Tertiary Minerals plc

Interim Statement 2009

Directors and Professional Advisers

Directors:

Patrick Cheetham	Executive Chairman
Donald McAlister	Non-Executive Director
David Whitehead	Non-Executive Director

Company Secretary:
Colin Fitch LLM, FCIS

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Company Registration Number: 03821411

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Bankers:
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2 Spring Gardens
Buxton
Derbyshire SK17 6DG
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Broker and Nominated Adviser:
Seymour Pierce Ltd
20 Old Bailey
London EC4M 7EN
United Kingdom

Solicitors:
Cobbetts
58 Mosley Street
Manchester M2 3HZ
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Registrars:
Capita Registrars Limited
Northern House
Woodsome Park
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Chairman's Statement

I am pleased to report the Company's progress and unaudited interim results for the six month period ended 31 March 2009.

Review of Activities

The past six months have seen a deepening of the economic recession and the financial environment for mineral exploration and development companies remains difficult. However, our Company has no debt (other than normal trade and other payables) and no unavoidable exploration or development commitments. The steps we have taken to reduce administrative costs and discretionary expenditure spending are helping to preserve capital and this was supplemented by a small placing of shares in February 2009 which was made to long term supporters of the Company.

Storuman Fluorspar Scoping Study Continuing

At the same time it is important that we continue to advance the Company's interests and so evaluation work is continuing on the Storuman fluorspar project, albeit at a slower pace. Some components of the Scoping Study are complete and metallurgical testwork is progressing satisfactorily. Despite the recession, prices for fluorspar remain firm. Spot prices remain firm and contract prices are largely unaffected and have increased in some cases. This reflects continuing shortages of traditional supplies from China as domestic production is diverted towards production of added-value fluorine-based refrigerants and where demand continues to grow, enhanced by the Government's current fiscal stimulus.

Inmet Continues Exploration at Vähäjoki

In March this year we signed a full joint venture agreement with Inmet Mining Corporation on the Vähäjoki copper-gold project in northern Finland, expanding the heads of terms contained in the agreement announced on 6 September 2007. Magnetic and electromagnetic geophysical surveys have defined a large target area believed to have high potential for iron-oxide-copper-gold ("IOCG") mineralisation. Inmet recently flew an airborne gravity survey at Vähäjoki and drilling is scheduled to commence this month subject to interpretation of the results of the airborne survey.

The Kolari iron project exploration licence in Finland was recently renewed until the end October 2010 although work on this project, and on other exploration projects in Finland, has been deferred for the time being to reduce outgoings. In Saudi Arabia we continue to await the issue of the revised exploration licence for the Ghurayyah tantalum, niobium zircon rare-earth deposit.

Results

The Group is reporting a loss for the six month period of £156,506 (six months to 31 March 2008: £170,709). This loss comprises administration costs of £138,159 (which includes share based payments of £17,933) pre-licence (reconnaissance) costs totalling £23,216, impairments to net assets of £1,296 and interest income of £6,165. The impairments relate to mineral projects no longer held or where no further exploration is justified.

I look forward to reporting further progress in the coming months.

Patrick L Cheetham
Executive Chairman
21 May 2009

Consolidated Income Statement

for the six months to 31 March 2009

	Six months to 31 March 2009 Unaudited £	Six months to 31 March 2008 Unaudited £	Twelve months to 30 September 2008 Audited £
Pre-licence exploration costs	**23,216**	36,829	53,292
Impairment of deferred exploration costs	**1,296**	—	481,842
Administrative expenses	**138,159**	153,334	289,768
Operating loss	**(162,671)**	(190,163)	(824,902)
Interest receivable	**6,165**	19,454	32,937
Loss on ordinary activities before taxation	**(156,506)**	(170,709)	(791,965)
Tax on loss on ordinary activities	**—**	—	—
Loss for the period	**(156,506)**	(170,709)	(791,965)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.23)**	(0.28)	(1.27)

Consolidated Statement of Total Recognised Income and Expense

for the six months to 31 March 2009

	Six months to 31 March 2009 Unaudited £	Six months to 31 March 2008 Unaudited £	Twelve months to 30 September 2008 Audited £
Loss for the period	**(156,506)**	(170,709)	(791,965)
Movement in revaluation of available for sale investment	**(115,884)**	(249,610)	(317,035)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**112,719**	13,217	105,348
Total recognised expense since last accounts	**(159,671)**	(407,102)	(1,003,652)

Consolidated Balance Sheet
as at 31 March 2009

	As at 31 March 2009 Unaudited £	As at 31 March 2008 Unaudited £	As at 30 September 2008 Audited £
Non-current assets			
Intangible assets	**571,539**	805,815	504,823
Property, plant & equipment	**3,974**	7,023	5,448
Available for sale investment	**141,635**	299,990	257,519
	717,148	1,112,828	767,790
Current assets			
Receivables	**46,360**	60,696	53,216
Cash and cash equivalents	**619,620**	864,261	591,968
	665,980	924,957	645,184
Current liabilities			
Trade and other payables	**(80,344)**	(56,432)	(94,280)
Net current assets	**585,636**	868,525	550,904
Net assets	**1,302,784**	1,981,353	1,318,694
Equity			
Called up share capital	**761,137**	636,037	636,037
Share premium account	**4,893,515**	4,859,689	4,859,689
Merger reserve	**131,096**	131,096	131,096
Share option reserve	**83,552**	48,911	65,619
Available for sale revaluation reserve	**(141,094)**	42,215	(25,210)
Foreign currency reserve	**190,183**	(14,667)	77,464
Retained losses	**(4,615,605)**	(3,721,928)	(4,426,001)
Shareholders' funds	**1,302,784**	1,981,353	1,318,694

Consolidated Cash Flow Statement

for the six months to 31 March 2009

	Six months to 31 March 2009 Unaudited £	Six months to 31 March 2008 Unaudited £	Twelve months to 30 September 2008 Audited £
Operating activities			
Operating loss	**(162,671)**	(190,163)	(824,902)
Depreciation charge	**1,553**	1,743	3,318
Impairment charge	**—**	18,539	481,842
Share based payment charge	**17,933**	25,310	42,018
Shares issued in lieu of net wages	**8,926**	—	—
Decrease/(increase) in receivables	**6,855**	1,770	9,252
(Decrease)/increase in payables	**(13,936)**	(21,874)	15,973
Net cash outflow from operating activity	**(141,340)**	(164,675)	(272,499)
Investing activities			
Interest received	**6,165**	19,454	32,937
Purchase of intangible assets	**(66,716)**	(136,184)	(291,320)
Purchase of property, plant & equipment	**(79)**	(84)	(84)
Purchase of available for sale investments	**—**	—	(24,954)
Net cash outflow from investing activity	**(60,630)**	(116,814)	(283,421)
Financing activity			
Issue of share capital (net of expenses)	**150,000**	690,916	690,916
Net cash inflow from financing activity	**150,000**	690,916	690,916
Net (decrease)/increase in cash and cash equivalents	**(51,970)**	409,427	134,996
Cash and cash equivalents at start of period	**591,968**	441,617	441,617
Exchange differences	**79,622**	13,217	15,355
Cash and cash equivalents at end of period	**619,620**	864,261	591,968

Notes to the Interim Statement

1. Basis of preparation

The interim financial statement has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and their interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 30 September 2008.

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 financing will be required.

The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the "going concern" basis for preparing the financial statements. The interim statement has been approved by the Directors and is unaudited.

2. Loss per share

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

	Six months to 31 March 2009 Unaudited £	Six months to 31 March 2008 Unaudited £	Twelve months to 30 September 2008 Audited £
Loss for the period (£)	**(156,506)**	(170,709)	(791,965)
Weighted average shares in issue (No.)	**66,804,861**	62,063,731	62,560,506
Basic loss per share (pence)	**(0.23)**	(0.28)	(1.27)

The loss attributable to ordinary shareholders and the weighted average number of ordinary shares used for the purpose of calculating diluted earnings per share, are identical to those used to calculate the basic earnings per ordinary share. This is because the exercise of share warrants would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of IAS33.

3. Share capital

On 30 January 2009, an issue of 510,080 ordinary shares of 1.0p each was made at 1.75p to the Executive Chairman and one of the non-executive Directors for a consideration of £8,926, in satisfaction of Directors Fees.

On 13 February 2009, an issue of 12,000,000 ordinary shares of 1.0p each was made at 1.25p, by way of placing, for a consideration of £150,000.

4. Interim report

Copies of this interim report will be sent to all shareholders and are available from Tertiary Minerals plc, Sunrise House, Hulley Road, Macclesfield, Cheshire, SK10 2LP, United Kingdom. It is also available on the Company's website at www.tertiaryminerals.com

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