

Tertiary Minerals plc

**BUILDING A
STRATEGIC
POSITION IN THE
FLUORSPAR
SECTOR**

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

www.tertiaryminerals.com

WELCOME TO TERTIARY MINERALS PLC

Tertiary Minerals plc is an AIM traded mineral **exploration** and **development** company building a **strategic position** in the **fluorspar** sector.

CaF₂ COMPANY'S OPPORTUNITY IN FLUORSPAR (CaF₂)

Fluorspar is an essential raw material in the basic chemical, steel and aluminium industries and in a growing number of high-tech green technologies and pharmaceutical applications.

Fluorspar has a growing economic and strategic importance; defined as a strategic mineral in the US with 100% net import reliance; identified by the European Commission as a critical raw material facing a supply shortage.



COMPANY'S AIM

Add value to the Group's mineral projects through the discovery and development of mineral resources and to become a reliable long-term and competitive supplier of high quality fluorspar to world markets.



COMPANY STRATEGY

Acquire and develop large fluorspar deposits located close to established infrastructure and key markets in stable, democratic and mining friendly jurisdictions.

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HIGHLIGHTS

2014 ACHIEVED >

- > Exploitation (Mine) Permit application submitted for the Storuman Fluorspar Project in Sweden.
- > Work continuing on Storuman Preliminary Feasibility Study.
- > Large maiden JORC compliant Mineral Resource Estimate for the MB Project in Nevada, USA: Indicated 8.9 million tonnes grading 10.3% fluorspar (CaF_2) and Inferred 29.5 million tonnes grading 10.4% fluorspar (CaF_2) at 8% CaF_2 cut-off.
- > Third drill programme completed at MB Project, key objectives: Increase the size of the Inferred Mineral Resource and target potential higher grade fluorspar.



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STRATEGIC REPORT

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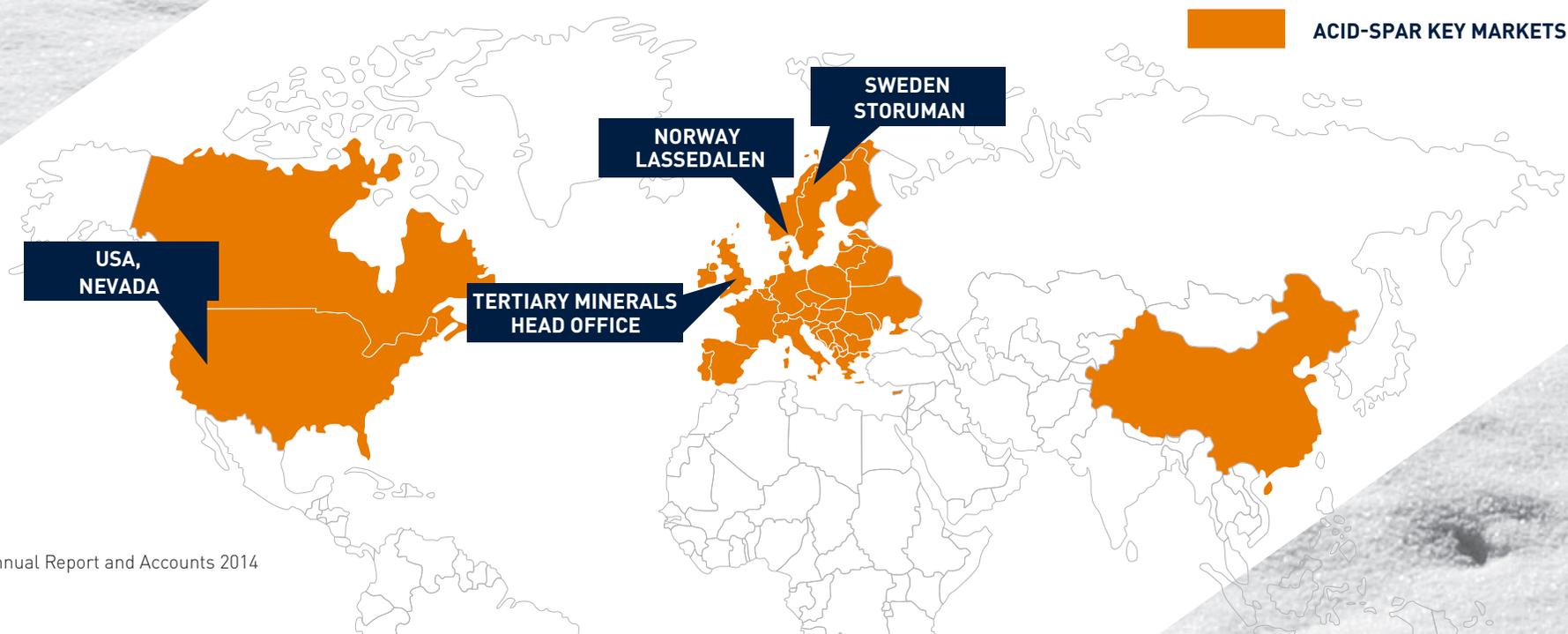
GROUP OVERVIEW

The principal activity of the Company is that of a holding company for its subsidiaries. The principal activity of the Group is the **identification, acquisition, exploration and development** of **mineral projects** with **primary focus** on **fluorspar**, the main raw material source of fluorine for the chemical, steel and aluminium industries.

OUR FLUORSPAR PROJECT LOCATIONS

The head office is in Macclesfield in the United Kingdom with core operating locations in **Storuman in Sweden, Lassedalen in Norway** and **MB Project in Nevada, USA**.

The Group's operations in Sweden are undertaken through its registered branch Svensk filial till Tertiary Gold Limited and in Norway through a UK subsidiary Tertiary Gold Ltd. In the USA the Company operates through a subsidiary, Tertiary Minerals US Inc.



COMPANY'S AIMS >

- > Become a reliable long-term and competitive supplier of high quality fluorspar to world markets.
- > Add value to the Group's mineral projects.
- > Discovery and development of mineral resources.

COMPANY'S STRATEGY >

- > Acquire and develop large fluorspar deposits located close to established infrastructure and key markets in stable, democratic and mining friendly jurisdictions.

The Company targets **large** fluorspar deposits as this is a critical factor in offering end users long-term security of supply and provides a platform for future expansion.

A critical component to the success of any industrial mineral project is proximity to **established infrastructure** and **key markets**. Industrial mineral projects cannot accommodate large infrastructure development costs and product transportation costs, particularly during periods of depressed commodity prices. This has been a key driver of the Company's project selection process.

Mineral development is a high-risk business with long lead times between exploration and production and as a result Tertiary seeks projects in **stable, democratic** and **mining friendly jurisdictions**. This helps satisfy end users' aim that their fluorspar raw materials are ethically sourced with minimum long-term supply risk.

COMPANY'S BUSINESS MODEL >

- > Successful, efficient and low costs explorer.

The Group prefers to acquire **100% ownership** of mineral assets at **minimal expense**. This usually involves applying for exploration licences from the relevant authority, as was the case for the Storuman and Lassedalen projects. In other cases, rights are negotiated with existing project owners for initially low periodic payments that rise over time as confidence in the project value increases and this was the case for the MB project.

The Group seeks to operate with a **low cost base** in order to maximise the funds that can be spent on exploration and development — **value adding** activities. The Company has 6 full time employees including the two executive directors (Managing Director and Chairman) who work with and oversee carefully selected and experienced consultants and contractors. The Board of Directors comprises two independent non-executive directors, the Managing Director and the Executive Chairman. Their profiles are provided on page 17.

The administration costs are reduced through an arrangement governed by a Management Services Agreement with Sunrise Resources, whereby Sunrise Resources shares Tertiary's office costs. As at the date of this announcement Tertiary is a substantial shareholder (as defined under the AIM Rules) of Sunrise Resources plc, holding 10.41%.

The Company's activities are financed through periodic capital raisings, through private share placements and other innovative equity based financial instruments. As projects become more advanced the Board will seek to secure additional funding from potential end users. This kind of arrangement can take many forms, for example through off-take agreements or through joint venture partnerships.

CHAIRMAN'S STATEMENT

I have great pleasure in presenting the **Company's Annual Report & Financial Statements** for the year ended 30 September 2014.

In last year's Annual Report we set out in detail our established strategy to acquire and develop large deposits of fluorspar close to markets and in democratic and mining friendly jurisdictions with the objective of becoming a reliable, long-term and competitive supplier of fluorspar.

In our Strategic Report for 2014 we have reviewed our progress against the Strategic Plan and we are reporting key milestones on our two principal projects which are strategically located in the main centres of western world fluorspar consumption, Europe and North America.

At the Storuman project in Sweden our years of exploration and environmental baseline monitoring led to the submission of an Exploitation (Mine) Permit application in July. The grant of this permit is expected to take 12–18 months during which time our preliminary feasibility studies will continue. When granted, the Exploitation Permit will secure our rights to the deposit for 25 years and clear the way for environmental permitting.

In Nevada, USA, the receipt of very positive results from our inaugural two-phase drill programme allowed us to announce a maiden Mineral Resource of some 38 million tonnes of open-pit mineable material grading 10% fluorspar, substantially exceeding our initial target. As mineralisation is still open along strike in most directions, as well as at

depth in many holes, we carried out a third phase of drilling this autumn. Our objective for Phase 3 is to expand the Mineral Resource to the north and northwest of the existing Mineral Resource. Results are eagerly awaited but first indications from a deep step out hole over 700m from the resource boundary are of multiple thick intersections of fluorspar mineralisation in a 300m thick section reinforcing my belief that we are just now starting to see the world class scope of this remarkable deposit. Our direct fluorspar discovery costs at the MB project are just 0.17p per tonne of fluorspar underlining our credentials as a low cost explorer.

Frustratingly, however, the equity market has not recognised the value to the Company of these results. This is true of so many exploration and development companies at present but ours is a cyclical industry and we believe that the progress we have made will position the Company at the forefront of the next recovery. This consistent progress is also important in building credibility and support for our ambitions amongst the international chemical producers which will eventually become our customers and we continue to establish ourselves as an active participant in this important community.

Because of difficult market conditions and to minimise shareholder dilution, we have carried out only a modest fundraising in 2014 but we did realise a profit on the closing out of our 2013 equity swap arrangement earlier this financial year.

I would like to thank all of my co-directors for their counsel in 2014 and all of the staff at Tertiary, ably led by our Managing Director Richard Clemmey, for their loyalty and hard work.

I look forward to meeting shareholders again at the **Annual General Meeting** which is to be held on **Thursday 5th February 2015** as set out on page 46.

Patrick Cheetham

Executive Chairman
11 December 2014



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FINANCIAL REVIEW & PERFORMANCE

The Group is currently in the earlier stages of the typical mining development cycle and so has no income other than cost recovery from the management contract with a third party explorer and a small amount of bank interest. Consequently the Group is not expected to report profits until it disposes of, or is able to profitably develop or otherwise turn to account its exploration and development projects.

The results for the Group are set out in detail on page 22. The Group reports a loss of £358,807 for the year (2013: £451,160) after administration costs of £423,459 (2013: £437,857) and after crediting interest of £4,412 (2013: £5,668). The loss includes expensed pre-licence and reconnaissance exploration costs of £9,214 (2013: £32,131), and impairment of deferred exploration costs of £3,254 (2013: £7,140). Administration costs include £71,448 (2013: £88,506) as non-cash costs for the value of certain options and warrants held by employees and others as required by IFRS 2.

The financial statements show that, at 30 September 2014, the Group had net current assets of £887,072 (2013: £1,298,847). This represents the cash position after allowing for receivables and trade and other payables. These amounts are shown in the Consolidated and Company Statement of Financial Position on page 23 and are also components of the Net Assets of the Group. Net assets also include various “intangible” assets of the Company. As the name suggests, these intangible assets are not cash assets but include some of this year’s and previous years’ accrued expenditure on minerals projects

where that expenditure meets the criteria in Note 1(d) accounting policies. The individual intangible assets total £3,051,724 (2013: £2,420,947) and breakdown by project is shown in Note 2 to the Financial Statements on page 31.

Expenditure which does not meet the criteria in Note 1(d), such as pre-licence and reconnaissance costs, are expensed and add to the Company’s loss. The loss reported in any year can also include expenditure that was carried forward in previous reporting periods as an intangible asset but which the Board determines is “impaired” in the reporting period.

The extent to which expenditure is carried forward as intangible assets is a measure of the extent to which the value of Company’s expenditure is preserved. In the current reporting period an amount of £3,254 was impaired for the Rosendal Tantalum project.

The intangible asset value of a project does not equate to the realisable or market value of a particular project which will, in the Directors’ opinion, be at least equal in value and often considerably higher. Hence the Company’s market capitalisation on AIM is usually in excess of the net asset value of the Group.

Details of intangible assets, property, plant & equipment and investments are set out in Notes 8, 9 and 10 of the financial statements.

Administration and overhead costs have been shared with Sunrise Resources plc, to the benefit of both companies. This cost sharing is continuing.

The Financial Statements of a mineral exploration

company can provide a moment in time snapshot of the financial health of the Company but do not provide a reliable guide to the performance of the Company or its Board and its long-term potential to create value.

The usual financial key performance indicators (“KPIs”) are neither applicable nor appropriate to measurement of the value creation of a company with no turnover and so the Directors consider that the detailed information in the Operating Review is the best guide to the Group’s progress and performance during the year.

FUNDRAISING

Since 2008, when the Company acquired its first fluor spar project at Storuman, the Company has raised just £4,971,271 in equity and your Board is therefore proud of the progress it has made since that date, on limited financial resources in a period of considerable financial turmoil.

During the 2014 financial year the Company raised a total of £737,938 net of expenses from a variety of sources as shown in Note 14 of the Financial Statements.



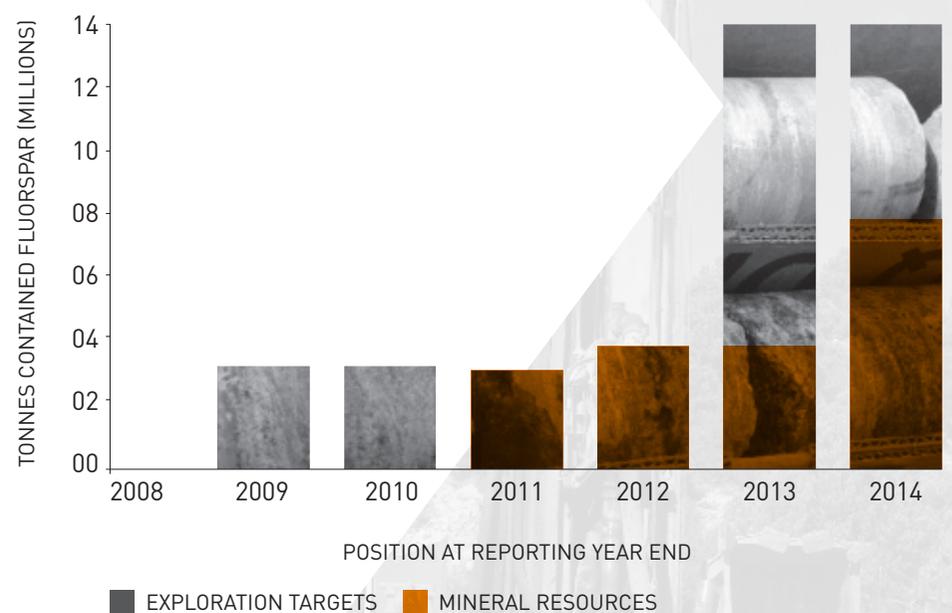
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OPERATING REVIEW & PERFORMANCE

The Company's fluorspar projects sit at various stages within the typical mining development cycle. **The Company** is pleased to report that it **is on track with the development of its 100% owned fluorspar projects** towards the aim of becoming a **reliable long-term and competitive supplier** of high quality **fluorspar** to world markets.

In 2014 the Company has more than **doubled its fluorspar Mineral Resource** asset base as defined and categorised under the **JORC Code 2012***.

* The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ores Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia.



Source: Company Estimate and Technical Reports

OPERATING REVIEW & PERFORMANCE CONTINUED

STORUMAN FLUORSPAR PROJECT, SWEDEN



2014 HIGHLIGHTS >

- > Exploitation (Mine) Permit application submitted.
- > Preliminary Feasibility Study metallurgical testwork — close to completion.

The Company's 100% owned Storuman project is located in north central Sweden and is linked by the E12 highway to the port city of Mo-i-Rana in Norway and by road and rail to the port of Umeå on the Gulf of Bothnia. A newly constructed bulk rail terminal 25km from the project site is likely to become an important factor in the cost-effective delivery of fluorspar to the key European fluorspar market.

EXPLOITATION (MINE) PERMIT APPLICATION

The Company passed an important milestone in July 2014 by submitting its Exploitation (Mine) Permit application to the Swedish Mining Inspectorate. In order to submit an Exploitation (Mine) Permit application the Company had to complete the following key work programmes for the project:

- > Drilling.
- > Metallurgical Testwork.
- > Scoping Study.
- > JORC compliant Mineral Resource Estimate.
- > Key stakeholder engagement and consultation.
- > Two years baseline environmental studies.

The resultant technical, economic, social and environmental information has been used by the Company and its Swedish based consultants and advisors to prepare the technical description, environmental impact assessment and legal documents required for the application.

The estimated timeline for Exploitation (Mine) Permit approval in Sweden can be highly variable but the typical timeline is currently between twelve and eighteen months. The process requires that the Company waits for the approval of the Exploitation

(Mine) Permit prior to preparing and submitting the Environmental Permit Application.

In an effort to eliminate delays in processing the Exploitation (Mine) Permit the Company has prepared a very thorough application with certain elements exceeding what is legally and normally required by the Swedish Mining Inspectorate. Whilst every effort has been made, the schedule for processing and approving Exploitation and Environmental Permits is not within the Company's control and this will ultimately govern the time frame for the development of the mine.

PRELIMINARY FEASIBILITY STUDY

Preliminary Feasibility Study level metallurgical testwork has been ongoing and has been subject to a series of delays due to the different mineralogy of the two ore zones and unforeseen delays at the testwork laboratory. The initial results from the testwork of the Upper Ore Zone indicate that acid grade fluorspar concentrate can be produced with recoveries of more than 80%, meeting the key chemical specifications as follows:

- > $\text{CaF}_2 > 97\%$
- > $\text{SiO}_2 < 1\%$

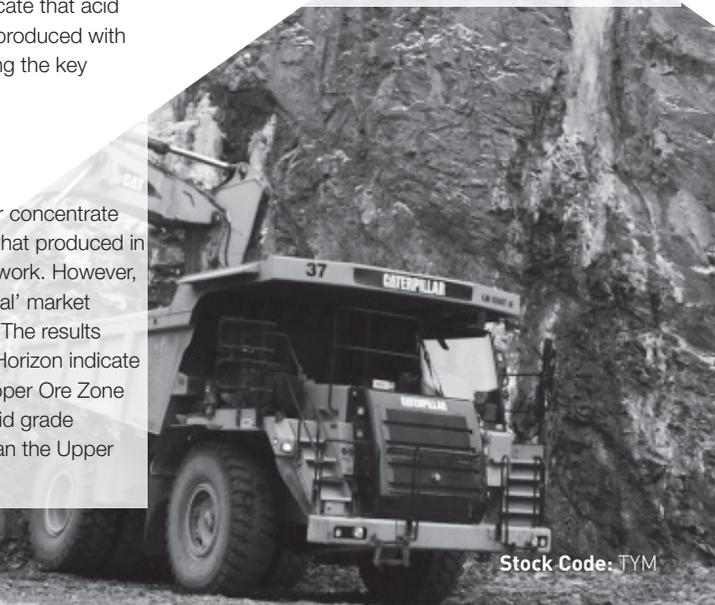
The testwork has produced fluorspar concentrate with a coarser size distribution than that produced in the Scoping Study metallurgical testwork. However, this is somewhat finer than the 'typical' market specification of acid grade fluorspar. The results from the testwork of the Lower Ore Horizon indicate that finer grinding than that of the Upper Ore Zone is required in order to produce an acid grade concentrate and recoveries lower than the Upper Ore Zone.

The Company has contracted the services of a specialist mineral processing consultancy to complete the final phase of Preliminary Feasibility Study level metallurgical testwork where it will target further optimisation of both grind size and recovery. This stage of work is expected to be completed in the first quarter of 2015.

Once this critical task is successfully completed the Company expects to evaluate different options for processing and mine planning and will then execute the final elements of the Preliminary Feasibility Study including engineering design, mine design, capital and operating cost estimation. The current target for completing the evaluation and Preliminary Feasibility Study is the end of 2015.

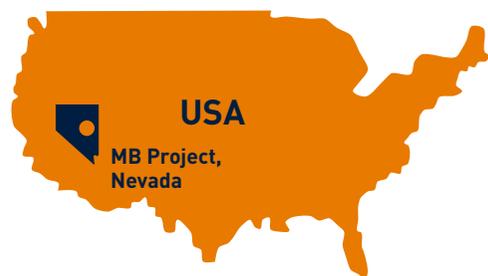


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OPERATING REVIEW & PERFORMANCE CONTINUED

MB FLUORSPAR PROJECT, NEVADA, USA



2014 HIGHLIGHTS >

- > Large Maiden JORC compliant Mineral Resource Estimate.
- > Phase 3 drilling programme completed.
- > Scoping Study level metallurgical testwork – programme started.

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. The state of Nevada is widely recognised to be one of the most attractive mining jurisdictions in the world. Eureka is located on US Highway 50 and the main railroad is located 165km to the north of the deposit providing bulk freight distribution to the East and West of the USA. Together with Europe, the USA is a key fluorspar market currently importing the majority of its fluorspar demand. Having distribution access to the west coast provides access to Asian markets, which may be a target market in the future.

MAIDEN JORC COMPLIANT MINERAL RESOURCE ESTIMATE

Following the two phases of drilling completed in 2013, comprising 26 holes and totalling 3,223 metres across three areas of the deposit, the Company commissioned Wardell Armstrong International Ltd (WAI) to complete a maiden JORC 2012 compliant Mineral Resource Estimate for the MB Project. This Mineral Resource Estimate of 38.4 million tonnes grading 10.4% fluorspar (CaF₂) was not only a significant milestone for the MB Project but also for the Company as it more than doubled the Company's 100% owned fluorspar Mineral Resources to 7.8 million tonnes of contained fluorspar.

PHASE 3 DRILLING

The Company moved quickly onto planning the next phase of drilling, Phase 3, following the completion of the maiden JORC 2012 Mineral Resource Estimate. The Phase 3 drilling programme completed in November 2014 and comprised a further 9 holes totalling 2,516 metres using the reverse circulation (percussion) method of

drilling. The key objectives of the Phase 3 drilling programme were to:

- > Increase the size of the Inferred Mineral Resource by extending the drilling to the north and west of the defined Mineral Resource;
- > Target potential higher grade fluorspar closer to the source of mineralisation by drilling to the west of defined Mineral Resource.

Results from the drilling programme are expected to be reported in due course. However, preliminary results from the first hole, a deep (516 metres) step out hole drilled 700 metres to the west of the current defined Mineral Resource, are encouraging. Observations and results suggest multiple thick intersections between 60m from surface to over 360m deep, of significant fluorspar mineralisation and indicate the potential to increase the size of the current defined large JORC 2012 compliant Mineral Resource Estimate.

METALLURGICAL TESTWORK

Composite samples from the Phase 2 drilling programme have been submitted to an independent testing laboratory for early stage bench scale metallurgical testwork. The target of the testwork programme is to ascertain the potential for producing acid grade fluorspar from the ore. Early stage results are expected by the end of June 2015.

THE NEXT STEP

Following the receipt of the Phase 3 drilling results the Company's objective is to contract an independent consultant to re-model the current JORC compliant Mineral Resource Estimate during the first half of 2015. The results from the modelling and the metallurgical testwork will drive the next step in the project whether that be a further phase of drilling and/or Scoping Study completion by the end of 2015.

OPERATING REVIEW & PERFORMANCE CONTINUED



LASSEDALEN FLUORSPAR PROJECT, NORWAY

The Lassedalen Fluorspar Project is favourably located near Kongsberg, 80km to the south-west of Oslo in Norway. It is less than 1km from highway E134 and approximately 50km from the nearest Norwegian port. The Company views this resource as strategically important alongside its Storuman project for the European market. However, due to financial market conditions in 2013/2014 and given the commitments on its other fluorspar projects and the absence of expenditure obligations, further exploration at the Lassedalen project has been deferred. The objective in the future is further drilling aimed at increasing the size of the current JORC compliant Mineral Resource of 4 million tonnes grading 25% fluorspar (CaF₂).

OTHER NON-CORE PROJECTS Finland Gold Project

The Company's gold projects in Finland include the Kaarenselkä and Kiekerömaa gold prospects in the Lapland Greenstone Belt. This belt hosts a number of advanced gold projects and two operating gold mines including the six million ounce Kittila Gold mine operated by Canadian major, Agnico Eagle Mines.

The Kaarenselkä Exploration Licence renewal was granted in March 2013 and Kiekerömaa in April 2014 for a period of three years. The Company is currently evaluating how to best valorise the projects either through joint venture or sale.

Rosendal Tantalum Project

The Rosendal project contains a pegmatite hosted JORC compliant Inferred Mineral Resource of 1 million tonnes grading 255ppm tantalum

pentoxide (Ta₂O₅), open at depth. The majority of the pegmatite comprises sodium feldspar which is used in the manufacture of glass, glazes and in other industrial applications. Tantalum is used mainly in electronic applications.

The Company's 2002 PFS evaluation considered production of tantalum only using the prevailing tantalite price of US\$35–40/lb Ta₂O₅. It showed the project to be marginal and no further work was carried out. Since 2002, the price for tantalite has increased and is currently in the range \$80–90/lb Ta₂O₅. A Scandinavian source of tantalum could be well perceived as of value by tantalite buyers and consumers of tantalum metal who now seek ethically sourced, conflict-free supplies in compliance with the requirements of the 2011 US Dodd-Frank Wall Street Reform and Consumer Protection Act.

As with the other non-core projects the Company is currently evaluating how to best valorise the project either through joint venture or sale.

Ghurayyah Tantalum-Niobium-Rare-Earth Project

During 2014 preliminary feasibility studies for development of Ghurayyah have continued to be on hold pending the issue of a new exploration licence.

HEALTH AND SAFETY

The Group has maintained strict compliance with its Health and Safety Policy and is pleased to report there has been no lost time due to injuries during the course of the year.

ENVIRONMENT

No Group company has had or been notified of any instance of non-compliance with environmental legislation in any of the countries in which they work.

Old Underground
Workings at Lassedalen



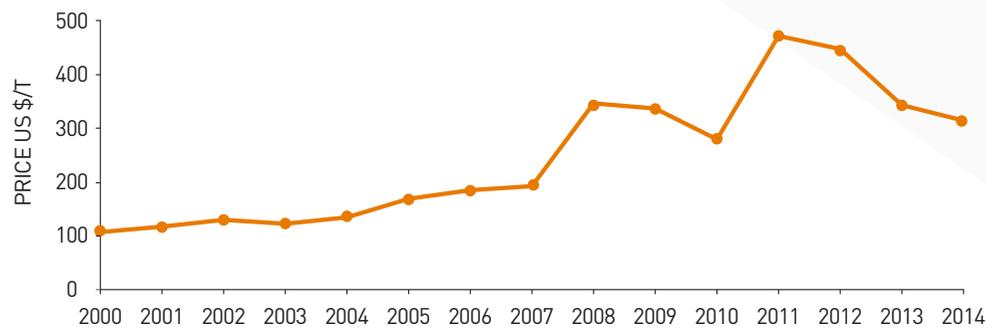
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FLUORSPAR MARKET SUMMARY*

KEY FLUORSPAR MARKET DYNAMICS >

- > China accounts for over half of the world's fluor spar production.
- > Chinese exports have continued to decline since 2000 as internal demand has increased.
- > Potential for China to become a net importer in the future.
- > Acid-spar prices have declined since late 2012 but the long-term trend has been upwards since 2000 with long-term future outlook looking positive.
- > Western Europe, Canada and the USA are the largest acid-spar consuming regions outside of China, importing more than 900,000 tonnes per year.
- > Fluor spar is classified as a critical raw material by the European Commission.
- > USA considers fluor spar as a strategic mineral — 100% net import reliance.

AVERAGE ACID-SPAR PRICES 2009-2014 YTD US\$/t FOB CHINA



The current global demand for fluor spar is 6.0–6.5 million tonnes per year. Acid-spar, the quality of material used as feedstock in fluorine based chemicals, represents the largest share of the fluor spar market by volume, with current demand being around 3.8 million tonnes per year, and commands the highest price per tonne in comparison to metallurgical-spar, used as a flux in steel making, and ceramic grade fluor spar. The two primary uses of acid-spar are:

- > The manufacture of Aluminium Fluoride (AlF₃) which is used as a flux in the aluminium manufacturing process.
- > The manufacture of Hydrogen Fluoride (HF) with the largest use of the HF being the manufacturer of refrigerant gases.

The global supply and demand for fluor spar has seen steady growth over the decade 1998 to 2008. In 2009 the global financial crisis contributed to a contraction in acid-spar supply and demand

followed by a recovery in 2011. From the latter part of 2012 and through 2014 demand for acid-spar has softened and this has been reflected in the price. The China export price for acid-spar (FOB China) is a traditional benchmark price and is currently published as US\$290–310/tonne (Industrial Minerals Magazine). The equivalent price delivered into Europe (CIF Rotterdam) is published as US\$330–360/tonne.

The current price weakness does not impact the Company's long term strategy as it is not yet in production and the positive macroeconomic drivers for future prices are essentially unchanged.

China is the leading producer of acid-spar representing over 50% of the total output. However, during the last decade there has been a continued trend of reducing Chinese acid-spar exports. This significant reduction in exports is due to a combination of growth in internal demand and China's Government policies aimed at guaranteeing domestic supply and to protect limited reserves. As the downstream value

added fluor spar consumer industry continues to grow this could possibly result in China becoming a net importer of fluor spar in the future.

It is the Company's view that the Chinese supply-demand dynamics coupled with the increasing global demand outlook for the downstream uses of fluorine such as refrigeration, energy reduction in the steel and aluminium industry and emerging uses, fluoropolymers in lithium batteries for example, will increase global demand and price for fluor spar in the long term. The new generation of environmentally friendly refrigerants, hydrofluoroolefins (HFOs), contain an increased proportion of fluorine than the older ozone depleting refrigerants, hydrofluorocarbons (HFCs).

The largest acid-spar consuming regions outside of China are Western Europe, Canada and the USA, collectively importing more than 900,000 tonnes of acid-spar per year. The uncertainty of Chinese acid-spar supply has resulted in increasing pressure on these regions to secure long-term sources and recent upstream merger and acquisition integration in the industry reflects this position.

The changing fluor spar supply-demand dynamics have been recognised by the European Commission (EC) which in 2010 classified fluor spar as one of the fourteen critical raw materials because of its high risk of supply shortage and consequent impact on the economy. The USA, which currently imports material to meet all of its fluor spar demand, also considers fluor spar as a strategic mineral.

* The information in this Fluor spar Market Summary is drawn from various sources, including Industrial Minerals Magazine, United States Geological Survey, Roskill, UN Comtrade and CRU.

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CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance and the Board seeks to comply with the principles of the UK Corporate Governance Code (“the Code”), insofar as it is appropriate to the Company at this stage in its development.

The Board of Directors currently comprises the Executive Chairman, Managing Director and two non-executive directors. The Board considers that this structure is suitable for the Company having regard to the fact that it is not yet revenue-earning. In November 2013, the roles of Chairman and Managing Director were separated with the promotion of Richard Clemmey from Operations Director to Managing Director, a move which, amongst other things, brings this aspect of governance into line with best practice.

The two non-executive directors have both served for more than eleven years and under the terms of the Code cannot now be regarded as independent. It is proposed that they should continue to seek annual re-election rather than every third year as per the Articles of Association. The Company has been fortunate to secure the services of Donald McAlister and David Whitehead during that time and both continue to provide valuable advice based on their long experience of the mining industry.

The Board can be strengthened by the appointment of independent non-executive directors but is satisfied that its composition is currently suitable for an AIM listed company

ROLE OF THE BOARD

The Board’s role is to agree the Group’s long-term direction and strategy and monitor achievement of its business objectives. The Board meets four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic and operational matters.

Notwithstanding that the non-executive directors are not considered to be independent under the terms of the Code, they are considered by the Board to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Directors have the facility to take external independent advice in furtherance of their duties at the Group’s expense and have access to the services of the Company Secretary.

The Board delegates certain of its responsibilities to the Audit, Remuneration and Nomination Committees of the Board. These Committees operate within clearly defined, written terms of reference.

AUDIT COMMITTEE

The Audit Committee, composed entirely of non-executive directors, meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

REMUNERATION COMMITTEE

The Remuneration Committee also comprises the non-executive directors. The Remuneration Committee meets at least once a year to determine the appropriate remuneration for the Company’s executive directors, ensuring that this reflects their performance and that of the Group, and to demonstrate to shareholders that executive remuneration is set by Board members who have no personal interest in the outcome of their decisions.

In 2014 the Company initiated a long term bonus and incentive scheme for the Managing Director. The objective of adopting the scheme is to provide reward for successfully achieving performance targets set by the Board of Directors in line with the Company’s Aims and Strategy. The Company has in place an Inland Revenue approved share option scheme and also issues warrants to subscribe for shares to executive directors and employees. Directors’ emoluments are disclosed in Note 4 to the financial statements and details of directors’ warrants are disclosed in Note 17.

The Board is aware that non-executive directors are not considered to be independent under the terms of the Code if they hold warrants to buy shares in the Company and so they no longer participate in the issue of warrants.

NOMINATION COMMITTEE

The Nomination Committee comprises the Chairman, Managing Director and the non-executive directors. The Nomination Committee meets at least once per year to lead the formal process of rigorous and transparent procedures for Board appointments

and to make recommendations to the Board in accordance with the requirements of the Code and other applicable rules and regulations, insofar as they are appropriate to the Group at this stage in its development.

CONFLICTS OF INTEREST

The Companies Act 2006 permits directors of public companies to authorise directors’ conflicts and potential conflicts, where appropriate, and the Articles of Association contain a provision to this effect.

At 30 September 2014, Tertiary Minerals plc held 9.52% of the issued share capital of Sunrise Resources plc and the Chairman of Tertiary Minerals plc is also Chairman of Sunrise Resources plc. Tertiary Minerals plc also provides management services to Sunrise Resources plc, in the search, evaluation and acquisition of new projects.

Procedures are in place in order to avoid any conflict of interest between the Company and Sunrise Resources plc.

CORPORATE RESPONSIBILITY

The Board takes regular account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development the Board has not adopted a specific written policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of the Group's stakeholders through individual policies and through ethical and transparent actions.

The Company engages positively with local communities and stakeholders in its project locations and in 2014, the Company provided modest sponsorship of the local ice hockey team in Storuman, Sweden, with particular focus on supporting the club in attracting, coaching and equipping new youth players to the sport.

SHAREHOLDERS

As set out above, the Board seeks to protect shareholders' interests by following, where appropriate, the guidelines in the Code and the directors are always prepared, where practicable, to enter into a dialogue with shareholders to promote a mutual understanding of objectives. The Annual General Meeting provides the Board with an opportunity to informally meet and communicate directly with investors.

ENVIRONMENT

The Board recognises that its principal activity, mineral exploration, has potential to impact on the local environment and consequently has adopted an Environmental Policy to ensure that the Group's activities have minimal harmful environmental impact. Contractors are carefully selected to ensure that they have their own environmental policy, resources and training in order to carry out field activities in line with the Company's high standards.

The Group's activities, carried out in accordance with the Environmental Policy, have had only minimal environmental impact and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with all potentially affected parties.

EMPLOYEES

The Group encourages its employees to understand all aspects of the Group's business and seeks to remunerate its employees fairly, being flexible where practicable. The Group gives full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Board takes account of employees' interests when making decisions, and suggestions from employees aimed at improving the Group's performance are welcomed.

The Company has adopted an Anti-corruption Policy and Code of Conduct.

SUPPLIERS AND CONTRACTORS

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers. The amount shown in the Consolidated and Company Statement of Financial Position in respect of trade payables at the end of the financial year represents 17 days of average daily purchases (2013: 59 days).

HEALTH AND SAFETY

The Board recognises it has a responsibility to provide strategic leadership and direction in the development of the Group's health and safety strategy in order to protect all of its stakeholders. The Company has developed a Health and Safety Policy to clearly define roles and responsibilities and in order to identify and manage risk.



Visit our website for further information at www.tertiaryminerals.com

Tertiary Minerals Sponsors
Storuman Ice Hockey Team

RISKS & UNCERTAINTIES

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible. Details of how the directors mitigate these risks can be found in the Strategic Report starting on page 4. The principal risks and uncertainties facing the Group at this stage in its development are:

EXPLORATION RISK

The Company's business is mineral exploration and evaluation which are activities subject to speculative technical and economic uncertainty, and whilst the directors are satisfied that good progress is being made, there is no certainty that the Group will be successful in the definition of economic mineral deposits, or that it will proceed to the development of any of its projects or otherwise realise their value.

RESOURCE RISK

All mineral deposits have risk associated with their defined grade and continuity. Mineral Reserves and Resources are calculated by the Group in accordance with accepted industry standards and codes (JORC) but are always subject to uncertainties in the underlying assumptions which include geological projection, metal price assumptions and other technical uncertainties.

DEVELOPMENT RISK

Delays in permitting or changes in permit legislation and/or regulation, financing and commissioning a project may result in delays to the Group meeting future production targets or even in extreme cases loss of title.

Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.

MINING AND PROCESSING TECHNICAL RISK

Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, groundwater conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable.

ENVIRONMENTAL RISK

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

FINANCING & LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to raise working capital for its ongoing activities. The Group's goal is to finance its exploration and evaluation activities from future cash flows but until that point is reached the Company is reliant on raising working capital from equity markets or from industry sources. There is no certainty such funds will be available when needed.

POLITICAL RISK

All countries carry political risk that can lead to interruption of activity. Politically stable countries

can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries have enhanced risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

PARTNER RISK

The Group can be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.

FINANCIAL INSTRUMENTS

Details of risks associated with the Group's Financial Instruments are given in Note 20 to the financial statements on page 43.

INTERNAL CONTROLS & RISK MANAGEMENT

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately and expeditiously.

In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

FORWARD LOOKING STATEMENTS

This Annual Report contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of the approval of the Annual Report. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.

This Strategic Report was approved by the Board of Directors on 11 December 2014 and signed on its behalf.

Richard Clemmey
Managing Director



Visit our website for further information at www.tertiaryminerals.com

BOARD OF DIRECTORS



PATRICK CHEETHAM (54)

Executive Chairman

Key strengths and experience

- › Geologist.
- › 33 years experience in mineral exploration.
- › 28 years experience in public company management.
- › Founder of the Company, Dragon Mining Ltd, Archaeaean Gold NL and Sunrise Resources plc.

External appointments

Chairman and founder of Sunrise Resources plc.



DAVID WHITEHEAD (72)

Non-Executive Director†

Key strengths and experience

- › Mining geologist.
- › 41+ years experience in all aspects of mineral exploration, mine development and operations management.
- › 20 years at senior executive level at BHP Billiton.
- › Board director since 2002.

External appointments

Currently a director of Consolidated Mines & Investments Ltd. and Chairman of its subsidiary Consolidated Nickel Mines Ltd. Both companies are unlisted.



DONALD McALISTER (55)

*Non-Executive Director**

Key strengths and experience

- › Accountant.
- › Previously Finance Director at Mwana Africa plc, Ridge Mining plc and Reunion Mining.
- › 20+ years experience in all financial aspects of the resource industry, including metal hedging, tax planning, economic modelling/evaluation, project finance and IPOs.
- › Founding director of the Company.

External appointments

Currently an independent consultant to the mining industry.



RICHARD CLEMMY (42)

Managing Director

Key strengths and experience

- › Chartered Engineer.
- › 21+ years experience in developing and managing mining/quarrying projects worldwide for Derwent Mining, Lafarge, Hargreaves (GB) Ltd, Marshalls plc and CFE.
- › Board director since May 2012.

External appointments

None.



COLIN FITCH LLM, FCIS

Company Secretary

Key strengths and experience

- › Barrister-at-Law.
- › Previously Corporate Finance Director of Kleinwort Benson, Partner and Head of Corporate Finance at Rowe & Pitman (SG Warburg Securities) and Assistant Company Secretary at the London Stock Exchange.
- › Held a number of non-executive directorships including Merrydown plc, African Lakes plc and Manders plc.

External appointments

Company Secretary for Sunrise Resources plc.

* Chairman of the Audit Committee and member of the Remuneration Committee.

† Chairman of the Remuneration Committee and member of the Audit Committee.



Visit our website for further information about our Directors at www.tertiaryminerals.com

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the AIM Rules of the London Stock Exchange for companies trading securities on the AIM Market.

In preparing these financial statements, the directors are required to:

- › select suitable accounting policies and then apply them consistently;
- › make judgements and accounting estimates that are reasonable and prudent;
- › state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- › prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DIRECTORS' REPORT

The directors are pleased to submit their Annual Report and audited accounts for the year ended 30 September 2014.

The Strategic Report starting on page 4 contains details of the principal activities of the Company and includes the Operating Review & Performance which provides detailed information on the development of the Group's business during the year and indications of likely future developments.

GOING CONCERN

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches, as and when required. When any of the Company'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 going concerns. 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. For further information see Note 1(b) on page 27.

DIVIDEND

The directors are unable to recommend the payment of a dividend.

FINANCIAL INSTRUMENTS & OTHER RISKS

Details of the Group's Financial Instruments and risk management objectives and of the Group's exposure to risk associated with its Financial Instruments is given in Note 20 to the financial statements.

The business of mineral exploration and evaluation has inherent risks. Details of risks and uncertainties that affect the Group's business are given in the Strategic Report starting on page 4.

DIRECTORS

The Directors holding office in the period were:

Mr P L Cheetham
Mr R H Clemmey
Mr D A R McAlister
Mr D Whitehead

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. Further details of the Group's accounting policies can be found in Note 1 of the financial statements starting on page 27.

SHAREHOLDERS

As at the date of this report the following interests of 3% or more in the issued share capital of the Company appeared in the register:

As at 11 December 2014

	Number of shares	% of share capital
Barclayshare Nominees Limited	20,429,211	11.72
TD Direct Investing Nominees (Europe) Limited SMKTNOMS	16,308,075	9.36
HSDL Nominees Limited	10,108,314	5.80
Mr Patrick Lyn Cheetham	9,033,288	5.18
Ronald Bruce Rowan	8,000,000	4.59
Hargreaves Lansdown Limited VRA	6,885,127	3.95
HSBC Client Holdings Nominee (UK) Limited 731504	6,259,554	3.59
Hargreaves Lansdown Limited HLNOM	5,905,693	3.39
Beaufort Nominees Limited SSLNOMS	5,829,375	3.34
Hargreaves Lansdown Limited 15942	5,677,627	3.26

DISCLOSURE OF AUDIT INFORMATION

Each of the directors has confirmed that so far as he is aware, there is no relevant audit information of which the Company's Auditor is unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

Following a competitive tender, the Company has appointed Crowe Clark Whitehill LLP as its Auditor and a resolution to reappoint them as Auditor of the Company and the Group will be proposed at the forthcoming Annual General Meeting.

SUPPLIERS AND CONTRACTORS

Details of the Group's policy and payment of creditors is disclosed on page 15. This policy will continue unchanged in the next financial year.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Group made no charitable or political donations. However, in 2014 the Company provided modest sponsorship of the local ice hockey team in Storuman, Sweden.

ANNUAL REPORT

Copies of the Tertiary Minerals plc Group financial statements will be available, free of charge, from the Company's Registered Office or from the offices of the Company's Nominated Adviser, SP Angel Corporate Finance LLP, Prince Frederick House, 35-39 Maddox Street, London W1S 2PP, from mid-January 2015, and will also be on the Company's website: www.tertiaryminerals.com.

ANNUAL GENERAL MEETING

Notice of the Company's Annual General Meeting convened for Thursday 5 February 2015 at 2.30 p.m. is set out on page 46 of this report. A separate Proxy Form is provided together with Explanatory Notes giving further information about the proposed resolutions.

Approved by the Board of Directors on 11 December 2014 and signed on its behalf.

Richard Clemmey
Managing Director

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERTIARY MINERALS PLC

FOR THE YEAR ENDED
30 SEPTEMBER 2014

We have audited the financial statements of Tertiary Minerals plc for the year ended 30 September 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- › the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2014 and of the group's loss for the year then ended;
- › the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- › the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- › the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER — GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1(b) to the financial statements concerning the group's and the company's ability to continue as going concerns. As explained in Note 1(b) to the financial statements, the group will need to raise further funds within the next 12 months in order to cover the company's and group's overheads and carry out the company's and group's planned discretionary project expenditure. As there is no assurance that adequate funds will be obtained, these conditions, along with the other matters explained in Note 1(b) to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as going concerns. The financial statements do

not include the adjustments that would result if the group and company were unable to continue as going concerns.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- › adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- › the parent company financial statements are not in agreement with the accounting records and returns; or
- › certain disclosures of directors' remuneration specified by law are not made; or
- › we have not received all the information and explanations we require for our audit.

Michael Jayson (Senior Statutory Auditor)

For and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor
Manchester
United Kingdom
11 December 2014

Crowe Clark Whitehill LLP is a limited liability partnership registered in England and Wales (with registered number OC307043).

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED
30 SEPTEMBER 2014

	Notes	2014 £	2013 £
Pre-licence exploration costs		9,214	32,131
Impairment of deferred exploration costs	8	3,254	7,140
Non-cash movement of liability under Equity Swap Agreement		(72,708)	(20,300)
Administrative expenses		423,459	437,857
Operating loss		(363,219)	(456,828)
Interest receivable		4,412	5,668
Loss on ordinary activities before taxation	3	(358,807)	(451,160)
Tax on loss on ordinary activities	7	—	—
Loss for the year attributable to equity holders of the parent		(358,807)	(451,160)
Loss per share — basic and diluted (pence)	6	(0.22)	(0.31)

All amounts relate to continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
30 SEPTEMBER 2014

	2014 £	2013 £
Loss for the year	(358,807)	(451,160)
Other comprehensive income		
Items that will not be reclassified subsequently to the income statement:		
Movement in revaluation of available for sale investment	(61,896)	(159,045)
	(61,896)	(159,045)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(161,845)	(10,204)
	(161,845)	(10,204)
Total comprehensive loss for the year attributable to the equity holders of the parent	(582,548)	(620,409)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AT 30 SEPTEMBER 2014
COMPANY NUMBER 03821411

	Notes	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Non-current assets					
Intangible assets	8	3,051,724	—	2,420,947	—
Property, plant & equipment	9	8,856	7,804	8,605	6,839
Investment in subsidiaries	10	—	5,798,903	—	4,896,896
Available for sale investment	10	239,626	239,626	230,251	230,251
		3,300,206	6,046,333	2,659,803	5,133,986
Current assets					
Receivables	11	115,732	96,018	81,490	61,735
Cash and cash equivalents	12	942,890	873,326	1,187,612	1,110,892
Restricted cash	12	—	—	366,007	366,007
		1,058,622	969,344	1,635,109	1,538,634
Current liabilities					
Trade and other payables	13	(171,550)	(99,220)	(233,881)	(72,268)
Equity swap	14	—	—	(102,381)	(102,381)
		(171,550)	(99,220)	(336,262)	(174,649)
Net current assets		887,072	870,124	1,298,847	1,363,985
Net assets		4,187,278	6,916,457	3,958,650	6,497,971
Equity					
Called up share capital	14	1,743,020	1,743,020	1,617,662	1,617,662
Share premium account		8,622,974	8,622,974	8,008,604	8,008,604
Merger reserve		131,096	131,096	131,096	131,096
Share option reserve		426,721	426,721	404,194	404,194
Available for sale revaluation reserve		(148,295)	(105,770)	(86,399)	(43,874)
Foreign currency reserve		(24,741)	—	137,104	—
Accumulated losses		(6,563,497)	(3,901,584)	(6,253,611)	(3,619,711)
Equity attributable to the owners of the parent		4,187,278	6,916,457	3,958,650	6,497,971

These financial statements were approved and authorised for issue by the Board of Directors on 11 December 2014 and were signed on its behalf.

R H Clemmey
Managing Director

D A R McAlister
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital £	Share premium account £	Merger reserve £	Share option reserve £	Available for sale revaluation reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2012	1,305,861	6,826,760	131,096	315,688	72,646	147,308	(5,802,451)	2,996,908
Loss for the period	—	—	—	—	—	—	(451,160)	(451,160)
Change in fair value	—	—	—	—	(159,045)	—	—	(159,045)
Exchange differences	—	—	—	—	—	(10,204)	—	(10,204)
Total comprehensive loss for the year	—	—	—	—	(159,045)	(10,204)	(451,160)	(620,409)
Recognition of equity swap	—	(123,341)	—	—	—	—	—	(123,341)
Share issue	311,801	1,305,185	—	—	—	—	—	1,616,986
Share based payments	—	—	—	88,506	—	—	—	88,506
At 30 September 2013	1,617,662	8,008,604	131,096	404,194	(86,399)	137,104	(6,253,611)	3,958,650
Loss for the period	—	—	—	—	—	—	(358,807)	(358,807)
Change in fair value	—	—	—	—	(61,896)	—	—	(61,896)
Exchange differences	—	—	—	—	—	(161,845)	—	(161,845)
Total comprehensive loss for the year	—	—	—	—	(61,896)	(161,845)	(358,807)	(582,548)
Recognition of equity swap	—	—	—	—	—	—	—	—
Share issue	125,358	614,370	—	—	—	—	—	739,728
Share based payments	—	—	—	22,527	—	—	48,921	71,448
At 30 September 2014	1,743,020	8,622,974	131,096	426,721	(148,295)	(24,741)	(6,563,497)	4,187,278

COMPANY STATEMENT OF CHANGES IN EQUITY

Company	Share capital £	Share premium account £	Merger reserve £	Share option reserve £	Available for sale revaluation reserve £	Accumulated losses £	Total £
At 30 September 2012	1,305,861	6,826,760	131,096	315,688	115,171	(3,209,398)	5,485,178
Loss for the period	—	—	—	—	—	(410,313)	(410,313)
Change in fair value	—	—	—	—	(159,045)	—	(159,045)
Total comprehensive loss for the year	—	—	—	—	(159,045)	(410,313)	(569,358)
Recognition of equity swap	—	(123,341)	—	—	—	—	(123,341)
Share issue	311,801	1,305,185	—	—	—	—	1,616,986
Share based payments	—	—	—	88,506	—	—	88,506
At 30 September 2013	1,617,662	8,008,604	131,096	404,194	(43,874)	(3,619,711)	6,497,971
Loss for the period	—	—	—	—	—	(330,794)	(330,794)
Change in fair value	—	—	—	—	(61,896)	—	(61,896)
Total comprehensive loss for the year	—	—	—	—	(61,896)	(330,794)	(392,690)
Share issue	125,358	614,370	—	—	—	—	739,728
Share based payments	—	—	—	22,527	—	48,921	71,448
At 30 September 2014	1,743,020	8,622,974	131,096	426,721	(105,770)	(3,901,584)	6,916,457

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

	Notes	Group 2014 £	Company 2014 £	Reclassified Group 2013 £	Reclassified Company 2013 £
Operating activity					
Total loss after tax		(363,219)	(335,153)	(456,828)	(415,883)
Depreciation charge		6,925	5,796	8,293	7,234
Impairment charge		3,254	—	7,140	—
Share based payment charge		71,449	71,449	88,506	88,506
Non-cash movement of liability under Equity Swap Agreement		(72,708)	(72,708)	(20,300)	(20,300)
Non-cash additions to available for sale investment		(71,271)	(71,271)	(33,921)	(33,921)
Increase/(decrease) in provision for impairment of loans to subsidiaries		—	452	—	416
(Increase)/decrease in receivables	11	(34,242)	(34,283)	(5,554)	6,252
Increase/(decrease) in payables	13	(62,331)	26,952	18,709	(6,915)
Net cash outflow from operating activity		(522,143)	(408,766)	(393,955)	(374,611)
Investing activity					
Interest received		4,412	4,359	5,668	5,570
Purchase of intangible assets		(788,482)	—	(480,227)	—
Purchase of property, plant & equipment	9	(7,176)	(6,761)	(1,626)	(1,304)
Net cash (outflow)/inflow from investing activity		(791,246)	(2,402)	(476,185)	4,266
Financing activity					
Additional loans to subsidiaries		—	(902,459)	—	(574,217)
Issue of share capital (net of expenses)		739,728	739,728	1,616,986	1,616,986
Net transfer (to)/from restricted cash	12	336,333	336,333	(366,667)	(366,667)
Net cash inflow from financing activity		1,076,061	173,602	1,250,319	676,102
Net increase/(decrease) in cash and cash equivalents		(237,328)	(237,566)	380,179	305,757
Cash and cash equivalents at start of year		1,187,612	1,110,892	841,299	805,135
Exchange differences		(7,394)	—	(33,866)	—
Cash and cash equivalents at 30 September	12	942,890	873,326	1,187,612	1,110,892

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

BACKGROUND

Tertiary Minerals plc is a public company incorporated and domiciled in England. It is traded on the AIM market of the London Stock Exchange and its shares also trade on AIM — EPIC: TYM.

The Company is a holding company for a number of companies (together, “the Group”) and is incorporated and domiciled in England. The Group’s financial statements are presented in Pounds Sterling (£) which is also the functional currency of the Company.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group’s financial statements.

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. 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 overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. 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 Group and Company’s ability to continue as going concerns and, therefore, that they may be unable to realise their 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.

(c) Basis of consolidation

Investments, including long term loans, in subsidiaries are valued at the lower of cost or recoverable amount, with an ongoing review for impairment.

The Group’s financial statements consolidate the financial statements of Tertiary Minerals plc and its subsidiary undertakings using the acquisition method and eliminate intercompany balances and transactions.

The Group has contractual arrangements with other participants to engage in joint activities that do not create an entity carrying on a trade or business of its own. The Group includes its share of assets and liabilities in such joint arrangements, measured in accordance with the terms of each arrangement, which is usually pro rata to the Group’s interest in the joint arrangement.

In accordance with section 408 of the Companies Act 2006, Tertiary Minerals plc is exempt from the requirement to present its own Statement of Comprehensive Income. The amount of the loss for the financial year recorded within the financial statements of Tertiary Minerals plc is £330,794 (2013: £410,313).

(d) Intangible assets

Exploration and evaluation

Accumulated exploration and evaluation costs incurred in relation to separate areas of interest (which may comprise more than one exploration licence or exploration licence applications) are capitalised and carried forward where:

- (1) such costs are expected to be recouped through successful exploration and development of the area, or alternatively by its sale; or
- (2) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

A bi-annual review is carried out by the directors to consider whether any exploration and development costs have suffered impairment in value and, if necessary, provisions are made according to these criteria. The bi-annual impairment review was conducted in March 2014 and September 2014.

Accumulated costs where the Group does not yet have an exclusive exploration licence and in respect of areas of interest which have been abandoned, are written off to the income statement in the year in which the pre-licence expense was incurred or in which the area was abandoned.

Development

Exploration, evaluation and development costs are carried at the lower of cost and expected net recoverable amount. On reaching a mining development decision, exploration and evaluation costs are reclassified as development costs and all development costs on a specific area of interest will be amortised over the useful economic life of the projects, once they become income generating, and the costs can be recouped.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

1. ACCOUNTING POLICIES continued

(e) Property, plant & equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation. Depreciation is provided by the Group on all property, plant & equipment, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings 20% to 33% per annum.

Useful life and residual value are reassessed annually.

(f) Available for sale investments

Available for sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Available for sale investments are initially measured at cost and subsequently at fair value, being the equivalent of market value, with changes in value recognised in equity. Gains and losses arising from available for sale investments are recognised in the income statement when they are sold or impaired.

(g) Trade and other receivables and payables

Trade and other receivables and payables are measured at initial recognition at fair value and subsequently measured at amortised cost.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short term bank deposits with a maturity of three months or less.

(i) Deferred taxation

Deferred taxation, if applicable, is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable.

(j) Foreign currencies

The Group's consolidated financial statements are presented in Pounds Sterling (£), being the functional currency of the Company, and the currency of the primary economic environment in which the Company operates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

For consolidation purposes, the net investment in foreign operations and the assets and liabilities of overseas subsidiaries, associated undertakings and joint arrangements, that have a functional currency different from the Group's presentation currency, are translated at the closing exchange rates. Income statements of overseas subsidiaries, that have a functional currency different from the Group's presentation currency, are translated at exchange rates at the date of transaction. Exchange differences arising on these transactions are taken to the foreign currency reserve.

(k) Leasing and hire purchase commitments

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the income statement on a straight-line basis.

(l) Share based payments

The Company issues warrants and options to employees (including directors) and suppliers. For all options and warrants issued after 7 November 2002 the fair value of the services received is recognised as a charge measured at fair value on the date of grant and determined in accordance with IFRS 2, adopting the Black-Scholes-Merton model. The fair value is charged to administrative expenses on a

straight-line basis over the vesting period, together with a corresponding increase in equity, based on the management's estimate of shares that will eventually vest. The expected life of the options and warrants is adjusted based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The details of the calculation are shown in Note 15.

(m) Equity swap agreements

The Company entered into an equity swap agreement during the year to 30 September 2013.

At the date of the agreement, the Company was required to deposit a sum of money into an escrow account. The escrow account balance was treated as a restricted cash asset on the Statement of Financial Position. The amount deposited was adjusted to the net present value of the deposit over the term of the agreement, with the adjustment being charged to administrative expenses.

The fair value of the agreement was determined by independent valuation at the date of the agreement and was deducted from the escrow deposit to determine the Company's potential liability under the agreement. The liability was entered onto the Statement of Financial Position and charged to the Share Premium Account, because the agreement was entered into as part of the share subscription (Note 14). An independent revaluation is obtained at the end of each financial year and the liability amended, the adjustment being charged to administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

1. ACCOUNTING POLICIES continued

Upon each of the periodical settlement dates during the term of the agreement a proportion of the initial escrow deposit was returned to the Company after the deduction of any amounts payable under the equity swap agreement. At each settlement date, an average market price of the Company's shares is calculated and compared to a benchmark price and the return payments to the Company are then adjusted in accordance with the outcome of the comparison. Payments from the escrow account on each of the settlement dates are treated as a transfer of funds to the Company's unrestricted cash, with the amount of the adjustments being charged or credited to administrative expenses.

(n) Judgements and estimations in applying accounting policies

In the process of applying the Group's accounting policies above, the Group has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements:

Intangible fixed assets — exploration and evaluation

Capitalisation of exploration and evaluation costs requires that costs be assessed against the likelihood that such costs will be recoverable against future exploitation or sale or alternatively, where activities have not reached a stage which permits a reasonable estimate of the existence of mineral reserves, a judgement that future exploration or evaluation should continue. This requires management to make estimates and judgements and to make certain assumptions, often of a geological nature, and most particularly in relation to whether or not an economically viable mining operation can be established in future. Such estimates, judgements and assumptions are likely to change as new information becomes

available. When it becomes apparent that recovery of expenditure is unlikely the relevant capitalised amount is written off to the income statement.

Impairment

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. The Group will review information produced by its exploration activities and consider whether the carrying value is impaired. Assessment of the impairment of assets is a judgement based on analysis of the probability of future cash flows from the relevant project, including consideration of:

- (a) The period for which the entity has the right to explore in the specific area and whether this right will expire in the near future, and whether the right is expected to be renewed.
- (b) The availability of funds for expenditure on further exploration for and evaluation of mineral resources on the specific project.
- (c) Exploration for and evaluation of mineral resources on the specific project has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities on the project.
- (d) Sufficient data exist to indicate that, although a development on the specific project is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of a mine or by the sale of the project.

Impairment reviews for investments in subsidiaries and available for sale investments are carried out on an individual basis. The Group reviews performance indicators of the investment, such as market share price, to indicate whether the carrying value is impaired.

Going concern

The preparation of financial statements requires an assessment of the validity of the going concern assumption. The validity of the going concern assumption is dependent on finance being available for the continuing working capital requirements of the Group. Based on the assumption that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts.

Share based payments

The estimates of share based payments costs require that management selects an appropriate valuation model and make decisions on various inputs into the model including the volatility of its own share price, the probable life of the options before exercise, and behavioural considerations of employees.

Valuation of equity swap agreements

Management appoint independent valuers to estimate the fair value of the agreement at the agreement date and at the end of each financial year. The main inputs to the valuation model are the length of the agreement and the volatility of the Company's share price.

Valuation of restricted cash

Where the Group deposits cash into restricted accounts, a discounted cash flow is applied to determine the net present value of the cash at the date of deposit. The main estimates to the valuation model are the expected term of the deposit and a risk free interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

1. ACCOUNTING POLICIES *continued*

(o) Standards, amendments and interpretations not yet effective

The International Accounting Standards Board ("IASB") and IFRIC have issued the following amendments, none of which have been applied in the consolidated financial information on the basis that their effective dates fall in subsequent periods.

The directors do not anticipate that adoption of the below standards or interpretations will have a material impact on the financial statements in the year of initial adoption.

Title	Issued	Effective Date	Date
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	June 2013	Accounting periods beginning on or after	01/01/2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Oct 2012	Accounting periods beginning on or after	01/01/2014
IAS 36 Amendments Recoverable Amount Disclosures for Non-Financial Assets	May 2013	Accounting periods beginning on or after	01/01/2014
IFRIC 21 Levies	May 2013	Accounting periods beginning on or after	01/01/2014
IAS 19 Amendment — Defined Benefit Plans: Employee Contributions	Nov 2013	Accounting periods beginning on or after	01/07/2014
IFRS 10 and IAS 28 Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sept 2014	Accounting periods beginning on or after	01/01/2016
IAS 27 Amendment — Equity Method in Separate Financial Statements	Aug 2014	Accounting periods beginning on or after	01/01/2016
IAS 16 and IAS 41 Amendments: Agriculture: Bearer Plants	June 2014	Accounting periods beginning on or after	01/01/2016
IFRS 14 Regulatory Deferral Accounts	Jan 2014	Accounting periods beginning on or after	01/01/2016
IAS 16 and IAS 38 Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation	May 2014	Accounting periods beginning on or after	01/01/2016
IFRS 11 Amendments: Accounting for Acquisitions of Interests in Joint Operations	May 2014	Accounting periods beginning on or after	01/01/2016
IFRS 15 Revenue from Contracts with Customers	May 2014	Accounting periods beginning on or after	01/01/2017
IFRS 9 Financial Instruments	July 2014	Accounting periods beginning on or after	01/01/2018

(p) Reclassifications

Reclassifications to comparative amounts have been made in the Statements of Cash Flows and Investments, Note 10. Within the Cash Flow Statement the additions to available for sale investment have been reclassified into net cash outflow from operating activity as these additions are shares issued in lieu of a payment for management fees and therefore represent a non-cash movement. The reclassification within Note 10 has been made to recognise the cost of investment in Tertiary Gold Limited at original cost. The reclassification being the excess of the cost of investment above the nominal value of shares issued in consideration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

2. SEGMENTAL ANALYSIS

The Chief Operating Decision Maker is the Board of Directors. The Board considers the business has one reportable segment, the management of exploration projects, which is supported by a Head Office function. For the purpose of measuring segmental profits and losses the exploration segment bears only those direct costs incurred by or on behalf of those projects. No Head Office cost allocations are made to this segment. The Head Office function recognises all other costs.

	Exploration Projects £	Head Office £	Total £
2014			
Consolidated Income Statement			
Impairment of deferred exploration costs	(3,254)	—	(3,254)
Pre-licence exploration costs	—	(9,214)	(9,214)
Share based payments	—	(71,448)	(71,448)
Other expenses	—	(279,303)	(279,303)
Operating Loss	(3,254)	(359,965)	(363,219)
Bank interest received	—	4,412	4,412
Loss on ordinary activities before taxation	(3,254)	(355,553)	(358,807)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders	(3,254)	(355,553)	(358,807)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kaaresselkä Gold Project, Finland	283,646	—	283,646
Kiekerömaa Gold Project, Finland	128,589	—	128,589
Lassedalen Fluorspar Project, Norway	350,937	—	350,937
Storuman Fluorspar Project, Sweden	1,604,436	—	1,604,436
MB Fluorspar Project, USA	684,116	—	684,116
	3,051,724	—	3,051,724
Property, plant & equipment	—	8,856	8,856
Investment in subsidiaries	—	—	—
Available for sale investment	—	239,626	239,626
	3,051,724	248,482	3,300,206
Current assets			
Receivables	—	115,732	115,732
Cash and cash equivalents	—	942,890	942,890
Restricted cash	—	—	—
	—	1,058,622	1,058,622
Current liabilities			
Trade and other payables	(79,918)	(91,632)	(171,550)
Equity swap	—	—	—
	(79,918)	(91,632)	(171,550)
Net current assets	(79,918)	966,990	887,072
Net assets	2,971,806	1,215,472	4,187,278
Other data			
Deferred exploration additions	788,482	—	788,482
Exchange rate adjustments to deferred exploration costs	—	154,451	154,451

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

2. SEGMENTAL ANALYSIS continued

2013	Exploration Projects £	Head Office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs	(7,140)	—	(7,140)
Pre-licence exploration costs	—	(32,131)	(32,131)
Share based payments	—	(88,506)	(88,506)
Other expenses	—	(329,051)	(329,051)
Operating Loss	(7,140)	(449,688)	(456,828)
Bank interest received	—	5,668	5,668
Loss on ordinary activities before taxation	(7,140)	(444,020)	(451,160)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders	(7,140)	(444,020)	(451,160)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kaaresselkä Gold Project, Finland	277,809	—	277,809
Kiekerömaa Gold Project, Finland	123,449	—	123,449
Lassedalen Fluorspar Project, Norway	341,365	—	341,365
Storuman Fluorspar Project, Sweden	1,316,345	—	1,316,345
MB Fluorspar Project, USA	361,979	—	361,979
	2,420,947	—	2,420,947
Property, plant & equipment	—	8,605	8,605
Investment in subsidiaries	—	—	—
Available for sale investment	—	230,251	230,251
	2,420,947	238,856	2,659,803
Current assets			
Receivables	—	81,490	81,490
Cash and cash equivalents	—	1,187,612	1,187,612
Restricted cash	—	366,007	366,007
	—	1,635,109	1,635,109
Current liabilities			
Trade and other payables	(149,815)	(84,066)	(233,881)
Equity swap	—	(102,381)	(102,381)
	(149,815)	(186,447)	(336,262)
Net current assets	(149,815)	1,448,662	1,298,847
Net assets	2,271,132	1,687,518	3,958,650
Other data			
Deferred exploration additions	561,077	—	561,077
Exchange rate adjustments to deferred exploration costs	—	(23,661)	(23,661)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £	2013 £
The operating loss is stated after charging		
Operating lease rentals — land and buildings	18,644	18,206
Fees payable to the Group's Auditor for:		
The audit of the Group's annual accounts	6,500	6,210
Fees payable to the Group's Auditor and its associates for other services:		
The audit of the Group's subsidiaries, pursuant to legislation	3,500	3,200
Other services relating to taxation	—	—
Other services	1,250	1,050
Depreciation — owned assets	6,925	8,293

4. DIRECTORS' EMOLUMENTS

	2014 £	2013 £
Remuneration in respect of directors was as follows:		
P L Cheetham (salary)	32,531	53,343
R H Clemmey (salary)	79,037	70,925
D A R McAlister (salary)	14,667	12,000
D Whitehead (fees)	14,667	12,000
P L Cheetham (benefit in kind on exercise of share options)	56,250	—
D A R McAlister (benefit in kind on exercise of share options)	—	17,715
	197,152	165,983

The directors are also the key management personnel.

The above remuneration amounts are net of the recharges to Sunrise Resources plc as set out in Note 17. They do not include non-cash share based payments charged in these financial statements in respect of warrants issued to the directors in the year amounting to £45,970 (2013: £68,072) or Employer's National Insurance contributions of £22,720 (2013: £16,137).

There were no pension contributions made during the year on behalf of Directors (2013: nil).

5. STAFF COSTS

	2014 £	2013 £
Staff costs for Group and Company, including directors, were as follows:		
Wages and salaries	182,487	206,261
Social security costs	28,247	21,876
Share based payments	63,360	81,681
	274,094	309,818

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

5. STAFF COSTS continued

The average monthly number of employees, including directors, employed by the Group and Company during the year was as follows:

	2014 Number	2013 Number
Technical employees	3	3
Administration employees (including non-executive directors)	4	4
	7	7

The cost of employing technical and administrative employees is shared with Sunrise Resources plc as set out in Note 17.

6. LOSS PER SHARE

Loss per share has been calculated using the loss for the year attributable to equity holders of the parent and the weighted average number of shares in issue during the year.

	2014	2013
Loss (£)	(358,807)	(451,160)
Weighted average shares in issue (No.)	165,522,417	143,365,584
Basic and diluted loss per share (pence)	(0.22)	(0.31)

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 anti-dilutive.

7. TAXATION ON ORDINARY ACTIVITIES

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2013: £nil).

The tax credit for the period is lower than the credit resulting from the loss before tax at the standard rate of corporation tax in the UK — 21 % (2013: 23%). The differences are explained below.

	2014 £	2013 £
Tax reconciliation		
Loss on ordinary activities before tax	(358,807)	(451,160)
Tax at hybrid rate 22% (2013: 23%)	(78,938)	(103,767)
Differences between capital allowances and depreciation	(1,280)	3,865
Pre-trading expenditure no longer deductible for tax purposes	548,413	302,192
Tax effect at 22% (2013: 23%)	120,369	70,393
Unrelieved tax losses carried forward	(41,431)	33,374
Tax recognised on loss from ordinary activities	—	—
Total losses carried forward for tax purposes	(4,409,816)	(4,598,142)

Factors that may affect future tax charges

The Group has total losses carried forward of £4,409,816 (2013: £4,598,142). This amount would be charged to tax if sufficient profits were made in the future. The deferred tax asset has not been recognised as the future recovery is uncertain given the exploration status of the Group. The carried tax loss is adjusted each year for amounts that can no longer be carried forward.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

8. INTANGIBLE ASSETS

Group	Deferred exploration expenditure 2014 £	Deferred exploration expenditure 2013 £
Cost		
At start of year	3,675,649	3,090,911
Additions	788,482	561,077
Exchange adjustments	(154,451)	23,661
At 30 September	4,309,680	3,675,649
Impairment losses		
At start of year	(1,254,702)	(1,247,562)
Charge during year	(3,254)	(7,140)
At 30 September	(1,257,956)	(1,254,702)
Carrying amounts		
At 30 September	3,051,724	2,420,947
At start of year	2,420,947	1,843,349

9. PROPERTY, PLANT & EQUIPMENT

	Group fixtures and fittings 2014 £	Company fixtures and fittings 2014 £	Group fixtures and fittings 2013 £	Company fixtures and fittings 2013 £
Cost				
At start of year	63,082	32,508	61,456	31,204
Additions	7,176	6,761	1,626	1,304
Disposals	(19,714)	(6,263)	—	—
At 30 September	50,544	33,006	63,082	32,508
Depreciation				
At start of year	(54,477)	(25,669)	(46,184)	(18,434)
Charge for the year	(6,925)	(5,796)	(8,293)	(7,235)
Disposals	19,714	6,263	—	—
At 30 September	(41,688)	(25,202)	(54,477)	(25,669)
Net Book Value				
At 30 September	8,856	7,804	8,605	6,839
At start of year	8,605	6,839	15,272	12,770

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

10. INVESTMENTS

Subsidiary undertakings

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2014	Principal activity
Tertiary Gold Limited	England & Wales	100% of ordinary shares	Mineral exploration
Tertiary (Middle East) Limited	England & Wales	100% of ordinary shares	Mineral exploration
Tertiary Minerals US Inc.	Nevada, USA	100% of ordinary shares	Mineral exploration

	Company 2014 £	Reclassified Company 2013 £
Investment in subsidiary undertakings		
Ordinary shares — Tertiary (Middle East) Limited	1	1
Ordinary shares — Tertiary Gold Limited	224,888	224,888
Ordinary shares — Tertiary Minerals US Inc.	1	1
Loan — Tertiary (Middle East) Limited	680,135	679,683
Less — Provision for impairment	(680,135)	(679,683)
Loan — Tertiary Gold Limited	4,858,599	4,323,807
Loan — Tertiary Minerals US Inc.	715,414	348,199
At 30 September	5,798,903	4,896,896

Available for sale investment

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2014	Principal activity
Sunrise Resources plc	England & Wales	9.52% of ordinary shares	Mineral exploration

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Available for sale investment				
Value at start of year	230,251	230,251	355,375	355,375
Additions to available for sale investment	71,271	71,271	33,921	33,921
Movement in valuation of available for sale investment	(61,896)	(61,896)	(159,045)	(159,045)
At 30 September	239,626	239,626	230,251	230,251

The additions to available for sale investment are shares issued in lieu of a payment for management fees.

The fair value of the available for sale investment is equal to the market value of the shares in Sunrise Resources plc at 30 September 2014, based on the closing mid-market price of shares on the AIM Market.

These are level one inputs for the purpose of the IFRS 7 fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

11. RECEIVABLES

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade receivables	50,062	50,062	43,173	43,173
Other receivables	43,025	28,388	16,497	1,195
Prepayments	22,645	17,568	21,820	17,367
At 30 September	115,732	96,018	81,490	61,735

The Group aged analysis of trade receivables is as follows:

	Not impaired £	30 days or less £	Over 30 days £	Total carrying amount £
2014 Trade receivables	50,062	50,062	—	50,062
2013 Trade receivables	43,173	43,173	—	43,173

12. CASH AND CASH EQUIVALENTS

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Cash at bank and in hand	97,370	27,806	160,003	83,283
Short-term bank deposits	845,520	845,520	1,027,609	1,027,609
At 30 September	942,890	873,326	1,187,612	1,110,892

Restricted cash

In order to satisfy any payments under the equity swap agreement (Note 14), the Company deposited £400,000 in an escrow account in May 2013. At 30 September 2014 the amount held in escrow was nil (2013: £366,007).

13. TRADE AND OTHER PAYABLES

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade payables	54,962	23,890	125,042	20,274
Other taxes and social security costs	45,960	45,960	10,516	10,516
Accruals	64,469	23,211	95,822	38,977
Other payables	6,159	6,159	2,501	2,501
At 30 September	171,550	99,220	233,881	72,268

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

14. SHARE CAPITAL

	2014 No.	2014 £	2013 No.	2013 £
Allotted, called up and fully paid				
Ordinary shares of 1p each	174,302,034	1,743,020	161,766,214	1,617,662
At 30 September	174,302,034	1,743,020	161,766,214	1,617,662

During the year to 30 September 2014 the following share issues took place:

An issue of 200,000 1.0p ordinary shares at 2.375p per share, being a share warrant exercise, for a total consideration of £4,750 (14 January 2014).

An issue of 2,000,000 1.0p ordinary shares at 7.5p per share, being a share warrant exercise, for a total consideration of £150,000 (25 February 2014).

An issue of 1,490,000 1.0p ordinary shares at 12p per share, being a drawdown under the Equity Finance Facility (Note 15), for a total consideration of £167,178 net of expenses (15 April 2014).

An issue of 7,304,348 1.0p ordinary shares at 5.75p per share, by way of placing, for a total consideration of £378,000 net of expenses (11 July 2014).

An issue of 41,472 1.0p ordinary shares at 5.75p per share to two directors, in satisfaction of directors' fees, for a total consideration of £2,385 (19 August 2014).

An issue of 1,500,000 1.0p ordinary shares at 2.375p per share, being a share warrant exercise by a director, for a total consideration of £35,625 (9 September 2014).

During the year to 30 September 2013 a total of 31,180,000 1.0p ordinary shares were issued, at an average price of 5.731p, for a total consideration of £1,616,986 net of expenses.

The total amount of transaction fees debited to the Share Premium account in the year was £53,622 (2013: £160,638).

In the year to 30 September 2014 the Company made a transfer from Share Option Reserve to Accumulated Losses of £48,921 (2013: Nil) in recognition of a reversal of previous charges arising from expired unexercised warrants.

Equity Swap

On 23 May 2013 the Company entered into funding arrangements with YA Global Master SPV ("YAGM") whereby, in addition to the issue of 26,000,000 ordinary shares to YAGM under a subscription agreement, the Company and YAGM entered into an equity swap agreement over a notional 11,818,176 ordinary shares in the Company. Under the terms of the equity swap, upon each of 12 monthly settlement dates an average market price of the Company's shares was to be calculated and compared to a benchmark price of 5.78p per share. If the average market price exceeded the benchmark price then a sum became payable to the

Company by YAGM, if the average market price was less than the benchmark price then a sum became payable to YAGM by the Company, depending on the amount by which the average market price exceeded or fell short of the benchmark price.

On 8 November 2013, the Equity Swap Agreement (Note 14) between the Company and YA Global Master SPV Ltd ("YAGM") was settled. The parties agreed that all remaining monthly settlements were to be accelerated and included in a new settlement date at a price of 5.5p per share. On that settlement date, the remaining escrow funds of £366,666 were distributed between the Company (£336,333) and YAGM (£30,333) with no further liability. For comparison at 30 September 2013 the Company's liability to YAGM was £102,381.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

15. WARRANTS AND OPTIONS GRANTED

Unexercised warrants				
Issue date	Exercise price	Number	Exercisable	Expiry dates
09/12/08	2.375p	200,000	Any time before expiry	09/03/15
09/12/08	2.375p	200,000	Any time before expiry	09/03/15
07/12/09	4.375p	2,300,000	Any time before expiry	07/03/15
07/12/09	4.375p	600,000	Any time before expiry	07/03/15
17/12/10	6.25p	2,300,000	Any time before expiry	17/03/16
17/12/10	6.25p	200,000	Any time before expiry	31/12/15
17/12/10	6.25p	400,000	Any time before expiry	17/03/16
01/09/11	6.75p	250,000	Any time before expiry	01/09/16
01/09/11	6.75p	250,000	Any time before expiry	01/09/16
01/09/11	11.00p	250,000	Any time before expiry	01/09/16
01/09/11	11.00p	250,000	Any time after 01/09/2015	01/09/16
26/01/12	9.75p	2,300,000	Any time before expiry	26/01/17
26/01/12	9.75p	200,000	Any time before expiry	31/12/15
26/01/12	9.75p	200,000	Any time before expiry	26/01/17
10/01/13	7.63p	1,700,000	Any time before expiry	10/01/18
10/01/13	7.63p	200,000	Any time before expiry	31/12/15
10/01/13	7.63p	300,000	Any time before expiry	10/01/18
14/01/14	11.25p	1,050,000	Any time after 14/01/2015	14/01/19
14/01/14	11.25p	200,000	Any time after 14/01/2015	31/12/15
14/01/14	11.25p	300,000	Any time after 14/01/2015	14/01/19

Unexercised options				
Issue date	Exercise price	Number	Exercisable	Expiry Dates
31/01/05	10.0p	50,000	Any time before expiry	31/01/15

Warrants and options are issued for nil consideration and are exercisable as disclosed above. They are exchangeable on a one for one basis for each ordinary share of 1.0p at the exercise price on the date of conversion.

On 15 June 2012 the Company entered into a three year Equity Financing Facility ("EFF") with Darwin Strategic Limited ("Darwin"). The agreement provides the Company with the facility to draw down up to £10 million, by issuing subscription notices requiring Darwin to subscribe for ordinary shares of the Company on certain terms and conditions.

In conjunction with the EFF agreement, the Company entered into a warrant agreement allowing Darwin to subscribe for up to 2,000,000 new Ordinary Shares in the capital of the Company at 7.5p per share, exercisable at any time before 15 June 2015. All of these warrants were exercised on 20 February 2014.

Share based payments

The Company has an Inland Revenue approved share option scheme for all employees. Options are exercisable at a price equal to the market price of the Company's shares on the date of grant.

The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options may be forfeited if the employee leaves the Company.

In addition, the Company issues warrants to directors and employees, outside of the approved scheme, on varying terms and conditions.

On 16 September 2014 the Company extended the warrant expiry dates by three months of unexercised warrants issued in years 2008 to 2011 due to the proximity of a Close Period to the original expiry date. Certain of these warrants have an earlier expiry date due to employees' termination of employment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

15. WARRANTS AND OPTIONS GRANTED *continued*

Details of the share warrants and options outstanding during the year are as follows:

	2014		2013	
	Number of warrants and share options	Weighted average exercise price Pence	Number of warrants and share options	Weighted average exercise price Pence
Outstanding at start of year	17,410,000	6.738	15,710,000	6.470
Granted during the year	1,550,000	11.25	2,200,000	7.630
Exercised during the year	(3,700,000)	5.145	(500,000)	2.375
Forfeited during the year	—	—	—	—
Expired during the year	(1,560,000)	—	—	—
Outstanding at 30 September	13,700,000	7.422	17,410,000	6.738
Exercisable at 30 September	11,900,000	6.849	15,210,000	6.326

The warrants and options outstanding at 30 September 2014 had a weighted average exercise price of £0.07 and a weighted average remaining contractual life of two years.

In the year ended 30 September 2014, warrants were granted on 14 January 2014. The aggregate of the estimated fair values of the warrants granted on this date is £66,740. In the year ended 30 September 2013, warrants were granted on 10 January 2013. The aggregate of the estimated fair values of the warrants granted on this date is £64,364.

No options were granted in the year ended 30 September 2014 or the year ended 30 September 2013.

The inputs into the Black–Scholes–Merton Option Pricing Model are as follows:

	2014	2013
Weighted average share price	9.00p	6.10p
Weighted average exercise price	11.25p	7.63p
Expected volatility	80%	80%
Expected life	4 years	4 years
Risk-free rate	1.88%	1.12%
Expected dividend yield	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous four years. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Company recognised total expenses of £71,448 and £88,506 related to equity-settled share based payment transactions in 2014 and 2013 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

16. OPERATING LEASE COMMITMENTS

The Company rents office premises under an operating lease agreement. The current lease term is for one year, expiring on 30 November 2014. No contingent rent is payable. The lease is eligible for renewal on expiry.

Future minimum lease payments under non-cancellable operating leases are:

	2014 Land & buildings £	2013 Land & buildings £
Office accommodation:		
Within one year	3,120	3,044

The Company does not sub-lease any of its leased premises.

Lease payments recognised in loss for the period amounted to £18,644 (2013: £18,206).

17. RELATED PARTY TRANSACTIONS

Key management personnel

The directors holding office in the period and their beneficial interests in the share capital of the Company are:

	At 30 September 2014				At 30 September 2013	
	Shares Number	Warrants			Shares Number	Warrants Number
		Number	Exercise price	Expiry date		
P L Cheetham*	11,876,913	1,500,000	4.375p	07/03/2015	10,376,913	7,500,000
		1,500,000	6.250p	17/03/2016		
		1,500,000	9.750p	26/01/2017		
		500,000	7.630p	10/01/2018		
D A R McAlister	494,048	500,000	11.250p	14/01/2019	481,579	1,000,000
		300,000	4.375p	07/03/2015		
		300,000	6.250p	17/03/2016		
D Whitehead	29,003	300,000	9.750p	26/01/2017	—	1,000,000
		300,000	4.375p	07/03/2015		
		300,000	6.250p	17/03/2016		
R H Clemmey	6,333	300,000	9.750p	26/01/2017	6,333	2,000,000
		250,000	6.750p	01/09/2016		
		250,000	6.750p	01/09/2016		
		250,000	11.000p	01/09/2016		
		250,000	11.000p	01/09/2016		
1,000,000	7.630p	10/01/2018				
		350,000	11.250p	14/01/2019		

* Includes 2,843,625 shares held by K E Cheetham, wife of P L Cheetham.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

17. RELATED PARTY TRANSACTIONS

continued

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings as at 30 September 2014. The directors of the Company are the directors of all Group companies.

Details of the parent company's investment in subsidiary undertakings are shown in Note 10.

Sunrise Resources plc

During the year the Company recharged costs of £163,136 (2013: £134,277) to Sunrise Resources plc being shared overheads of £23,671 (2013: £22,977), costs paid on behalf of Sunrise Resources plc of £11,816 (2013: £5,802), staff salary costs of £44,207 (2013: £52,583) and directors' salary costs of £83,442 (2013: £52,915). The salary costs in Notes 4 and 5 are shown net of these recharges.

At the balance sheet date an amount of £50,050 (2013: £43,157) was due from Sunrise Resources plc, which was repaid in November 2014.

P L Cheetham, a director of Tertiary Minerals plc, is also a director of Sunrise Resources plc.

Shares and warrants held in Sunrise Resources plc by the Tertiary Minerals plc directors are as follows:

	At 30 September 2013				At 30 September 2012	
	Shares Number	Warrants			Shares Number	Warrants Number
		Number	Exercise price	Expiry date		
P L Cheetham*	19,355,675	2,000,000	0.575p	08/03/2015	12,942,462	10,500,000
		2,000,000	0.850p	07/03/2015		
		2,000,000	2.500p	07/03/2016		
		2,000,000	1.250p	24/02/2017		
		2,000,000	0.850p	19/03/2018		
		2,000,000	0.550p	14/01/2019		
		2,222,222	0.600p	31/03/2016		
D A R McAlister	550,000	—	—	—	550,000	—
D Whitehead	—	—	—	—	—	—
R H Clemmey	—	500,000	1.250p	24/02/2017	—	—
		500,000	0.850p	19/03/2018		
		500,000	0.550p	14/01/2019		

* Includes 5,500,000 shares held by K E Cheetham, wife of P L Cheetham.

18. POST BALANCE SHEET EVENT

Subsequent to the year-end, on 1 October 2014, 3,000,000 warrants were issued to Richard Clemmey, the Managing Director, exercisable after year one, at prices between 9p and 21p, with vesting periods from one to four years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

19. CAPITAL MANAGEMENT

The Group's capital requirements are dictated by its project and overhead funding requirements from time to time. Capital requirements are reviewed by the Board on a regular basis.

The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns, to increase the value of the assets of the business and to provide an adequate return to shareholders in the future when exploration assets are taken into production.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure the possibilities open to the Group in future include issuing new shares, consolidating shares, returning capital to shareholders, taking on debt, selling assets and adjusting the amount of dividends paid to the shareholders.

20. FINANCIAL INSTRUMENTS

At 30 September 2014, the Group's and Company's financial assets consisted of available for sale investments, trade receivables and cash and cash equivalents. At the same date, the Group and Company had no financial liabilities other than trade and other payables due within one year and had no agreed borrowing facilities as at this date. There is no material difference between the carrying and fair values of the Group and Company's financial assets and liabilities.

The carrying amounts for each category of financial instruments held at 30 September 2014, as defined in IAS 39, are as follows:

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Loans & receivables	1,035,976	951,776	1,613,949	1,521,927
Available for sale investments	239,626	239,626	230,251	230,251
Financial liabilities at amortised cost	125,589	53,260	223,365	61,752
Financial liabilities at fair value through profit and loss	—	—	102,381	102,381

Risk management

The principal risks faced by the Group and Company resulting from financial instruments are liquidity risk, foreign currency risk and, to a lesser extent, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks as summarised below. The policies have remained unchanged from previous periods as these risks remain unchanged.

Liquidity risk

The Group currently holds cash balances in Sterling, US Dollars, Swedish Kronor, Euros, Canadian Dollars and Saudi Riyals to provide funding for exploration and evaluation activity, whilst the

Company holds cash balances in Sterling and US Dollars. The Group and Company are dependent on equity fundraising through private placings which the directors regard as the most cost-effective method of fundraising. The directors monitor cash flow in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

Currency risk

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise, as in the opinion of the

directors, the cost of hedging against fluctuations would be greater than the related benefit from doing so. Where a material order is made in a different currency, funds are converted to that currency at prevailing rates and held on short term treasury deposits at prevailing fixed interest rates pending payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2014

20. FINANCIAL INSTRUMENTS *continued*

Bank and cash balances, including the Group's share of funds in the Ghurayyah joint arrangement, were held in the following denominations:

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
United Kingdom Sterling	855,269	1,064,527	854,478	1,062,153
United States Dollar	69,016	113,509	18,848	48,739
Swedish Krona	9,011	7,730	—	—
European Euro	9,296	1,791	—	—
Canadian Dollar	263	49	—	—
Saudi Riyal	35	6	—	—
	942,890	1,187,612	873,326	1,110,892

Surplus funds in all currencies are placed with NatWest bank on a number of short term treasury deposits at varying fixed rates of interest, but the Group held only one US Dollar treasury deposit at 30 September 2014.

The Company and the Group are exposed to changes in the US Dollar/UK Sterling exchange rate mainly in the Sterling value of US Dollar denominated financial assets and any profit or loss arising from such changes reports to equity.

Sensitivity analysis shows that the Sterling value of its US Dollar denominated financial assets at 30 September 2014 would increase or decrease by £3,451 for each 5% increase or decrease in the value of Sterling against the Dollar.

Neither the Company nor the Group is exposed to material transactional currency risk.

Interest rate risk

The Group and Company finance their operations through equity fundraising and therefore do not carry borrowings.

Fluctuating interest rates have the potential to affect the loss and equity of the Group and the Company insofar as they affect the interest paid on financial instruments held for the benefit of the Group. The directors do not consider the effects to be material to the reported loss or equity of the Group or the Company presented in the financial statements.

Credit risk

The Company has exposure to credit risk through receivables such as VAT refunds, invoices issued to related parties and its joint arrangements for management charges. The amounts outstanding from time to time are not material other than for VAT refunds which are considered by the directors to be low risk.

The Company has exposure to credit risk in respect of its cash deposits with NatWest bank and this exposure is considered by the directors to be low.



Storuman Flusspatprojekt



ANNUAL GENERAL MEETING

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Visit our website for further information
at www.tertiaryminerals.com

NOTICE OF ANNUAL GENERAL MEETING

COMPANY NO.03821411

Notice is hereby given that the Annual General Meeting of Tertiary Minerals plc will be held in the Fourth Floor Meeting Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX on Thursday 5 February 2015, at 2.30 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Accounts and Reports of the Directors and of the Auditor for the year ended 30 September 2014.
2. To re-elect Mr D Whitehead who is retiring as a director of the Company.
3. To re-elect Mr D A R McAlister who is retiring as a director of the Company.
4. To reappoint Crowe Clark Whitehill as Auditor of the Company and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

Ordinary Resolution

5. That, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,000,000 (consisting of 100,000,000 ordinary shares of 1p each) provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the 2006 Act.

Special Resolution

6. That subject to the passing of resolution 5, the directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 5 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,000,000 (consisting of 100,000,000 ordinary shares of 1 pence each).

The power granted by this resolution will expire on the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer

or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. Please refer to the Notes on reverse of separate Proxy Form.

By order of the Board.

C D T Fitch

Company Secretary
11 December 2014

Registered Office:
Sunrise House
Hulley Road
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Cheshire
SK10 2LP

ANNUAL GENERAL MEETING EXPLANATORY NOTES

The Annual General Meeting of Tertiary Minerals plc will be held on at 2.30 p.m. on Thursday 5 February 2015 in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX. The business of the meeting is as follows:

ORDINARY BUSINESS

Resolution 1

The Board is required to present to the meeting for approval the Accounts and the Reports of Directors and the Auditor for the year ended 30 September 2014 which can be found on pages 4 to 26.

Resolutions 2 and 3

The two non-executive directors, Mr D Whitehead and Mr D A R McAlister, have both served the Company for more than eleven years and under the terms of the UK Corporate Governance Code cannot now be regarded as independent. As in previous years, it is proposed that they seek annual re-election rather than re-election every third year as stated in the Articles of Association. The Company has been fortunate enough to secure the services of these two non-executive directors during their period of office and both continue to provide valuable advice based on their long experience of the mining industry.

Biographical details of the directors can be found on page 17.

Resolution 4

The Company's Auditor, Crowe Clark Whitehill LLP, was appointed during the year, following a competitive tender. The Auditor is offering itself for reappointment and if elected will hold office until the conclusion of the next Annual General Meeting at which accounts are laid before shareholders. This resolution will also allow the directors to fix the remuneration of the Auditor.

SPECIAL BUSINESS

Resolution 5

This resolution is to give the directors authority to issue shares. The last such authority was put in place by a meeting of shareholders held on 19 February 2014 but it will expire at the coming Annual General Meeting.

Section 551 of the Companies Act 2006 requires that directors be authorised by shareholders before any share capital can be issued.

At this stage in its development the Company relies on raising funds from the equity markets, through the issue of shares, from time to time and unless this resolution is put in place the Company will not be in a position to continue to raise funds to continue its activities.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2016.

Resolution 6

This resolution will be proposed as a Special Resolution in the event that Resolution 5 is passed by shareholders. Resolution 6 is proposed to give the directors authority to issue shares other than by way of rights issues which are, for regulatory reasons, complex, expensive, time consuming and impractical for a company the size of Tertiary Minerals plc.

A similar authority granted at last year's Annual General Meeting is due to expire at the coming Annual General Meeting.

The resolution will, if passed, authorise directors to allot shares or grant rights over shares of the Company where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings, for example through a placement of shares.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2016.

SHAREHOLDER NOTES

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