advances its ambition to become a major supplier of fluorspar to European Markets.

HIGHLIGHTS:

- **Storuman Fluorspar Project, targeting production of 100,000 tonnes per year of acid grade fluorspar, reports permitting studies on schedule and additional metallurgical testwork on Lower Zone to further enhance positive project economics and build on excellent results from the Upper Zone where acid grade fluorspar produced with very high recoveries.**
- **Lassedalen Fluorspar Project, hosting a JORC compliant underground-mineable resource of 4 million tonnes grading 25% fluorspar, reports positive testwork results for production of acid-grade fluorspar whilst Scoping Study ahead of schedule, due for release by the end of August.**
- **Fluorspar prices stable in Europe despite uncertain economic outlook. Further Chinese Government policy initiatives reported to tighten grip on Chinese fluorspar mine supply with fluorspar exports likely to reduce further amid fears of a foreseeable exhaustion of Chinese fluorspar reserves.**

Tertiary Minerals plc (AIM:TYM) is one of a small number of publicly traded companies offering investors strategic exposure to the little known, but critically important industrial mineral, fluorspar (CaF_2), the main source of fluorine (F) in the chemical, steel and aluminium industries.

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Storuman Fluorspar Project, Sweden

At Storuman the Company is engaged in a preliminary feasibility study for a 28 million tonne open pit mineable fluorspar resource and is targeting a production level of 100,000 tonnes per year of acid grade fluorspar (>97% CaF₂ and less than 1% silica) from two mineralised zones.

Metallurgical testwork

An important component of the preliminary feasibility study is the design of the process flow-sheet, which will be based on the results of the metallurgical testwork underway.

The scoping study, which delivered a very positive financial result, was based on a flow-sheet that assumed blending and fine grinding the ore from the Upper and Lower zones based on testing a composite of the two zones.

The preliminary feasibility study testwork programme is evaluating the metallurgical characteristics of the two ore zones separately and aims to produce acid-grade fluorspar at a coarser grind size as this will bring further financial benefits in terms of lower grinding energy costs as well as a wider customer base for the product.

Excellent results have been obtained from the Upper Zone where fluorspar meeting acid grade chemical specifications has been produced with very high recoveries at the target grain sizes.

Testwork on the Lower Zone has been progressing and needs to be completed before the process flow-sheet can be defined to support the engineering studies and capital and operating cost estimates. The work will determine whether the two mineralised horizons are best blended or processed separately through a concentration plant.

Final tenders have been received for the engineering study but the study will not be awarded for approximately 6 months. Additional financial and technical resources have been budgeted for the completion of the metallurgical testwork programme.

Permitting Studies

The Company's environmental baseline sampling is continuing on schedule and the various component studies of the environmental permit application are progressing well.

The reindeer herding consultation and draft impact analysis report is completed and awaiting comment from those affected. The initial cultural and environmental analysis (archaeological) investigation is complete as are the key investigations and meetings for the concentrate transport study.

The Company has also begun a process of public information meetings with the first meeting having been held successfully in May this year.

Lassedalen Fluorspar, Norway.

The Lassedalen project hosts a JORC compliant underground-mineable resource of 4 million tonnes grading 25% fluorspar (CaF₂). It is located in an area of well-established infrastructure 80km southwest of Oslo.

Scoping Study

The scoping study that was awarded to Wardell Armstrong International in April is now at an advanced stage.

The Company has completed sufficient metallurgical testwork on Lassedalen samples to support preliminary flow sheet design. The results are positive for the production of higher value acid grade fluorspar with good recoveries.

The Company anticipates announcement of the results of the Lassedalen Scoping Study by the end of August.

Commenting today Richard Clemmey, Operations Director said: **“I am pleased the study is on schedule and look forward to the result. This is the first economic and technical evaluation of the Lassedalen project and will form the basis for a decision on more advance feasibility studies and drilling. An initial drilling programme is provisionally scheduled for the autumn with the objective to expand the currently defined Mineral Resource which is open along strike and at depth.”**

Fluorspar Market Commentary

China, the world's largest producer of fluorspar, has historically been the dominant supplier of fluorspar to western markets. However, as China's internal demand for fluorspar in the manufacture of downstream fluorine products has grown, exports of this raw material have diminished such that Western consumers of fluorspar which have traditionally relied on Chinese exports now face structural supply shortages.

Published information suggests that the price of acid-grade fluorspar delivered into Europe continues to hold firm on the back of strong consumer demand in Europe. There is some evidence of a softening in prices elsewhere in the world as might be expected in the current industrial climate although it is uncertain if this, in part at least, reflects quality differences that sometimes affect supplies from China and elsewhere.

Industrial Minerals is quoting the price of Fluorspar, CIF Rotterdam, unchanged at US\$500-550/tonne (4 July 2012).

Just over a week ago it was reported that the Chinese government has announced it is to begin “strategically storing fluorspar resources” as it seeks to consolidate over 2,000 (mostly small-scale) Chinese fluorspar producers down to just 20 larger producers.

The Chinese Government is also encouraging Chinese fluorspar consumers to vertically integrate with their Chinese raw material suppliers – a policy that is likely to further reduce Chinese fluorspar exports.

Commenting on the market developments, Patrick Cheetham, Executive Chairman said: **“The world has been in financial crisis one way or another since we took up our first fluorspar project in 2008 and although fluorspar prices have see-sawed in this period, they have followed a longer-term rising-trend. The recent Chinese policy initiatives suggest this trend will continue. Only last week Chinese Government sources were reportedly talking about the exhaustion of Chinese fluorspar reserves in less than 10 years, if production is not reined in.”**

An updated Company presentation will shortly be available on the Company's website: www.tertiaryminerals.com