



Tertiary Minerals plc

BUILDING A STRATEGIC POSITION IN THE FLUORSPAR SECTOR

ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015
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 potential 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'S STRATEGY

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



HIGHLIGHTS

2015 ACHIEVED >

- > Fundraising of £1,000,000 before expenses in very difficult market conditions
- > Storuman Exploitation (Mine) Permit application progressed through final stages of stakeholder consultation with a decision anticipated shortly
- > Continuing progress on Storuman Preliminary Feasibility Study minerals processing testwork
- > 132% increase (contained fluorspar) in the JORC compliant Mineral Resource Estimate for the MB Project in Nevada, USA: Indicated 6.1 million tonnes grading 10.8% fluorspar (CaF₂) and Inferred 80.3 million tonnes grading 10.7% (CaF₂) at 9% CaF₂ cut-off
- > Higher fluorspar grades and thick intersections encountered in the newly discovered Western Area of the MB Project
- > Fourth drill programme started at MB Project, key objective: target potential higher grade fluorspar and extent in the newly discovered Western Area



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CHAIRMAN'S STATEMENT



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I am pleased to present the **Company's Annual Report and Financial Statements** for the year ended 30 September 2015.

Our Annual Report provides an important opportunity to communicate to our stakeholders the Company's progress during the past year and to review this progress against our strategic plan, its main aims and objectives. I am pleased to say that we have held firm to this plan, despite the strong economic headwinds, and in his Operating Review, starting on page 6, our Managing Director Richard Clemmey is reporting good operational progress in 2015 on our core fluor spar projects.

At the Storuman Fluorspar Project in Sweden considerable management time has been invested in progressing our Exploitation (Mine) Permit application through various stages of stakeholder consultation. This project has strong support amongst most stakeholder groups, including the County Administration Board and the local municipality which have responsibility for key planning decisions in the project area. The final decision on the Exploitation Permit lies with the Mining Inspectorate but with this support we are anticipating a positive decision on the application and believe a decision will be made shortly. The issue of a mine permit is an important step in developing the Storuman project and will secure our rights to exploit the deposit for a 25 year period. In 2016 our work will continue with optimisation of the metallurgical flowsheets and production of concentrates for market characterisation.

In the USA, the largest market for fluor spar outside of China, our most tangible achievement this year has been the 132% increase in contained fluor spar in the JORC compliant mineral resource at the MB Project in Nevada. This has confirmed the world class scale of the deposit which was previously only indicated. The highlight of the resource drilling programme was the identification of the newly designated Western Area where a 300m thick zone of fluor spar mineralisation was intersected. This exploration success validates the Company's exploration strategy and follow-up drilling is now in progress in this Western Area. Our objective is to define the extent of higher grades of fluor spar mineralisation in this area and the results are eagerly anticipated. In 2016 we expect that the focus will move on to process testwork, economic modelling and permitting studies. Should the current drilling be successful, we can also look forward to a further Mineral Resource upgrade in early 2016.

Our activities are being funded predominantly through placings which, in calendar year 2015, raised £1 million, despite very challenging market conditions. The collapse of the iron ore price earlier this year was the catalyst for a step-change in negative sentiment towards the commodity sector and a further indication of slowing growth in the Chinese economy. Fluorspar demand and hence prices have also declined during the year but

recently appear to have stabilised at current levels. In common with many industry participants we do not believe that the current low fluor spar prices are sustainable in the medium-term.

Undoubtedly the 2008 financial crisis and the slowing of Chinese economic growth have cast a long shadow over equity markets and the junior mining sector has suffered badly in recent years, but we firmly believe that the investments we make now will stand the Company in good stead as the wider global economy moves into steadier growth and we foresee a recovery in fluor spar prices and demand as a consequence.

We look forward to reporting further progress in 2016 and to meeting shareholders again at our next Annual General Meeting to be held on Thursday 18th February 2016 as set out on page 47.

Patrick Cheetham
Executive Chairman
11 December 2015



STRATEGIC REPORT

04 | Group Overview

06 | Operating Review and Performance

10 | Fluorspar Market and Strategic Opportunity

11 | Financial Review and Performance

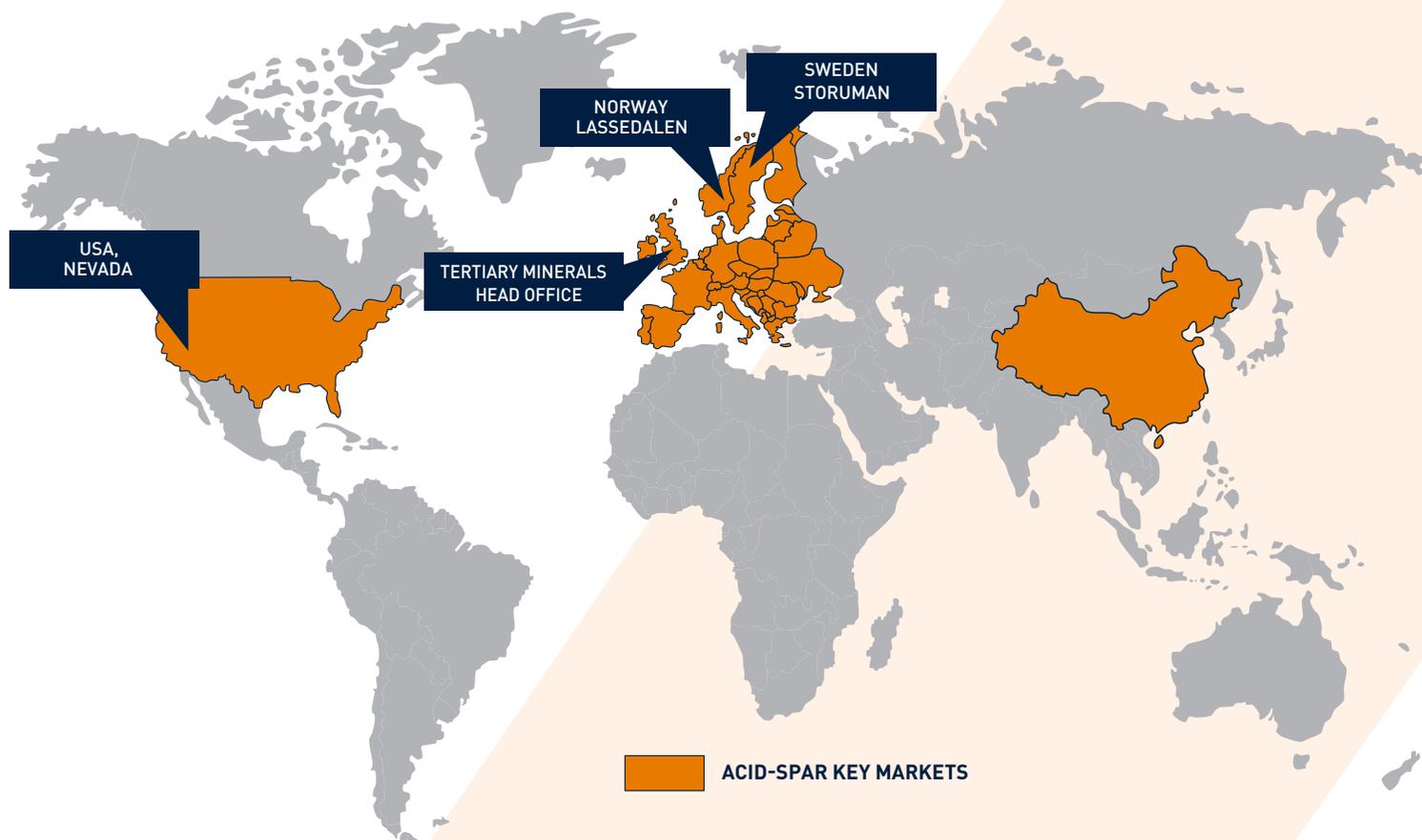
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GROUP OVERVIEW

STRATEGIC PROJECT LOCATIONS



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, acquisition 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.

PRINCIPAL ACTIVITIES >

The principal activities of the Group are 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.

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

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 16.

The administration costs are reduced through an arrangement governed by a Management Services Agreement with Sunrise Resources, whereby Sunrise Resources reimburses a portion of Tertiary's office costs. As at the date of this announcement Tertiary is a significant shareholder (as defined under the AIM Rules) of Sunrise Resources plc, holding 7.66%.

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.

OPERATING REVIEW AND PERFORMANCE

Despite very difficult market conditions for natural resource companies **the Company** has **maintained momentum** with the **development** of its **100% owned fluorspar projects** through the mining cycle in line with its aims and strategy.



In 2015 the Company has **increased its fluorspar Mineral Resource asset base by 67%** to **13.1 million tonnes of contained fluorspar** as defined and categorised under the JORC Code 2012*.

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



2015 HIGHLIGHTS

- › **Exploitation (Mine) Permit application progressed through final stages of stakeholder consultation, decision on permit award anticipated shortly**
- › **Continuing progress on Preliminary Feasibility Study minerals processing testwork and end user engagement**

FLUORSPAR PROJECTS Storuman Fluorspar Project, Sweden

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 recently 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 submitted its Exploitation (Mine) Permit application in July 2014 to the Swedish Mining Inspectorate. Following submission the Company and Swedish Mining Inspectorate has engaged in a process of consultation with key stakeholder groups who may be affected by the mining project, including:

- Landowners
- Storumans Kommun (local municipality/council)
- County Administration Board of Västerbotten (regional council)
- Sami Reindeer Husbandry Community
- Trafikverket (Swedish transport administration)
- Vattenfall (Swedish electricity producer)
- Skanova (Swedish telecommunications provider)

Following the extensive consultation process over the last 15 months, accounting for a significant amount of the Company's management time, **6 of the 7 key stakeholder groups** have given their **support** to the **Storuman Exploitation (Mine) Permit area** including approval from both the

Storumans Kommun (local municipality/council) and the County Administration Board of Västerbotten (regional council). The Sami Reindeer Husbandry Community has objected to the application despite the efforts of the Company and its consultants to find solutions allowing mining operations and reindeer husbandry to co-exist. The final decision for the Exploitation (Mine) Permit approval now sits with the Swedish Mining Inspectorate and, given the majority stakeholder support for the project Tertiary Minerals anticipates that a **positive decision will be made shortly**.

Preliminary Feasibility Study

During the last 12 months the Company has contracted the services of a specialist mineral processing consultancy to complete the final phase of Preliminary Feasibility Study (PFS) level metallurgical testwork with two key objectives:

- Optimisation of grind size
- Optimisation of recovery

Whilst the key chemical specifications have been met and improvements have been made to the processing flow sheet, the test work is producing a fluorspar concentrate which is still finer than the 'typical' market specification. It is critical at this stage that the Company engages with key end users to discuss their technical requirements and the suitability of the Storuman fluorspar concentrate. The Company has therefore recently completed a programme of constructive discussions and plant visits with various end users. Based on the discussions and advice provided by the end users the Company, together with its specialist mineral

processing consultancy, is in the process of scoping a detailed work programme with the following objectives:

- Batch and locked cycle tests to optimise the balance between recovery and grind size
- Finalise the process flow sheet design (PFS level)
- Produce final fluorspar concentrate sample for reactivity testwork
- Complete reactivity testwork to test the suitability of Storuman fluorspar concentrate for the production of Hydrogen Fluoride (HF)

Before progressing onto the outstanding phases of the Preliminary Feasibility Study it is critical that the Company receives its Exploitation (Mine) Permit approval and that each phase of the detailed testwork programme is successful.



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OPERATING REVIEW AND PERFORMANCE CONTINUED



2015 HIGHLIGHTS >

- > **132% increase (contained fluorspar) in the JORC compliant Mineral Resource Estimate**
- > **Higher grades and thick intersections encountered in the newly discovered Western Area**
- > **Phase 4 drilling programme – underway December 2015/ January 2016**

MB Fluorspar Project, Nevada, USA

The MB Property comprises 46 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 and justifiably 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. The USA, like Europe, 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.

JORC Compliant Mineral Resource Estimate Increase

Following Phase 3 drilling, completed in 2014, comprising 9 holes and totalling 2,516 metres, the Company commissioned Wardell Armstrong International Ltd (WAI) to complete a JORC 2012 compliant Mineral Resource Estimate upgrade for the MB Project. This Mineral Resource Estimate of 86.4 million tonnes grading 10.7% fluorspar (CaF₂) represents a **132% increase** of contained fluorspar to the maiden JORC compliant **Mineral Resource Estimate** of 38.4 million tonnes grading 10.4% fluorspar (CaF₂) completed in 2014. The increase has taken the Company's 100% owned fluorspar Mineral Resources (all projects) to 13.1 million tonnes of contained fluorspar representing a 67% increase from last year. The increase further strengthens the Company's aim

of becoming a reliable long-term and competitive supplier of high quality fluorspar to world markets.

The Phase 3 drilling campaign discovered an exciting new zone of mineralisation in the Western Area which is of higher fluorspar grades with thicker intersections than previously encountered. Particularly interesting holes were 14TMBRC27, 14TMBRC32 and 14TMBRC033:

- Hole 14TMBRC032:
 - **82.30m** grading **11.31% CaF₂** from 48.77m depth, total of several significant fluorspar intersections
 - Including **18.29m** grading **16.42% CaF₂** from 51.82m, total of several higher grade intersections above 15% CaF₂
- Hole 14TMBRC033:
 - **132.59m** grading **12.90% CaF₂** from 91.44m depth, total of several significant fluorspar intersections
 - Including **71.63m** grading **15.69% CaF₂** from 96.01m, total of several higher grade intersections above 15% CaF₂
- Hole 14TMBRC027 – 307.85m grading 8.42% CaF₂ from 59.44m depth, including:
 - **141.73m** grading **11.55% CaF₂** of continuous mineralisation from 225.55m depth
 - **70.10m** grading **16.63% CaF₂** from 59.44m, total of several higher grade intersections above 15% CaF₂

The above intersected widths are believed equivalent to true widths.

Geophysical Programme and Phase 4 Drilling

Following the Phase 3 drilling and Mineral Resource Estimate upgrade the Company has completed a 166 line-km ground magnetic survey in order to gain an improved geological understanding of the fluorspar deposit potential structural controls and better understand the true potential of the deposit. Using the magnetic data together with the previous drilling results, the Company has planned the next phase of drilling, Phase 4, with the key objective being to:

- Test the lateral and depth extent of higher grade mineralisation in the newly discovered Western Area

Five holes are being drilled, totalling more than 1800m, using the reverse circulation drilling method.

Metallurgical Testwork

Early stage bench scale metallurgical testwork to ascertain the potential for producing acid grade fluorspar commenced in 2015, but were placed on hold once the results of the 2014 drilling programme were modelled. The key reason for doing this is that the mineralogy and nature of fluorspar mineralisation differs between the Central, Southern and Western Areas and it is important that the samples being tested are both representative and defined in terms of the potential mining phases.

The Next Step

Phase 4 drilling will be carried out during December 2015 and January 2016. Following the receipt of the Phase 4 drilling results the Company's objective is to contract an independent consultant to re-model and upgrade the current JORC compliant Mineral Resource Estimate during the first half of 2016. The results from the modelling will enable the Company to move onto the next phases of development in the second half of 2016, including:

- Metallurgical testwork
- Economic modelling
- Scoping Study
- Mine Permit planning



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 Sturuman project for the European market. However, due to financial market conditions in 2014/2015 and given the commitments on its other fluorspar projects and in the absence of expenditure obligations, further exploration at the Lassedalen project has been deferred for the time being. The objective in the future will be further drilling aimed at increasing the size of the current JORC compliant Mineral Resource Estimate of 4 million tonnes grading 25% fluorspar (CaF₂).

NON-CORE PROJECTS

The Company has not completed any material work on its non-core projects during the year but continues to seek potential partners or buyers for its gold projects (Kaaresselkä and Kiekerömaa) and tantalum (Rosendal) project in Finland. The Ghurayyah tantalum-niobium-rare earth project continues 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 have been **no lost time accidents** 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.



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FLUORSPAR MARKET AND STRATEGIC OPPORTUNITY

FLUORSPAR – PRINCIPAL USES

There are two principal commercial grades of fluorspar produced:

- Metallurgical-spar (60-96% CaF₂)
- Acid-spar (+97% CaF₂)

Metallurgical-spar accounts for approximately 40-45% of the total fluorspar production with the **principal applications** being:

- Steel production – used as a flux to lower the melting temperature and increase the chemical reactivity to help the absorption and removal of sulphur, phosphorus, carbon and other impurities in the slag
- Cement – used as a flux to speed up the calcination process and enables the kiln to operate at lower temperatures

Acid-spar, the grade of fluorspar which the Company is planning to produce, accounts for approximately 55-60% of total fluorspar production with the **principal applications** being:

- Aluminium production – used to produce aluminium fluoride (AlF₃) which acts as a flux to lower the bath temperature in the manufacture of aluminium
- Manufacture of hydrofluoric acid (HF) – the primary source of all fluorochemicals (the single largest consumer of fluorspar), with a wide range of applications including:
 - Fluorocarbons, e.g. refrigerant gases, propellants, etc
 - Electrical and electronic appliances
 - Lithium batteries

- Pharmaceuticals, polymers and agrochemicals
- Petrochemical catalysts

FLUORSPAR – PRODUCTION AND CONSUMPTION

The current global production of fluorspar is 6.0–6.5 million tonnes per year:

- Major producing regions: China (>50% of the world's production); Mexico; Mongolia/CIS; South Africa
- **Major consuming regions** (highest to lowest): China; **Europe**; **North America**; Russia

FLUORSPAR – PRICING

- The global supply and demand for fluorspar has seen steady growth over the decade 1998 to 2008 – reflected in the **long-term upward trend in price > 3 fold since 2000**
- In 2009 the global financial crisis contributed to a contraction in acid-spar supply and demand followed by a short-term recovery in 2011
- From the latter part of 2012 and through 2015 demand for acid-spar has softened – reflected in the short-term downward trend in the price
- The China export price for acid-spar (FOB China) is a traditional benchmark price and is currently published as US\$260-280/tonne (Industrial Minerals Magazine). The equivalent price delivered into Europe (CIF Rotterdam) is published as US\$270-300/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.

FLUORSPAR – TERTIARY MINERALS STRATEGIC OPPORTUNITY

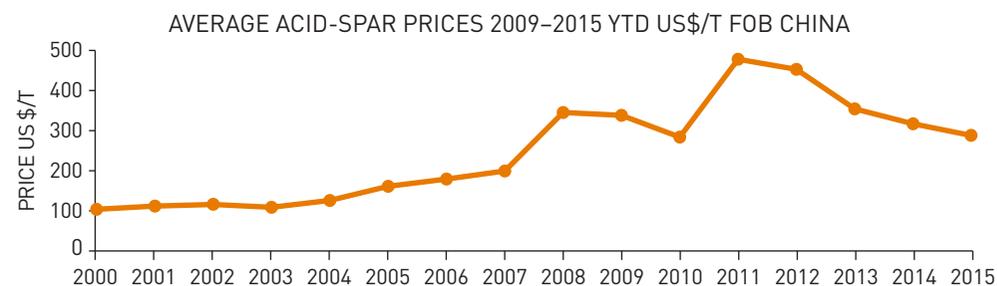
- Industry view (producers, end users, analysts) is that **demand** and **price** will **increase** in the medium to long-term, the key drivers being:
 - **No large scale commercial alternative or recycling**
 - Refrigeration – new generation of environmentally friendly refrigerants, hydrofluoroolefins (HFOs)
 - Energy reduction in the steel and aluminium industry
 - Emerging uses – fluoropolymers in lithium batteries for example
 - Chinese supply-demand dynamics
- China produces >50% world's fluorspar
- **China fluorspar exports** have continued to **decline** since 2000 driven by increasing internal demand and production/export restrictions – potentially a **future net importer**

- **Western Europe** and **North America** are the largest acid-spar consuming regions outside of China, **importing** more than **900,000 tonnes per year**

- **USA imports 100% of its fluorspar**
- **North America** and **Europe** face the potential **risk of security of supply** – reflected in upstream merger and acquisition integration activity in the industry
- Fluorspar is classified as a **critical raw material** by the **European Commission** – **high risk of supply shortage** and consequent impact on the economy

- **USA** considers fluorspar as a **strategic mineral**
- Based on macroeconomic drivers the Company is strategically placed to capitalise on this position in the future by **developing** its **100% owned large fluorspar assets, containing fluorspar resources of 13.1 million tonnes**, located in the **USA** and **Europe**.

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



FINANCIAL REVIEW AND 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 £674,991 for the year (2014: £358,807) after administration costs of £569,515 (2014: £586,595 reclassified) and after crediting interest of £2,314 (2014: £4,412). The loss includes expensed pre-licence and reconnaissance exploration costs of £23,869 (2014: £9,214), impairment of deferred exploration costs of £4,522 (2014: £3,254) and impairment of available for sale investment (the Company's share in Sunrise Resources plc) of £260,997 (2014: £Nil). Administration costs include £63,278 (2014: £71,448) as non-cash costs for the value of certain options and warrants held by employees and others as required by IFRS 2.

Management and service charge revenue of £181,598 (2014: £163,136) arises from the provision of management, administration and office services to Sunrise Resources plc, to the benefit of both companies through efficient utilisation of services.

The financial statements show that, at 30 September 2015, the Group had net current assets of £297,344 (2014: £887,072). This represents the cash position after allowing for

receivables and trade and other payables. These amounts are shown in the Consolidated and Company Statements 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 intangible assets total £3,536,609 (2014: £3,051,724) and breakdown by project is shown in Note 2 to the Financial Statements on page 30.

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 the Company's expenditure is preserved. In the current reporting period an additional amount of £4,522 was impaired in respect of costs incurred in the year 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 and equipment and investments are set out in Notes 8, 9 and 10 of the financial statements.

In the current reporting period an impairment review was undertaken by the directors on the carried amount in the Available for Sale Investment Revaluation reserve, to ascertain whether the decline in fair value of the investment in Sunrise Resources plc could be considered to be significant or prolonged, as required under IAS 39.

The nature of the activity of Sunrise Resources plc is similar to that of Tertiary Minerals plc in that it is involved in long-term mineral development and exploration. The projects within the Company will typically take over 5 years to develop before they can be commercially exploited and until the end of a project it is expected that there will be volatility in the share price of the Company. Whilst the Available for Sale Revaluation reserve has been negative since 05/11/2012, in the context of this entity, this is not considered prolonged given the timescales of the associated projects. Furthermore, due to the inherent volatility in the nature of the investment during the life cycle of the projects, and taking into account the Directors detailed knowledge of the business of Sunrise Resources plc, the current decline in fair value is not considered of significance to the underlying business nor its share price.

However, it was decided that the decline in fair value was likely to be deemed significant under the requirements of IAS 39; therefore the carried value

of £260,997 in the Available for Sale Revaluation reserve has been impaired and reclassified to the Consolidated Income Statement, thereby increasing the loss for the year.

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

During the 2015 financial year the Company raised a total of £325,050 net of expenses from a variety of sources as shown in Note 14 of the Financial Statements.



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RISKS AND 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 and financial 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.

COMMODITY PRICE RISK

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

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 44.

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 may contain certain statements and expressions of belief, expectation or opinion which are forward-looking statements, and which relate, inter alia, to the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's directors. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements.

This Strategic Report was approved by the Board of Directors on 11 December 2015 and signed on its behalf.

Richard Clemmey
Managing Director



OUR GOVERNANCE

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at www.tertiaryminerals.com

CORPORATE GOVERNANCE

Although the rules of AIM do not require the Company to comply with the UK Corporate Governance Code ("the Code"), the Company fully supports the principles set out in the Code and will attempt to comply wherever possible, given both the size and resources available to the Company.

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.

The two Non-executive Directors have both served in excess of nine years and under the terms of the Code would not now be regarded as independent. However, 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.

The Company has 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 18.

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 best practice 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 2015, Tertiary Minerals plc held 7.66% 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 2015, 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

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 Statements of Financial Position in respect of trade payables at the end of the financial year represents 14 days of average daily purchases (2014: 17 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.

Sponsorship of Storuman
Ice Hockey Team

BOARD OF DIRECTORS



PATRICK CHEETHAM (55)

Executive Chairman

Key Strengths and Experience

- Geologist.
- 34 years' experience in mineral exploration.
- 29 years experience in public company management.
- Founder of the Company, Dragon Mining Ltd, Archaean Gold NL and Sunrise Resources plc.

External Appointments:

Chairman and founder of Sunrise Resources plc.



DONALD MCALISTER (56)

*Non-executive Director**

Key Strengths and Experience

- Accountant.
- Previously Finance Director at Mwana Africa plc, Ridge Mining plc and Reunion Mining PLC.
- 21 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.



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.



RICHARD CLEMMY (43)

Managing Director

Key Strengths and Experience

- Chartered Engineer.
- 22 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.



DAVID WHITEHEAD (73)

Non-executive Director†

Key Strengths and Experience

- Mining geologist.
- 42 years experience in all aspects of mineral exploration, mine development and operations management including senior Executive Management experience in major mining companies: Billiton plc and BHP Billiton Plc.
- 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.

* 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 and applicable law. 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.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

WEBSITE PUBLICATION

The maintenance and integrity of the Tertiary Minerals plc website is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

DIRECTORS' REPORT

The directors are pleased to submit their Annual Report and audited accounts for the year ended 30 September 2015.

The Strategic Report starting on page 4 contains details of the principal activities of the Company and includes the Operating Review and 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. 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 their 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.

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

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 share register:

As at 11 December 2015

	Number of shares	% of share capital
Barclayshare Nominees Limited	21,421,386	9.88
TD Direct Investing Nominees (Europe) Limited SMKTNOMS	19,684,449	9.08
HSDL Nominees Limited	10,277,009	4.74
Beaufort Nominees Limited SSLNOMS	10,052,907	4.64
Hargreaves Lansdown (Nominees) Limited VRA	8,519,391	3.93
Hargreaves Lansdown (Nominees) Limited 15942	8,470,523	3.91
Ronald Bruce Rowan	8,000,000	3.69
HSBC Client Holdings Nominee (UK) Limited 731504	7,549,004	3.48
Mr Patrick Lyn Cheetham	7,533,288	3.48
JIM Nominees Limited JARVIS	7,256,199	3.35

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

A resolution to re-appoint Crowe Clark Whitehill LLP as Auditor of the Company and the Group will be proposed at the forthcoming Annual General Meeting.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Group made no charitable or political donations. However, in 2015 the Company provided modest sponsorship of the local ice hockey team in Storuman, Sweden.

ANNUAL GENERAL MEETING

Notice of the Company's Annual General Meeting convened for Thursday 18 February 2016 at 2.30 p.m. is set out on page 47 of this report. Explanatory Notes giving further information about the proposed resolutions are set out on page 48.

Approved by the Board of Directors on 11 December 2015 and signed on its behalf.

Richard Clemmey
Managing Director

FINANCIAL STATEMENTS

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

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

FOR THE YEAR ENDED
30 SEPTEMBER 2015

We have audited the financial statements of Tertiary Minerals plc for the year ended 30 September 2015 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 2015 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's projections include the proceeds of future fundraising necessary 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

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

CONTINUED

- 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 2015

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 2015

	Notes	2015 £	Reclassified 2014 £
Revenue	1(q),2,18	181,598	163,136
Administration costs		(569,515)	(586,595)
Pre-licence exploration costs		(23,869)	(9,214)
Impairment of deferred exploration costs	8	(4,522)	(3,254)
Non-cash movement of liability under Equity Swap Agreement		—	72,708
Operating loss		(416,308)	(363,219)
Transfer from available for sale investment reserve on impairment of available for sale investment		(260,997)	—
Interest receivable		2,314	4,412
Loss before income tax	3	(674,991)	(358,807)
Income tax	7	—	—
Loss for the year attributable to equity holders of the parent		(674,991)	(358,807)
Loss per share — basic and diluted (pence)	6	(0.37)	(0.22)

All amounts relate to continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
30 SEPTEMBER 2015

	2015 £	2014 £
Loss for the year	(674,991)	(358,807)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(59,439)	(161,845)
	(734,430)	(520,652)
Items that have been reclassified subsequently to the Income Statement:		
Fair value movement on available for sale investment	(112,702)	(61,896)
Transfer from available for sale investment reserve on impairment of available for sale investment	260,997	—
	148,295	(61,896)
Total comprehensive loss for the year attributable to equity holders of the parent	(586,135)	(582,548)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AT 30 SEPTEMBER 2015
COMPANY NUMBER 03821411

	Notes	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Non-current assets					
Intangible assets	8	3,536,609	—	3,051,724	—
Property, plant & equipment	9	7,296	6,961	8,856	7,804
Investment in subsidiaries	10	—	6,391,555	—	5,798,903
Available for sale investment	10	148,222	148,222	239,626	239,626
		3,692,127	6,546,738	3,300,206	6,046,333
Current assets					
Receivables	11	90,309	74,757	115,732	96,018
Cash and cash equivalents	12	309,815	245,140	942,890	873,326
		400,124	319,897	1,058,622	969,344
Current liabilities					
Trade and other payables	13	(102,780)	(49,573)	(171,550)	(99,220)
Net current assets		297,344	270,324	887,072	870,124
Net assets		3,989,471	6,817,062	4,187,278	6,916,457
Equity					
Called up share capital	14	1,878,592	1,878,592	1,743,020	1,743,020
Share premium account		8,812,452	8,812,452	8,622,974	8,622,974
Merger reserve		131,096	131,096	131,096	131,096
Share option reserve	14	443,813	443,813	426,721	426,721
Available for sale investment reserve		—	—	(148,295)	(105,770)
Foreign currency reserve	14	(84,180)	—	(24,741)	—
Accumulated losses		(7,192,302)	(4,448,891)	(6,563,497)	(3,901,584)
Equity attributable to the owners of the parent		3,989,471	6,817,062	4,187,278	6,916,457

These financial statements were approved and authorised for issue by the Board of Directors on 11 December 2015 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 reserve £	Foreign currency reserve £	Accumulated losses £	Total £
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)
Share issue	125,358	614,370	—	—	—	—	—	739,728
Share based payments expense	—	—	—	71,448	—	—	—	71,448
Transfer of expired options	—	—	—	(48,921)	—	—	48,921	—
At 30 September 2014	1,743,020	8,622,974	131,096	426,721	(148,295)	(24,741)	(6,563,497)	4,187,278
Loss for the period	—	—	—	—	—	—	(413,994)	(413,994)
Transfer of impairment to income statement	—	—	—	—	260,997	—	(260,997)	—
Change in fair value	—	—	—	—	(112,702)	—	—	(112,702)
Exchange differences	—	—	—	—	—	(59,439)	—	(59,439)
Total comprehensive loss for the year	—	—	—	—	148,295	(59,439)	(674,991)	(586,135)
Share issue	135,572	189,478	—	—	—	—	—	325,050
Share based payments expense	—	—	—	63,278	—	—	—	63,278
Transfer of expired options	—	—	—	(46,186)	—	—	46,186	—
At 30 September 2015	1,878,592	8,812,452	131,096	443,813	—	(84,180)	(7,192,302)	3,989,471

COMPANY STATEMENT OF CHANGES IN EQUITY

Company	Share capital £	Share premium account £	Merger reserve £	Share option reserve £	Available for sale reserve £	Accumulated losses £	Total £
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 expense	—	—	—	71,448	—	—	71,448
Transfer of expired options	—	—	—	(48,921)	—	48,921	—
At 30 September 2014	1,743,020	8,622,974	131,096	426,721	(105,770)	(3,901,584)	6,916,457
Loss for the period	—	—	—	—	—	(375,021)	(375,021)
Transfer of impairment to income statement	—	—	—	—	218,472	(218,472)	—
Change in fair value	—	—	—	—	(112,702)	—	(112,702)
Total comprehensive loss for the year	—	—	—	—	105,770	(593,493)	(487,723)
Share issue	135,572	189,478	—	—	—	—	325,050
Share based payments expense	—	—	—	63,278	—	—	63,278
Transfer of expired options	—	—	—	(46,186)	—	46,186	—
At 30 September 2015	1,878,592	8,812,452	131,096	443,813	—	(4,448,891)	6,817,062

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

	Notes	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Operating activity					
Total loss after tax		(677,305)	(600,316)	(363,219)	(335,153)
Depreciation charge		4,600	3,883	6,925	5,796
Impairment charge – exploration		4,522	—	3,254	—
Impairment charge – available for sale investment reserve		260,997	218,472	—	—
Share based payment charge		63,278	63,278	71,449	71,449
Non-cash movement of liability under Equity Swap Agreement		—	—	(72,708)	(72,708)
Non-cash additions to available for sale investment		(21,298)	(21,298)	(71,271)	(71,271)
Increase/(decrease) in provision for impairment of loans to subsidiaries		—	2,166	—	452
(Increase)/decrease in receivables	11	25,423	21,261	(34,242)	(34,283)
Increase/(decrease) in payables	13	(68,770)	(49,647)	(62,331)	26,952
Net cash outflow from operating activity		(408,553)	(362,201)	(522,143)	(408,766)
Investing activity					
Interest received		2,314	6,823	4,412	4,359
Purchase of intangible assets	8	(560,250)	—	(788,482)	—
Purchase of property, plant & equipment	9	(3,040)	(3,040)	(7,176)	(6,761)
Additional loans to subsidiaries		—	(594,818)	—	(902,459)
Net transfer from restricted cash		—	—	336,333	336,333
Net cash outflow from investing activity		(560,976)	(591,035)	(454,913)	(568,528)
Financing activity					
Issue of share capital (net of expenses)		325,050	325,050	739,728	739,728
Net cash inflow from financing activity		325,050	325,050	739,728	739,728
Net decrease in cash and cash equivalents		(644,479)	(628,186)	(237,328)	(237,566)
Cash and cash equivalents at start of year		942,890	873,326	1,187,612	1,110,892
Exchange differences		11,404	—	(7,394)	—
Cash and cash equivalents at 30 September	12	309,815	245,140	942,890	873,326

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

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 – EPIC: TYM.

The Company is a holding company for a number of companies (together, “the Group”). 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 their 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.

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 £593,493 (2014: £330,794).

(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 2015 and September 2015.

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 2015

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 and 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 Straight line basis
Computer equipment	33% per annum Straight line basis

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) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided to Sunrise Resources plc net of discounts, VAT and other sales-related taxes.

(k) 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 opening reserves are taken to the foreign currency reserve.

(l) 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.

(m) Share based payments

The Company issues warrants and options to employees (including directors) and third parties. 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 16.

(n) Equity swap agreement

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.

(o) 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

1. ACCOUNTING POLICIES continued 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 assets 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.

Available for sale assets represent a holding in Sunrise Resources plc as described in Note 10. The reduction in share price from cost is considered significant in terms of value and as a result the asset has been treated as impaired in line with the requirements of IAS 39. This treatment is despite the fact that directors do not believe that the underlying business of Sunrise Resources plc is impaired either economically or commercially.

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.

(p) Standards, amendments and interpretations not yet effective

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. At this point it is not practicable for the directors to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 as their detailed review of these standards is still ongoing.

(q) Reclassifications

Reclassifications to comparative amounts have been made in the Consolidated Income Statement and in Segmental analysis Note 2. Income arising from management and service charges has been reclassified into Revenue, previously included in and netted off from Administration costs. Management and service charge income is in respect of services provided to Sunrise Resources plc, a related party, as described in Note 18. This adjustment has been made in order to more accurately show the activities of Tertiary Minerals plc and its relationship with Sunrise Resources plc. The impact of this adjustment has been to increase Revenue for the year by £181,598 (2014: £163,136) with a corresponding increase in Administration costs. This adjustment has had no impact on net assets, operating loss, or the cash flow statement of the prior year and no impact on opening reserves in either the current or the prior period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

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 £
2015			
Consolidated Income Statement			
Revenue (all UK)	—	181,598	181,598
Impairment of deferred exploration costs	(4,522)	—	(4,522)
Pre-licence exploration costs	(23,869)	—	(23,869)
Transfer from available for sale investment reserve on impairment of available for sale investment	—	(260,997)	(260,997)
Share based payments	—	(63,278)	(63,278)
Administration costs and other expenses	—	(506,237)	(506,237)
Operating Loss	(28,391)	(648,914)	(667,305)
Bank interest received	—	2,314	2,314
Loss before income tax	(28,391)	(646,600)	(674,991)
Income tax	—	—	—
Loss for the year attributable to equity holders	(28,391)	(646,600)	(674,991)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kaaresselkä Gold Project, Finland	289,421	—	289,421
Kiekerömaa Gold Project, Finland	132,467	—	132,467
Lassedalen Fluorspar Project, Norway	360,585	—	360,585
Storuman Fluorspar Project, Sweden	1,656,135	—	1,656,135
MB Fluorspar Project, USA	1,098,001	—	1,098,001
	3,536,609	—	3,536,609
Property, plant & equipment	—	7,296	7,296
Investment in subsidiaries	—	—	—
Available for sale investment	—	148,222	148,222
	3,536,609	155,518	3,692,127
Current assets			
Receivables	15,106	75,203	90,309
Cash and cash equivalents	—	309,815	309,815
	15,106	385,018	400,124
Current liabilities			
Trade and other payables	(46,743)	(56,037)	(102,780)
Net current assets	(31,637)	328,981	297,344
Net assets	3,504,972	484,499	3,989,471
Other data			
Deferred exploration additions	560,250	—	560,250
Exchange rate adjustments to deferred exploration costs	—	70,843	70,843

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

2. SEGMENTAL ANALYSIS continued

2014	Reclassified exploration projects £	Reclassified head office £	Reclassified total £
Consolidated Income Statement			
Revenue (all UK)	—	163,136	163,136
Impairment of deferred exploration costs	(3,254)	—	(3,254)
Pre-licence exploration costs	(9,214)	—	(9,214)
Share based payments	—	(71,448)	(71,448)
Administration costs and other expenses	—	(442,439)	(442,439)
Operating Loss	(12,468)	(350,751)	(363,219)
Bank interest received	—	4,412	4,412
Loss before income tax	(12,468)	(346,339)	(358,807)
Income tax	—	—	—
Loss for the year attributable to equity holders	(12,468)	(346,339)	(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
	—	1,058,622	1,058,622
Current liabilities			
Trade and other payables	(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 2015

3. LOSS BEFORE INCOME TAX

	2015 £	2014 £
The operating loss is stated after charging		
Operating lease rentals – land and buildings	19,290	18,644
Fees payable to the Group's Auditor for:		
The audit of the Group's annual accounts	6,000	6,500
Fees payable to the Group's Auditor and its associates for other services:		
The audit of the Group's subsidiaries, pursuant to legislation	3,000	3,500
Other services	1,000	1,250
Depreciation — owned assets	4,600	6,925

4. DIRECTORS' EMOLUMENTS

	2015 £	Restated 2014 £
Remuneration in respect of directors was as follows:		
P L Cheetham (salary)	108,706	106,006
R H Clemmey (salary)	81,530	79,504
D A R McAlister (salary)	16,000	14,667
D Whitehead (fees and salary)	15,519	14,667
P L Cheetham (gain on exercise of share options)	—	56,250
	221,755	271,094

Restatement of directors' emoluments at 30 September 2014

Restatement relates to P L Cheetham and R H Clemmey where the 2014 comparatives did not include the salary amounts charged to Sunrise Resources plc (see Note 18).

The above remuneration amounts include the management and administration costs charged to Sunrise Resources plc as set out in Note 18. 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 £48,949 (2014: £45,970) or Employer's National Insurance contributions of £25,076 (2014: £32,221 (restated)).

There were no pension contributions made during the year on behalf of Directors (2014: £Nil).

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £270,704 (2014: £317,064).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

5. STAFF COSTS

	2015 £	Restated 2014 £
Staff costs for Group and Company, including directors, were as follows:		
Wages and salaries	329,801	296,636
Social security costs	34,757	41,747
Share based payments	58,730	63,360
	423,288	401,743

Restatement of staff costs at 30 September 2015

The 2014 comparatives did not include the salary amounts charged to Sunrise Resources plc (see Note 18).

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

	2015 Number	2014 Number
Technical employees	3	3
Administration employees (including non-executive directors)	5	4
	8	7

The above staff costs include the management and administration costs charged to Sunrise Resources plc as set out in Note 18.

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.

	2015	2014
Loss (£)	(674,991)	(358,807)
Weighted average shares in issue (No.)	181,090,346	165,522,417
Basic and diluted loss per share (pence)	(0.37)	(0.22)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

7. INCOME TAX

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2014: £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 – 20% (2014: 21%). The differences are explained below.

	2015 £	2014 £
Tax reconciliation		
Loss before income tax	(674,991)	(358,807)
Tax at hybrid rate 20.5% (2014: 22%)	(138,373)	(78,938)
Differences between capital allowances and depreciation	(549)	(1,280)
Pre-trading expenditure no longer deductible for tax purposes	85,476	548,413
Tax effect at 20.5% (2014: 22%)	17,410	120,369
Unrelieved tax losses carried forward	(120,963)	(41,431)
Tax recognised on loss	—	—
Total losses carried forward for tax purposes	(4,999,880)	(4,409,816)

Factors that may affect future tax charges

The Group has total losses carried forward of £4,999,880 (2014: £4,409,816). This amount would be charged to tax, thereby reducing tax liability, 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 2015

8. INTANGIBLE ASSETS

Group	Deferred exploration expenditure 2015 £	Deferred exploration expenditure 2014 £
Cost		
At start of year	4,309,680	3,675,649
Additions	560,250	788,482
Exchange adjustments	(70,843)	(154,451)
At 30 September	4,799,087	4,309,680
Impairment losses		
At start of year	(1,257,956)	(1,254,702)
Charge during year	(4,522)	(3,254)
At 30 September	(1,262,478)	(1,257,956)
Carrying amounts		
At 30 September	3,536,609	3,051,724
At start of year	3,051,724	2,420,947

9. PROPERTY, PLANT & EQUIPMENT

	Group fixtures and fittings 2015 £	Company fixtures and fittings 2015 £	Group fixtures and fittings 2014 £	Company fixtures and fittings 2014 £
Cost				
At start of year	50,544	33,006	63,082	32,508
Additions	3,040	3,040	7,176	6,761
Disposals	(162)	—	(19,714)	(6,263)
At 30 September	53,422	36,046	50,544	33,006
Depreciation				
At start of year	(41,688)	(25,202)	(54,477)	(25,669)
Charge for the year	(4,600)	(3,883)	(6,925)	(5,796)
Disposals	162	—	19,714	6,263
At 30 September	(46,126)	(29,085)	(41,688)	(25,202)
Net Book Value				
At 30 September	7,296	6,961	8,856	7,804
At start of year	8,856	7,804	8,605	6,839

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

10. INVESTMENTS

Subsidiary undertakings

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2015	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 2015 £	Company 2014 £
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	682,301	680,135
Less — Provision for impairment	(682,301)	(680,135)
Loan — Tertiary Gold Limited	5,045,884	4,858,599
Loan — Tertiary Minerals US Inc.	1,120,781	715,414
At 30 September	6,391,555	5,798,903

Available for sale investment

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2015	Principal activity
Sunrise Resources plc	England & Wales	7.66% of ordinary shares	Mineral exploration

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Available for sale investment				
Value at start of year	239,626	239,626	230,251	230,251
Additions to available for sale investment	21,298	21,298	71,271	71,271
Movement in valuation of available for sale investment	(112,702)	(112,702)	(61,896)	(61,896)
At 30 September	148,222	148,222	239,626	239,626

The additions to available for sale investment are shares issued in lieu of a cash payment for settlement of outstanding invoices 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 2015, based on the closing mid-market price of shares on the AIM Market.

These are level one inputs for the purpose of the IFRS 13 fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

11. RECEIVABLES

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade receivables	53,906	53,906	50,062	50,062
Other receivables	15,102	524	43,025	28,388
Prepayments	21,301	20,327	22,645	17,568
At 30 September	90,309	74,757	115,732	96,018

The Group aged analysis of trade receivables is as follows:

	Not impaired £	30 days or less £	Over 30 days £	Total carrying amount £
2015 Trade receivables	53,906	53,906	—	53,906
2014 Trade receivables	50,062	50,062	—	50,062

12. CASH AND CASH EQUIVALENTS

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Cash at bank and in hand	91,227	26,552	97,370	27,806
Short-term bank deposits	218,588	218,588	845,520	845,520
At 30 September	309,815	245,140	942,890	873,326

13. TRADE AND OTHER PAYABLES

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade payables	32,027	13,042	54,962	23,890
Other taxes and social security costs	5,684	5,684	45,960	45,960
Accruals	59,866	25,644	64,469	23,211
Other payables	5,203	5,203	6,159	6,159
At 30 September	102,780	49,573	171,550	99,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

14. ISSUED CAPITAL AND RESERVES

	2015 No.	2015 £	2014 No.	2014 £
Allotted, called up and fully paid				
Ordinary shares of 1p each				
Balance at start of year	174,302,034	1,743,020	161,766,214	1,617,662
Shares issued in the year	13,557,183	135,572	12,535,820	125,358
Balance at 30 September	187,859,217	1,878,592	174,302,034	1,743,020

During the year to 30 September 2015 the following share issues took place:

An issue of 71,488 1.0p ordinary shares at 4.00p per share to two directors, in satisfaction of directors fees, for a total consideration of £2,859 (20 February 2015).

An issue of 200,000 1.0p ordinary shares at 2.375p per share, being a share warrant exercise by an officer of the Company, for a total consideration of £4,750 (9 March 2015).

An issue of 13,207,547 1.0p ordinary shares at 2.650p per share, by way of placing, for a total consideration of £315,000 net of expenses (31 March 2015).

An issue of 42,251 1.0p ordinary shares at 2.625p per share to a director, in satisfaction of directors fees, for a total consideration of £1,109 (29 July 2015).

An issue of 35,897 1.0p ordinary shares at 3.00p per share to a director, in satisfaction of directors fees, for a total consideration of £1,077 (27 August 2015).

During the year to 30 September 2014 a total of 12,535,820 1.0p ordinary shares were issued, at an average price of 6.314p, for a total consideration of £737,938 net of expenses.

The total amount of transaction fees debited to the Share Premium account in the year was £34,745 (2014: £53,622).

Nature and purpose of reserves

Foreign currency reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the parent's functional currency, being Sterling, are recognised directly in the foreign currency reserve.

Share option reserve

The share option reserve is used to recognise the value of equity-settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 16 for further details of these plans.

15. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year end, on 6 October 2015 there was an issue of 28,888,889 1.0p ordinary shares at 2.25p per share, by way of placing, for a total consideration of £592,412 net of expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

16. WARRANTS AND OPTIONS GRANTED

Warrants not exercised at
30 September 2015

Issue date	Exercise price	Number	Exercisable	Expiry dates
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 before expiry	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 before expiry	14/01/19
14/01/14	11.25p	200,000	Any time before expiry	31/12/15
14/01/14	11.25p	300,000	Any time before expiry	14/01/19
01/10/14	9.00p	600,000	Any time from 01/10/2015	30/09/19
01/10/14	12.00p	600,000	Any time from 01/10/2016	30/09/19
01/10/14	15.00p	600,000	Any time from 01/10/2017	30/09/19
01/10/14	18.00p	600,000	Any time from 01/10/2018	30/09/19
01/10/14	21.00p	600,000	Any time from 01/10/2018	30/09/19
20/02/15	4.00p	1,200,000	Any time from 20/02/2016	20/02/20
20/02/15	4.00p	500,000	Any time from 20/02/2016	20/02/20

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

16. WARRANTS AND OPTIONS GRANTED *continued*

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

	2015		2014	
	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	13,700,000	7.422	17,410,000	6.738
Granted during the year	4,700,000	11.02	1,550,000	11.25
Exercised during the year	(200,000)	2.375	(3,700,000)	5.145
Forfeited during the year	—	—	—	—
Expired during the year	(3,150,000)	4.337	(1,560,000)	—
Outstanding at 30 September	15,050,000	9.259	13,700,000	7.422
Exercisable at 30 September	10,350,000	8.459	11,900,000	6.849

The warrants and options outstanding at 30 September 2015 had a weighted average exercise price of £0.09 (2014: £0.07), a weighted average fair value of £0.03 (2014: £0.03) and a weighted average remaining contractual life of 2.27 years.

The warrants exercised during the year had a weighted average exercise price of £0.02 (2014: £0.08).

In the year ended 30 September 2015, warrants were granted on 1 October 2014 and 20 February 2015. The aggregate of the estimated fair values of the warrants granted on these dates is £76,354. 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.

No options were granted in the year ended 30 September 2015 or the year ended 30 September 2014.

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

	2015	2014
Weighted average share price	5.430p	9.00p
Weighted average exercise price	11.02p	11.25p
Expected volatility	80%	80%
Expected life	4 years	4 years
Risk-free rate	1.75%	1.88%
Expected dividend yield	0%	0%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

16. WARRANTS AND OPTIONS GRANTED *continued*

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 £63,278 and £71,448 related to equity-settled share based payment transactions in 2015 and 2014 respectively.

17. 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 2015. No contingent rent is payable. The lease is eligible for renewal on expiry.

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

	2015	2014
	Land &	Land &
	buildings	buildings
	£	£
Office accommodation:		
Within one year	3,234	3,120

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

Lease payments recognised in loss for period amount to £19,290 (2014: £18,644).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

18. RELATED PARTY TRANSACTIONS

Key management personnel

The directors holding office in the period and their warrants held in the share capital of the Company are:

	Shares number	At 30 September 2015			At 30 September 2014	
		Number	Exercise price	Expiry date	Restated shares number	Warrants number
P L Cheetham*	11,876,913	1,500,000	6.250p	17/03/2016	11,876,913	5,500,000
		1,500,000	9.750p	26/01/2017		
		500,000	7.630p	10/01/2018		
		500,000	11.250p	14/01/2019		
		1,000,000	4.000p	20/02/2020		
D A R McAlister	257,787	300,000	6.250p	17/03/2016	194,048	900,000
		300,000	9.750p	26/01/2017		
D Whitehead	414,900	300,000	6.250p	17/03/2016	329,003	900,000
		300,000	9.750p	26/01/2017		
R H Clemmey	6,333	250,000	6.750p	01/09/2016	6,333	2,350,000
		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		
		600,000	9.000p	30/09/2019		
		600,000	12.000p	30/09/2019		
		600,000	15.000p	30/09/2019		
		600,000	18.000p	30/09/2019		
		600,000	21.000p	30/09/2019		

* 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 2015

18. RELATED PARTY TRANSACTIONS

continued

Restatement of Directors' shareholding at 30 September 2014

An error occurred in the reporting of D A R McAlister's beneficial interest in Ordinary Shares in the Company within the 2013 Company Annual Report where the sale of 300,000 Ordinary Shares was not accounted for. This error was carried forward in the 2014 Annual Report.

An error occurred in the reporting of D Whitehead's beneficial interest in Ordinary Shares in the Company within the 2011 Company Annual Report where an additional 300,000 Ordinary Shares were not included. This error was carried forward in the 2012, 2013 and 2014 Annual Reports.

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings as at 30 September 2015. 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 charged costs of £181,598 (2014: £163,136) to Sunrise Resources plc being shared overheads of £22,809 (2014: £23,671), costs paid on behalf of Sunrise Resources plc of £6,312 (2014: £11,816), staff salary costs of £55,454 (2014: £44,207) and directors' salary costs of £97,023 (2014: £83,442), comprising

P L Cheetham £96,972 (2014: £82,918) and R H Clemmey £51 (2014: £524). The salary costs in Notes 4 and 5 include these charges.

At the balance sheet date an amount of £53,888 (2014: £50,050) was due from Sunrise Resources plc.

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 2015				At 30 September 2014	
	Shares number	Warrants Number	Exercise price	Expiry date	Restated shares number	Warrants number
P L Cheetham*	22,725,951	2,000,000	2.500p	07/03/2016	19,355,675	14,222,222
		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		
		3,000,000	0.275p	05/02/2020		
D A R McAlister	550,000	—	—	—	550,000	—
D Whitehead	250,000	—	—	—	250,000	—
R H Clemmey	—	500,000	1.250p	24/02/2017	—	1,500,000
		500,000	0.850p	19/03/2018		
		500,000	0.550p	14/01/2019		
		750,000	0.275p	05/02/2020		

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

Restatement of Directors' shareholding at 30 September 2014

An error occurred in the reporting of D Whitehead's beneficial interest in Ordinary Shares in Sunrise Resources plc in the 2014 Annual Report where an interest in 250,000 ordinary shares was not included.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2015

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 2015, 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 2015, as defined in IAS 39, are as follows:

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Loans & receivables	379,845	300,510	1,035,976	951,776
Available for sale investments	148,222	148,222	239,626	239,626
Financial liabilities at amortised cost	96,416	43,209	125,589	53,260

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 2015

20. FINANCIAL INSTRUMENTS *continued*

Bank and cash balances were held in the following denominations:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
United Kingdom Sterling	225,795	855,269	221,972	854,478
United States Dollar	71,543	69,016	23,140	18,848
Swedish Krona	2,373	9,011	—	—
European Euro	9,200	9,296	28	—
Canadian Dollar	866	263	—	—
Saudi Riyal	38	35	—	—
	309,815	942,890	245,140	873,326

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 2015.

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.

Sensitivity analysis shows that the Sterling value of its US Dollar denominated financial assets at 30 September 2015 would increase or decrease by £3,577 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

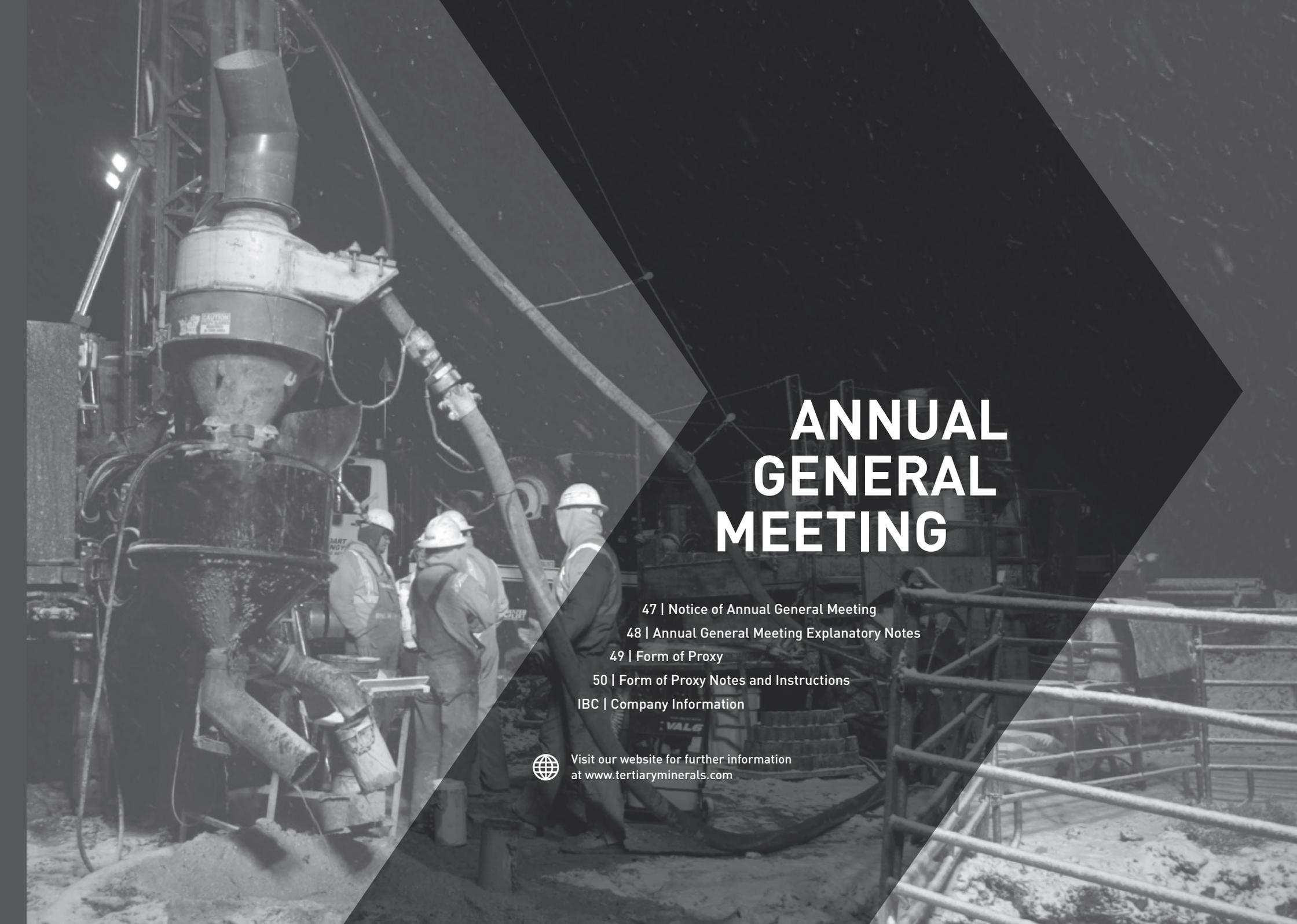
The Group and Company finance their operations through equity fundraising and therefore do not carry borrowings.

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.



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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 18 February 2016, 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 2015.
2. To re-elect Mr P L Cheetham who is retiring under the Articles of Association as a director of the Company.
3. To re-elect Mr R H Clemmey who is retiring under the Articles of Association as a director of the Company.
4. To re-elect Mr D Whitehead who is retiring as a director of the Company.
5. To re-elect Mr D A R McAlister who is retiring as a director of the Company.
6. To reappoint Crowe Clark Whitehill as Auditor of the Company and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

Ordinary Resolution

7. 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 £2,000,000 (consisting of 200,000,000 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

8. That subject to the passing of resolution 7, 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 7 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 £2,000,000 (consisting of 200,000,000 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 the reverse of the Proxy Form.

By order of the Board.

C D T Fitch

Company Secretary
11 December 2015

Registered Office:

Sunrise House, Hulley Road, Macclesfield, Cheshire SK10 2LP, United Kingdom

ANNUAL GENERAL MEETING EXPLANATORY NOTES

COMPANY NO.03821411

The Annual General Meeting of Tertiary Minerals plc will be held on at 2.30 p.m. on Thursday 18 February 2016 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 2015 which can be found on pages 4 to 26.

Resolutions 2 and 3

The Company's Articles of Association require that directors retire at least once every three years and offer themselves for re-election if they and the Board so wish.

This year, both Mr P L Cheetham and Mr R H Clemmey are retiring and the Board proposes that they be re-elected.

Biographical details of the directors can be found on page 16.

Resolutions 4 and 5

The two non-executive directors, Mr D Whitehead and Mr D A R McAlister, have both served the Company for more than nine years and under the terms of the UK Corporate Governance Code would not 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 16.

Resolution 6

The Company's Auditor, Crowe Clark Whitehill LLP 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 7

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 5 February 2015 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 2017.

Resolution 8

This resolution will be proposed as a Special Resolution in the event that Resolution 7 is passed by shareholders. Resolution 8 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 2017.

FORM OF PROXY

TERTIARY MINERALS PLC Company No. 03821411

I/We (Block capitals please)

being a member/members of **Tertiary Minerals plc** hereby appoint the Chairman of the Meeting (see Note 3 overleaf) or the proxy named below as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 18 February 2016 in the Fourth Floor Meeting Room at Arundel House, 13–15 Arundel Street, Temple Place, London WC2R 3DX at 2.30 p.m. and at any adjournment thereof.

I/We wish this proxy to be used in connection with those of the Resolutions to be proposed at the Annual General Meeting which are listed below, in the manner set out below, and in connection with any other ordinary business transacted at the meeting.

Name of proxy	Number of shares appointed over	I wish to appoint multiple proxies (see Note 4 overleaf) Please tick

Signed or sealed (see Notes) Dated

Please indicate with an "X" in the spaces below how you wish the proxy to vote. Unless otherwise instructed the proxy will at his discretion vote as he thinks fit or abstain from voting in relation to all business of the meeting.

Ordinary Business	For	Against	Vote Withheld
1. Ordinary Resolution to receive the Accounts and Reports of the Directors and of the Auditor for the year ended 30 September 2015.			
2. Ordinary Resolution to re-elect Mr P L Cheetham who is retiring under the Articles of Association as a director of the Company.			
3. Ordinary Resolution to re-elect Mr R H Clemmey who is retiring under the Articles of Association as a director of the Company.			
4. Ordinary Resolution to re-elect Mr D Whitehead who is retiring as a director of the Company.			
5. Ordinary Resolution to re-elect Mr D A R McAlister who is retiring as a director of the Company.			
6. Ordinary Resolution to reappoint Crowe Clark Whitehill LLP as Auditor of the Company and authorise the directors to fix their remuneration.			
Special Business			
7. Ordinary Resolution to authorise the directors to allot shares.			
8. Special Resolution to empower the directors to disapply the pre-emption rights for certain allotments of shares.			

Please see Notes overleaf.

Please return this Proxy Form in the enclosed envelope, or in accordance with Note 6 overleaf.

FORM OF PROXY

NOTES AND INSTRUCTIONS

1. 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. You can only appoint a proxy using the procedures set out in these Notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the relevant box on the Proxy Form. If you sign and return the Proxy Form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as the proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy, which in aggregate should not exceed the number of shares held by you. Please also tick the box to indicate that there are multiple proxies. All forms must be signed and should be returned as set out in Note 6.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy, the Proxy Form must be:
 - completed and signed;
 - sent or delivered to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and received by Capita Asset Services no later than 2.30 p.m. on Tuesday 16th February 2016.
7. In the case of a member which is a company, the Proxy Form or any notice of revocation of a proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint or revoke a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. If you wish to change your proxy instructions simply submit a new proxy appointment according to these instructions. If you need another hard-copy Proxy Form please contact the Company. The last date for receipt of a new proxy instruction is set out in note 6 above.
12. To revoke a proxy instruction you will need to send notice clearly stating your intention to revoke your proxy appointment to: Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
13. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 p.m. on Tuesday 16th February 2016. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

SHAREHOLDER NOTES

SHAREHOLDER NOTES

COMPANY INFORMATION

TERTIARY MINERALS
PLC (AIM – EPIC: TYM)
COMPANY NO. 03821411

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REGISTRARS

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