

## **Audited Results for the Year Ended 30 September 2021**

The Board of Tertiary Minerals plc (AIM: TYM) is pleased to announce audited results for the year ended 30 September 2021.

### **Operational Summary:**

**In 2021, Tertiary has further developed its project portfolio in stable and democratic, geologically prospective, mining-friendly jurisdictions:**

- Advanced the Pyramid Silver-Gold Project in Nevada to drill-ready status
- Acquired and initiated systematic exploration of the Brunton Pass Copper Project in Nevada, trenching planned as next step
- Established a copper-focused Zambian footprint, including options to earn-in to over 1200 km<sup>2</sup> of Large Exploration Licences

### **In Nevada**

At Pyramid, soil and rock chip sampling programmes in late 2020 were followed by two phases of trenching which established a significant zone of silver mineralisation at North Ruth with a target strike length of at least 530 metres, including a zone up to 50 metres wide at surface. Surface silver and gold samples were reported as high with 1,286 g/t silver and 2.72 g/t gold. Additional detailed mapping and sampling completed in late 2021 is being used to improve 3D modelling and design a programme planned for Q1 2022 to drill test North Ruth.

At Brunton Pass, initial reconnaissance sampling resulted in multiple samples grading higher than 1% copper as well as a 2.44m channel sample grading 4.66% copper. Subsequent surface sampling surveys and aeromagnetic data acquired by drone survey has led to the establishment of an initial model for mineralisation: original intrusion-related skarn copper mineralisation, which is overprinted by a later episode which may represent the high levels of an epithermal system prospective for gold and silver. A trenching programme is planned across the main copper anomaly and to carry out further investigation of the potential for gold and silver mineralisation.

### **In Zambia**

Tertiary has agreements in place, with Zambian partner Mwashia Resources Limited, which give the Company the right to earn in up to 90% of five licences located across the Central African Copperbelt and in the North-Western Province. The most advanced in exploration terms is Jacks, which has extensive historic exploration over an area of Lower Roan hosting an 18km long open-ended soil geochemical anomaly. Historic drilling at Jacks includes an interval of 23.95m grading at 1.26% copper (including 1.88m grading at 2.93% copper). The Lubuila, Mukai and Konkola West projects all target the Lower Roan Group which is the main copper mineralised rock sequence in the Copperbelt. The Mushima North project lies approximately west of the past-producing Kalengwa copper mine, believed to be one of the highest grade copper deposits to have been mined in Zambia.

**For more information please contact:**

<b>Tertiary Minerals plc</b>	
Patrick Cullen, Managing Director	+44 (0) 1625 838 679
<b>SP Angel Corporate Finance LLP</b>	
<b>Nominated Adviser and Broker</b>	
Richard Morrison	+44 (0) 203 470 0470
Caroline Rowe	
<b>Peterhouse Capital Limited</b>	
<b>Joint Broker</b>	
Lucy Williams	+ 44 (0) 207 469 0930
Duncan Vasey	

**Market Abuse Regulation (MAR) Disclosure:**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

# Chairman's Statement

I am pleased to present the Company's Annual Report and Financial Statements for the year ended 30 September 2021, and to be reporting on a series of exciting exploration results in Nevada and on our move into Zambia where we have hit the ground running with a number of project acquisitions. Nevada was ranked 1st in the world as a mining jurisdiction by the Frazer Institute Investment Attractiveness Index in 2020 and is the 4th highest global gold producing region, 2nd in the US for silver production and a significant producer of copper and industrial minerals.

Our strategic focus is now firmly on copper and precious metals. Copper, because it is a key energy transition metal for electric vehicles and green power infrastructure. Precious metals, because precious metal projects attract premium valuations, and we expect gold prices to respond positively to inflationary pressures. Silver is also expected to benefit from the energy transition due to high levels of consumption in electronics.

We also see the silver price as more highly leveraged to investor interest than the gold price and so are particularly pleased with the latest results from our Pyramid Project in Nevada, where recent trenching across a silver-gold soil anomaly has intersected a network of high-grade silver-gold veins at surface, within a wider zone of lower grade silver mineralisation at the North Ruth Prospect. This vein system extends over a strike length of at least 530m at surface and presents an immediate drill target. Drill planning and permitting is underway for the first quarter of 2022. Reported trench intersections and follow up sampling highlight the potential for both underground minable widths of high-grade silver mineralisation as well as wider zones of lower grade mineralisation potentially amenable to open-pit mining.

We are developing a copper exploration project in Nevada at the Brunton Pass Project where a number of prospecting, mapping and soil sampling programmes have identified widespread copper mineralisation and targets for copper skarn and epithermal gold mineralisation over a 1km x 0.6km area. Trenching of this mineralisation is planned to define drill targets.

In May this year, we announced a move into Zambia with the formation of Luangwa Minerals Limited, now renamed Tertiary Minerals (Zambia) Limited. Tertiary has local experience, a well-established technical advisor and a local representative in place, both of whom are shareholders in the Zambian subsidiary.

Our primary targets are in the Zambian portion of the Central African Copperbelt which hosts multiple world-class copper deposits such as Sentinel, Lumwana, Konkola, Mufulira, Mopani, Chambishi and others which together produced over 800,000 tonnes of copper in 2020.

The move into Zambia is well timed, coinciding with the August election and the peaceful transition of power. His Excellency, Hakainde Hichilema, the President of the Republic of Zambia has stated that rebuilding the economy is top on the government's agenda and that bold and decisive action is to be taken and policies implemented to address the fiscal deficit, while ensuring that confidence is restored in the markets. The new government is looking to the mining industry as a major driver for economic recovery and ambitious targets have been set, asking for copper production to be increased to 2,000,000 tonnes per year by 2026.

Mining already accounts for 77% of exports and 28% of government income. The promise of more business and mining friendly fiscal policies, such as the reintroduction of the tax-deductibility of mineral royalties, is already attracting new investment from major mining houses. Tertiary's view is that the fiscal environment for mining and exploration will improve and re-establish Zambia as a primary destination for investors focused on copper.

In August this year, we made our first project acquisitions with an option-joint venture agreement with local Zambian company Mwashia Resources Ltd. This allows us to earn up to a 90% joint venture interest in the Jacks Large Exploration Licence where historical drilling included drill intersections such as 24m grading 1.3% copper within an 18km long soil anomaly over favourable folded mine-series Lower Roan sediments. Follow up soil sampling and drilling is planned for Spring 2022, as soon as the wet season is over.

Most recently we exercised our rights with Mwashia to take options to joint venture four additional Large Exploration Licences in different areas of Zambia on the same terms. These additional projects also predominantly target the mine-series Lower Roan stratigraphy. Our interests now cover over 1,250 sq. km. and include Konkola West which lies between the producing Konkola mine and areas that the Company understands are being explored with local partners by the Jeff Bezos and Bill Gates backed

KoBold Metals. Konkola West is also close to the large Lubambe copper mine and Lubambe Extension which is thought to have potential to host over 10 Mt of copper metal. The Mwashia licence package also includes the Mukai Large Exploration Licence immediately to the northwest of First Quantum's Sentinel copper and Enterprise nickel mines.

We have strengthened our Board this year and were pleased to welcome Dr Mike Armitage in January as a new non-executive director. Mike has extensive international experience and a long career with the leading geological and mining consultancy, SRK Consulting. This corrects an imbalance on the Board that has persisted since the passing of non-executive director David Whitehead.

Our management team was further boosted in September with the appointment of Patrick Cullen as Managing Director. I have been filling in for this role since Richard Clemmey left last year and Patrick has now taken over management of the exploration projects as well as the day-to-day activities of the Company. He was most recently Managing Director of Arkle Resources plc and has worked extensively in Southern Africa, and in Zambia in particular, and will be a valuable addition to the team. We welcome him aboard.

There is no news to report on our Storuman Fluorspar Project as we have had no response yet to our appeal against the decision by the Swedish Mining Inspectorate to reject Tertiary's Exploitation (Mine) Permit in its current form having previously granted this permit. Many projects in Sweden are in the same unfortunate situation and there is no legislated timeframe for a response.

The continuing COVID-19 pandemic has not materially delayed our exploration during the year, although in Nevada, staff absenteeism amongst our suppliers, together with a high level of demand for services, has meant that turnaround times at assay labs have been extended and drill rig availability has reduced. This is likely to continue into 2022.

Our Annual General Meeting for the year ended 30 September 2021 will be held in London on 28 January 2022. In order to protect the health of our staff and shareholders certain COVID-19 protocols may be in place at the meeting. Whilst COVID infections remain at a high level we ask shareholders to consider carefully if attendance in person is strictly necessary and encourage shareholders to appoint the Chairman as their proxy (online at [www.signalshares.com](http://www.signalshares.com) or by requesting and submitting a hard copy Form of Proxy) rather than attend in person.

At the AGM we will also be proposing resolutions to elect Dr Armitage and Mr Cullen who are required to offer themselves for election at their first AGM following their appointment to the Board. This represents half of our Board members and so Mr McAlister will not be resigning and offering himself for re-election this year as has become customary on an annual basis. We will be proposing the usual Ordinary Resolution to allow for the issue of shares and a Special Resolution to allow for the issue of shares other than by way of rights issue. We are mindful that a similar Special Resolution failed to pass at the AGM held in January 2021, passing instead at a subsequent General Meeting. It is important that this Special Resolution is passed at the Annual General Meeting as rights issues are impractical and too expensive for small companies. The Company does not have a sustaining cash flow and is currently reliant on raising funds periodically from the market by share placings to fund its exploration business and to continue as a going concern.

We are excited about the Company's prospects and, we believe, the Company is well positioned to increase shareholder value in the months ahead. We anticipate a busy start to exploration in 2022 and look forward to reporting further results.

**Patrick Cheetham**  
Executive Chairman  
9 December 2021

# Strategic Report

## Organisation Overview

Tertiary Minerals plc (ticker symbol 'TYM') is an AIM-traded mineral exploration and development company exploring a portfolio of projects in Nevada (USA) and Zambia, with legacy interests in northern Europe.

Our strategic focus is to explore and develop energy transition and precious metal projects in stable and democratic, mining-friendly jurisdictions.

The Company's current principal activities are the identification and acquisition of prospective projects, and the exploration and development of copper, gold and silver resources in Nevada and in Zambia. Our aim is to increase shareholder value through the discovery and development of valuable mineral deposits while optimising opportunity and minimising risk through management of the Company's jurisdictional, permitting, technical, and commodity profile.

The Parent Company of the Group is Tertiary Minerals plc. The Group's projects in Nevada are held through a Nevada registered subsidiary, Tertiary Minerals US Inc., in Zambia through Zambian registered Company Tertiary Minerals (Zambia) Limited, formerly Luangwa Minerals Limited, and in Sweden through a Swedish branch of UK subsidiary Tertiary Gold Limited. A fourth subsidiary, UK registered Tertiary (Middle East) Limited, is inactive. The head office for all Group companies is based in Macclesfield in the United Kingdom.

### **Company's Business Model**

For exploration projects, the Group prefers to acquire majority or 100% ownership of mineral assets at minimal cost. This involves either applying for exploration licences from the relevant authority or negotiating rights with existing project owners for initially low periodic payments that rise over time as confidence in the project value increases.

The Group aims to maximise the funds spent on exploration and development, our core value adding activities. The Company currently has six employees including the Executive Chairman and Managing Director 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.

Administration costs are shared through a Management Services Agreement with Sunrise Resources plc ("Sunrise"), whereby Sunrise pays a share of the cost of head office overheads. As at 30 September 2021, Tertiary holds 0.59% of the issued ordinary share capital of Sunrise.

The Company's activities are financed by periodic capital raisings, through share placings or share related financial instruments. When projects become more advanced, or as acquisition opportunities advance, the Board will seek to secure additional funding from a range of various sources, for example debt funding, pre-financing through off-take agreements and joint venture partnerships.

# 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 Sunrise Resources plc (“Sunrise”) and a small amount of bank interest. Consequently, the Group is not expected to report profits until it is able to profitably develop, dispose of, or otherwise commercialise its exploration and development projects.

The Group reports a loss of £406,963 for the year (2020: £2,498,167) after administration costs of £486,171 (2020: £597,994) and after crediting interest receivable of £54 (2020: £437). The loss includes impairment of the Pegleg Project of £13,179, expensed pre-licence and reconnaissance exploration costs of £72,725 (2020: £49,360). Administration costs include £12,754 (2020: £30,290) as non-cash costs for the value of certain share warrants held by employees as required by IFRS 2.

Revenue includes £165,058 (2020: £175,750) from the provision of management, administration and office services provided to Sunrise, to the benefit of both companies through efficient utilisation of services.

The financial statements show that, at 30 September 2021, the Group had net current assets of £460,913 (2020: £208,365). 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 and are also components of the Net assets of the Group. Net assets also include various “intangible” assets of the Company. As the term suggests, these intangible assets are not cash assets but include this year’s and previous years’ accrued expenditure on mineral projects where that expenditure meets the criteria set out in Note 1(d) (accounting policies) to the financial statements. The intangible assets total £754,110 (2020: £541,958) and the breakdown by project is shown in Note 2 to the Financial Statements.

Expenditure which does not meet the criteria set out in Notes 1(d) and 1(n), 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.

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 can be in excess of or less than 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.

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

## Key Performance Indicators

The usual financial key performance indicators (“KPIs”) are neither applicable nor appropriate to measurement of the value creation of a company involved in mineral exploration and which currently has no turnover other than cost recovery. 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.

The Company does seek to reduce overhead costs, where practicable, and is reporting administration costs this financial year of £486,171 (2020: £597,994).

## Fundraising

During the year to 30 September 2021 the Company raised a total of £463,750 before expenses, as shown in Note 14 to the financial statements.

These funds were raised through:

- a share placing on 26 January 2021 to clients of the Company's joint broker, Peterhouse Capital Limited, as detailed in Note 14 of the financial statements; and
- a share issue on 8 February 2021 pursuant to the exercise of warrants as detailed in Note 14 of the financial statements.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group's cash position at the year-end (£472,733), these projections include the proceeds of future fundraising necessary within the next 12 months to meet the Group's overheads and planned discretionary project expenditures and to maintain the Company and its subsidiaries as going concerns.

## Impairment

A biannual review is carried out by the directors to assess whether there are any indications of impairment of the Group's assets.

### *Investments in Group undertakings:*

The directors have reviewed the carrying value of the Company's investments in shares of subsidiary undertakings totalling £225,383, by reference to estimated recoverable amounts. In turn, this requires an assessment of the recoverability of underlying exploration assets in those subsidiaries in accordance with IFRS 6.

### *Loans to Group undertakings:*

A review of the recoverability of loans to subsidiary undertakings, totalling £634,089 has been carried out. This indicated potential credit losses arising in the year which have been provided for as follows: Tertiary Gold Limited £27,881 and Tertiary (Middle East) Limited £1,208. The provisions made reflect the differences between the loan carrying amounts and the value of the underlying project assets.

# Operating Review

## Nevada, USA

### Pyramid Silver-Gold Project (100% owned by Tertiary by lease agreement)

The Pyramid Project is located 25 miles northwest of Reno in the Pyramid Mining District and is secured by a 20-year lease, expiring on 22 May 2039, on 9 patented claims with options to purchase (subject to underlying royalties) and 32 mining claims staked to cover additional targets along strike. The Company staked an additional 7 claims in the reporting period bringing the total area of the Pyramid Project to 2.84 sq. km (or 700.97 acres).

### Geology, Mineralisation and Past Exploration

The Pyramid Mining District lies at the northwest end of the Walker Lane mineral belt, a major northwest trending structural deformation zone and a highly productive gold, silver and copper producing region which is host to numerous past and currently producing multi-million-ounce epithermal gold deposits as well as porphyry copper and porphyry molybdenum deposits.

In the main part of the Pyramid District, precious metals were mined from 1866 on a small scale from three moderately to steeply dipping, northwest-striking vein systems within Perry Canyon. The only historical documented field exploration within the area of the Company's claims was carried out by Battle Mountain Gold Mining ("Battle Mountain") who leased the project from our current lessors in the period 1988-89.

Tertiary has access to historical data collected by Battle Mountain, including soil sampling results and assays from reverse circulation drilling logs. Drill hole PYR 9 intersected high-grade gold mineralisation and visible gold within a sample thickness of 1.52m grading 17.8 g/t Au from 94.5m downhole.

### Company Exploration

In November 2021, the Company announced its intention to drill test silver and gold mineralisation identified at the North Ruth target which is situated at the northern end of the property.

This follows a systematic exploration program beginning at the end of 2020 and comprising multiple phases of soils and rock chip sampling and two phases of trenching across the property.

Initially, the North Ruth mineralisation was confirmed by soils sampling results announced in January 2021 where results of gold and silver in soil results were reported as high as 1.6 g/t gold and 207 g/t silver. Consistent anomalies were identified for further mapping and follow up rock chip sampling.

In March 2021, eight rock chip samples from the North Ruth anomaly assayed up to 314 g/t silver and 0.45 g/t gold (in separate samples) and averaged 91 g/t silver and 0.26 g/t gold. The highest value individual sample from this phase of field work contained 6.29 g/t gold and 158 g/t silver from the Western Line anomaly where seven samples averaged 1.49 g/t gold and 99 g/t silver.

Two phases of trenching were completed: a total length of 300m in phase 1 during May and a further 443m of trenching in phase 2 during August. A wide zone of silver (-gold) mineralisation was established in Trench 1 during phase 1 and an extension to Trench 1 was carried out as part of the second phase and results announced in October revealed a 59m width grading 73 g/t silver in the trench. This wide zone included 2.13m grading at 595 g/t silver and 0.66 g/t gold and 3.35m grading at 219 g/t silver and 0.25 g/t gold.

The mineralisation strikes northwest-southeast, is oxidised at surface and is characterised by areas of brecciation and strong silicification with resistant 'ribs' forming prominent outcrops at surface and visible on high resolution drone photogrammetric imagery gathered in January 2020. Further mapping throughout November 2021 has focused on these features. Additional grab and rock chip sampling along the North Ruth Zone has indicated that these outcrops are generally well mineralised. Assay results from a total of 37 samples provided 11 samples with concentrations greater than 200 g/t silver, including 4 high grade samples of 1,286 g/t, 889 g/t, 522 g/t and 513 g/t. Significant gold intersections were assayed in this same group of samples including 11 samples grading higher than 0.6 g/t gold, including 4 higher grade samples of 2.72 g/t, 1.67 g/t, 1.30 g/t and 1.20 g/t.



Exploration to date indicates that the target zone at North Ruth has a strike length at surface of at least 530m.

The latest data from the North Ruth Zone is being integrated with the existing data to create a three-dimensional model and aid the drill programme design. Drilling is planned for the first quarter of 2022.

### **Brunton Pass Copper Project (100% owned by Tertiary)**

The Company has staked 24 new mining claims on the east side of the Paradise Range, just north of State Highway 91, 190km southwest of Reno, Nevada.

### **Geology, Mineralisation and Past Exploration**

Mercury was discovered in the claim area in 1945 and a small amount of mercury was produced in 1948. The area south of the mercury workings was drilled by Phillips Uranium Corp. in 1978 to test a reportedly large scintillometer anomaly but no further records can be found.

In 1991 the area was mapped and sampled by the US Bureau of Mines ("USBM") during a study of the mines, prospects, and mineral occurrences of that part of the Paradise Range administered as Toiyabe National Forest, although the prospect lies outside the boundaries of the National Forest.

The Project area is underlain by Triassic-age limestone, sandstone, and siltstone which have been intruded by diorite and quartz monzonite. The sedimentary rocks are strongly altered locally and appear to be in fault contact with Tertiary-age volcanic rock (rhyolite) on all sides. Prospector small-scale workings are spread throughout a 1km x 0.6km area within the sedimentary enclave. Most of the workings are focused on shear zones and contact metasomatic (skarn) zones containing garnet, epidote, calcite and copper minerals. Zones of silicification are abundant.

The USBM collected a total of 14 samples from across the prospect area and 8 of these contained values above 1% copper and up to 6.91% copper including a chip sample over 12ft (3.66m) grading 1.36% copper. In addition to the copper and mercury zones, the area contains anomalous gallium, bismuth, tellurium, selenium, thallium and arsenic, all elements considered to be precious metal "pathfinder" elements.

### **Company Exploration**

Prior to staking its claims the Company carried out a reconnaissance of the southern half of the prospect to confirm the USBM records of widespread copper mineralisation. The claim encompasses copper mineralisation spread over a 1km x 0.6km target area.

Of 10 grab and chip samples taken in the initial reconnaissance, 5 samples contained over 1% copper including an 2.44m (8ft) channel sample grading 4.66% copper. Other samples were significantly anomalous including an outcropping jasperoid containing 0.31% copper. The presence of jasperoid rocks is indicative of intensive hydrothermal activity and is associated with gold mineralisation across many locations in Nevada.

A high-resolution drone-based aeromagnetic-photogrammetric survey and soil sampling have been carried out across the whole project area. In addition, a series of mapping and sampling programmes have been undertaken. In total thirty-nine rock samples were taken as chip and grab samples from different small prospecting pits and submitted for gold fire assay and multi-element analysis. Highlights include grab samples BR-014, which returned 6.84% copper, and BR-016, which contained 1.75 g/t gold and 2.37% copper.

In addition, a total of 485 soil samples were collected at 50m spacing on lines 100m apart over the main targets and on a 100m by 100m offset grid over the remainder of the project area. The samples were submitted to Paragon Geochemical Laboratories, Reno for multi-element analysis. Several copper-in-soil anomalies with individual grades of up to 953ppm copper are present within the project area. The largest of these anomalies has dimensions of 340m x 310m and they are mainly coincident with areas of rock samples containing percent-level copper values.

Two large mercury-in-soil anomalies were also defined with values up to 52 ppm mercury with the largest of these extending over an area approximately 500m x 500m. This anomaly encircles the copper soil anomalies in the northern part of the project area and at its western part it is coincident with a deep magnetic low, possibly reflecting magnetite destructive mineral alteration.

The drone magnetic data was processed by Magnetic Vector Inversion Modelling to produce a 3D magnetic model of the survey area. A structural and geological interpretation of the magnetic data was also conducted to define structures that could be potential pathways for mineralisation and a framework for further exploration.

Copper and mercury mineralisation at Brunton Pass is closely associated with hornfels and skarn alteration of limestone. The magnetic inversion model suggests that the sediments may be underlain at shallow depth by a large intrusive body that could be the source of the alteration and mineralisation. Evidence for this underlying body is found in the surface outcrops of quartz monzonite and diorite dykes. The limestone “window” forms a magnetic low within Tertiary volcanics and appears to be in fault contact with the volcanics.

The Company considers that an episode of intrusion related skarn copper mineralisation at Brunton Pass has been overprinted by a later episode of mercury mineralisation which may represent the high levels of an epithermal system prospective for gold and silver. The Company now intends to conduct a preliminary trenching programme across the main copper anomaly and carry out further investigation of the potential for gold and silver mineralisation.

## **Zambia**

### **Zambian Copper Prospects**

The Company has incorporated a Zambian subsidiary, now renamed Tertiary Minerals (Zambia) Limited, formerly Luangwa Minerals (Zambia) Limited (“Tertiary Zambia”). The subsidiary (96% owned) was established to target copper exploration and development opportunities in Zambia.

Tertiary Zambia has entered into an option agreement with Mwashia Resources Ltd to acquire up to a 90% joint venture interest in five exploration licences in Zambia considered prospective for copper.

The principal terms of the initial agreement relate to the Jacks Exploration Licence number 27069- HQ-LEL and are as follows:

- Mwashia will prepare an Environmental Project Brief (“EPB”) for 27069-HQ-LEL (an approved EPB is a pre-requisite for conducting exploration) and submit the EPB to Zambian Environmental Management Agency (“ZEMA”) for approval.
- Tertiary Zambia pays US\$1,500 towards the costs of preparing the EPB and will pay US\$10,000 to Mwashia on approval of the EPB by ZEMA.
- Tertiary Zambia may earn, and has the right to take up, an initial 51% joint venture interest in 27069-HQ-LEL by spending US\$50,000 on exploration in the 12-month period following approval of the EPB by ZEMA.
- On taking up a 51% interest in 27069-HQ-LEL, Tertiary Zambia and Mwashia will enter into a Joint Venture Agreement (“JVA”) and on signing the JVA Tertiary Zambia will pay US\$30,000 to Mwashia.
- Tertiary Zambia may earn a further 39% interest (total 90% interest) in the licence by spending a further US\$100,000 over 18 months from the date of signing the JVA.

The agreement also provides an exclusive option to Tertiary Zambia to enter into option agreements on the same terms as set out above on four additional licences held by Mwashia, being licence numbers 27065-HQ-LEL (“Lubwila”), 27066-HQ-LEL (“Mukai”), 27067-HQ-LEL (“Konkola West”) and 27068-HQ-LEL (“Mushima North”). Following a review of the mineral prospectivity and strategic value of these licences, the Company has exercised this exclusive option (as announced on 18 November 2021) and further agreements have been signed incorporating the above terms for each additional licence.

### **Jacks (Option Agreement to acquire up to a 90% joint venture interest)**

Exploration Licence 27069-HQ-LEL covers 141.4 sq. km. and is located 85km south of Luanshya in the Central African Copperbelt. The licence is underlain by rocks of the Lower Roan Group, the main copper mineralised rock sequence in the Copperbelt.

Historical exploration records most notably include exploration in the 1990s by Caledonia Mining Corporation which conducted aeromagnetic surveys and geochemical sampling, and reverse circulation and diamond drilling. Further soil sampling and modelling of targets was carried out in the 2000's by KPR/First Quantum establishing targets most of which are yet to be drill-tested. Drilling at Jacks is planned for the second quarter of 2022 following the end of the wet season.

#### **Mushima North (Option Agreement to acquire up to a 90% joint venture interest)**

Exploration Licence 27068-HQ-LEL covers 701.3 sq. km. and is located 100km east of Manyinga. The past-producing Kalengwa copper mine is situated approximately 20km west of the licence and is believed to be one of the highest grade copper deposits to be mined in Zambia.

#### **Konkola West (Option Agreement to acquire up to a 90% joint venture interest)**

Exploration Licence 27067-HQ-LEL covers 71.9 sq. km. and is located 18km northwest of Chingola in the Central African Copperbelt. The licence lies immediately west of the Konkola Musoshi copper deposits which are under active exploitation at the Konkola and Lubambe mining complexes.

#### **Mukai (Option Agreement to acquire up to a 90% joint venture interest)**

Exploration Licence 27066-HQ-LEL covers 55.4 sq. km. and is located 125km west of Solwezi in the Central African Copperbelt. First Quantum Minerals' Sentinel nickel deposit, which is currently in development, and currently producing Enterprise copper mine are located 8km south and 18km southeast of the licence, respectively.

#### **Lubuila (Option Agreement to acquire up to a 90% joint venture interest)**

Exploration Licence 27065-HQ-LEL covers 334.8 sq. km. and is located 90km west of Luanshya in the Central African Copperbelt. The licence is partially underlain by the prospective Lower Roan arenite and lies approximately 70km southeast of the currently producing Chambishi Southeast copper-cobalt mine.

## **Other Projects**

#### **Paymaster Polymetallic Project, Nevada USA (100% owned by Tertiary)**

The Paymaster Project is located approximately 30km southwest of Tonopah in Nevada, USA, and is held by mining claims covering an area of more than 390 acres.

#### **Geology, Mineralisation and Past Exploration**

The primary target at the Paymaster Project is a skarn hosted zinc-silver deposit in Cambrian age limestone in contact with shale and is located one mile south of the limestone contact with the Cretaceous age Lone Mountain granite pluton. The skarn mineralisation at Paymaster is exposed in a number of prospector scale workings but has seen no systematic company exploration until the Company initiated exploration here in 2019.

#### **Company Exploration**

An initial soil sampling programme completed by the Company in 2019 defined significantly elevated levels of silver, copper, zinc, cobalt and lead within a strike length of over 2,000 metres and work is now focused on two areas of mineralisation:

#### **Valley Prospect**

- New thick skarn zone observed in the field: Approximately 350m long and up to 8m thick.
- Rock sample taken from historic shaft spoil dump assayed 7.5% zinc, 4.3% lead and 180 g/t silver.

#### **East Slope Prospect**

- 650m long zinc soil anomaly (100-250 ppm Zinc) surrounding previously sampled outcrop of zinc-silver-cobalt bearing skarn mineralisation, including 175m long 250-500 ppm zinc soil anomaly.
- Previous rock sample assays up to 20.9% zinc, 0.11% cobalt and 198 ppm silver within the prospect.

In 2020 a detailed drone magnetic survey was carried out alongside a drone photogrammetry for topographic control to cover these two main prospects. In addition, an infill soil sampling programme was completed to cover the East Slope Prospect where previous wide spaced soil sampling defined a coherent zinc anomaly over 500m long (+100ppm zinc) and where samples from prospecting pits have assayed up to 21% zinc.

Infill soil sampling was completed over East Slope Prospect where 134 infill soil samples were collected on a 10m by 20m grid and maximum values of 34.9 ppm silver (1.02 ounces per ton) and 5.65% zinc (single sample) were returned (close to high grade outcropping mineralisation). Zinc-silver soil anomalies were defined over a 450m strike length, open to the east. Magnetic Vector Inversion modelling has defined magnetic anomalies associated with the East Slope and Valley Prospects and provided additional targets.

### **Mt Tobin Silver Prospect, Nevada USA (100% owned by Tertiary)**

Mt Tobin is located 73km south of Winnemucca in north-central Nevada. The Company's mining claims cover a zone of stratiform mineralisation in chert and silicified sediments 45-60m thick over a strike length of 1,200m. This is coincident with a significant silver-lead-zinc soil anomaly reported by previous explorer Queenstake Resources. In 2020 the Company carried out field reconnaissance work and rock samples returned silver values of up to 101 grammes/tonne (g/t) silver (3.12 ounces/ton) over a 450m strike length sampled to date. Mineralisation is open to the north and south, structurally controlled and spatially related to dyke intrusion.

Soil sampling results were announced in early 2021. Samples were found to contain up to 15.7 parts per million (ppm) silver (0.46 ounces/ton) and anomaly thresholds were defined at 0.5ppm and 1ppm (being above the 80th and 90th percentile respectively). At a 0.5ppm silver contour level the silver-in-soil anomaly extends over a strike length of 1,200m and contains areas over the 1ppm contour up to 500m in length and with widths between 40 and 150m. Gold values were anomalous up to 128 parts per billion (ppb), but silver shows a higher correlation with geochemical values of mercury, zinc, antimony and lead.

A drone magnetic survey defined a low level but distinctive magnetic anomaly with a sub-horizontal pipe shape extending north from a larger magnetic body at the south end of the survey grid. Mostly the magnetic anomaly does not outcrop but lies between 20m and 100m below surface. The magnetic anomaly shows a strong association parallel and immediately west of the silver-in soil anomaly. In places it is coincident with a weathered diabase body at surface, but it is not dyke-like in form. The magnetic anomaly may be caused by pyrrhotite associated with the silver mineralisation as the silver bearing rock samples referred to above were veined with stockworks of iron-oxides formed from oxidation of sulphide minerals.

No further mapping and field evaluation was carried out in 2021, although drilling has been budgeted for 2022.

### **Lucky Copper Prospect Nevada USA (100% owned by Tertiary)**

The Lucky Copper Project was staked by the Company in 2020 and is located on the east side of the old Aurum mining centre, 96km northeast of the major porphyry copper mining town of Ely in north-east Nevada.

The project is targeting disseminated copper mineralisation first identified during exploration carried out in the 1950s. In 2021, the Company drilled a vertical reverse circulation hole, 21TLRC001, to test this mineralisation. Samples were collected at 5ft (1.52m) intervals down hole. The hole passed through 6.1m of overburden and a mixed sequence of sedimentary rocks down to the end of the hole at 108.20m.

Two magnetic gossan zones were intersected containing low-grade copper (+/-gold) mineralisation: 4.57m grading 0.12% copper and 0.12 g/t gold from 15.24m down hole and 3.05m grading 0.40% copper from 33.53m down hole. Highly anomalous copper (average 325ppm copper) over 24.38m from 83.82m to the base of hole.

A nearby percussion hole drilled in 1951 was reported to have intersected a 20.4m cumulative thickness of mineralisation which assayed 0.65% copper to the bottom of the hole at 77.7m depth. That hole also ended in mineralisation.

A drone magnetic survey was completed in June 2021 and magnetic vector inversion modelling was integrated with reprocessed, open file gravity data. Interpretation is ongoing. A programme of petrological work was completed to better define the host rock lithologies and the geological setting of this mineralisation and assist further exploration targeting.

### **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.

#### **JORC Compliant Mineral Resource**

<b>Classification</b>	<b>Million Tonnes (Mt)</b>	<b>Fluorspar (CaF<sub>2</sub> %)</b>
Indicated	25.0	10.28
Inferred	2.7	9.57
<b>Total</b>	<b>27.7</b>	<b>10.21</b>

#### **Exploitation (Mine) Permit**

No work was carried out in 2021 and the Company continues to wait for feedback from the Swedish Government in response to its appeal against the decision by the Swedish Mining Inspectorate to reject Tertiary's Exploitation (Mine) Permit in its current form.

The appeal was lodged on 3 May 2019 and still no timeline for a response has been given by the Swedish Government. Expenditure on the Storuman Project has been fully impaired.

### **Lassedalen Fluorspar Project, Norway**

The Company terminated its interest in the Lassedalen Fluorspar project during the year.

## **Royalty Interests**

### **Kaarelselkä and Kiekerömaa Gold Projects, Finland**

The Company retains a royalty interest in the Kaarelselkä and Kiekerömaa gold projects which were sold in 2016 to TSX-V listed Aurion Resources Ltd ("Aurion"). These projects are located in the Central Lapland Greenstone Belt of the Fennoscandian Shield where there are a number of existing gold mines and a number of potential new mine developments.

Since acquiring the Kaarelselkä Project, Aurion's work on the project has included re-logging of all drill holes, oriented core measurements, a detailed ground magnetic survey, whole rock geochemistry, GIS compilation and integration of historical data into 3D modelling software. This work has allowed for a reinterpretation of the geology and a better understanding of the property's potential. The main host lithology is strongly altered and sheared mafic volcanics, which is a classic setting for major orogenic gold deposits.

Drilling results from 2020 were described by Aurion as encouraging and include drill intercepts of 1.52g/t Au over 2.85m (KS20001 from 306.50m down hole) and 1.85g/t Au over 5.40m (KS20002 from 199.00m down hole). The drilling has extended the gold mineralised zone to ~200m depth and to ~600m strike length at Vanha target.

The royalty interest in both projects consists of (i) pre-production royalty on definition of a NI 43-101 (or equivalent) Code compliant Minerals Resource Estimate on either project, with US\$1.00, US\$2.00, US\$3.00 payable per ounce gold in the Inferred, Indicated or Measured Mineral Resource categories respectively; and (ii) a Net Smelter Returns Royalty (NSR) of 2% on all future gold production from either property (Aurion can purchase 50% of the NSR from Tertiary for USD\$1,000,000 at any time prior to commencement of commercial production on either project).

The Kiekerömaa claims were novated by Aurion to Aurion/B2Gold joint venture company during the reporting period. The joint venture company has assumed the liability to pay Aurion's royalty obligation.

Notably, as announced on 18 October 2021, B2Gold moved to 70% ownership of this joint venture company by exercising their option to acquire an additional 19%.

### **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 year.

The Company is pleased to report that, to date, there have been no cases of Coronavirus amongst its staff.

### **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.

# Risks & Uncertainties

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible.

The principal risks and uncertainties facing the Group at this stage in its development and in the foreseeable future are detailed below together with risk mitigation strategies employed by the Board.

RISK	MITIGATION STRATEGIES
<p><b><i>Exploration Risk</i></b></p> <p>The Group's business is mineral exploration and evaluation which are speculative activities. 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.</p>	<p>The directors bring many years of combined mining and exploration experience and an established track record in mineral discovery.</p> <p>The Company mainly targets advanced and drill ready exploration projects in order to avoid higher risk grass roots exploration.</p>
<p><b><i>Resource/Reserve Risk</i></b></p> <p>All mineral projects have risk associated with defined grade and continuity. Mineral Resources and Reserves are always subject to uncertainties in the underlying assumptions which include the quality of the underlying data, geological interpretations, technical assumptions and price forecasts.</p>	<p>Mineral Resources and Reserves are estimated and by independent specialists on behalf of the Group and reported in accordance with accepted industry standards and codes. The directors are realistic in the use of mineral price forecasts and impose rigorous practices in the QA/QC programmes that support its independent estimates.</p>
<p><b><i>Development Risk</i></b></p> <p>Delays in permitting, or changes in permit legislation and/or regulation, financing and commissioning a project may result in delays to the Group meeting production targets or even the Company ultimately not receiving the required permits and in extreme cases loss of title.</p>	<p>In order to reduce development risk in future, the directors will ensure that its permit application processes and financing applications are robust and thorough.</p>
<p><b><i>Commodity Risk</i></b></p> <p>Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.</p>	<p>The Company consistently reviews commodity prices and trends for its key projects throughout the development cycle.</p>
<p><b><i>Mining and Processing Technical Risk</i></b></p> <p>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.</p>	<p>From the earliest stages of exploration the directors look to use consultants and contractors who are leaders in their field and in future will seek to strengthen the executive management and the Board with additional technical and financial skills as the Company transitions from exploration to production.</p>
<p><b><i>Environmental and Social Governance (ESG) Risk</i></b></p> <p>Exploration and development of a project can be adversely affected by environmental and social legislation and the unforeseen results of environmental and social impact studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.</p>	<p>The Company has adopted an Environmental Policy and avoids the acquisition of projects where liability for legacy environmental issues might fall upon the Company. The Environmental Policy will be updated in future to account for planned mining activities.</p> <p>Mineral exploration carries a lower level of environmental and social liability than mining.</p>

<p><b>Political Risk</b></p> <p>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 can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.</p>	<p>The Company's strategy currently restricts its activities to stable, democratic and mining-friendly jurisdictions.</p> <p>The Company has adopted a strong Anti-corruption Policy and a Code of Conduct and these are strictly enforced.</p>
<p><b>Partner Risk</b></p> <p>Whilst there has been no past evidence of this, 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.</p>	<p>The Company currently maintains control of certain key projects so that it can control the pace of exploration and reduce partner risk.</p> <p>For projects where other parties are responsible for critical payments and expenditures the Company's agreements legislate that such payments and expenditures are met.</p>
<p><b>Financing &amp; Liquidity Risk</b></p> <p>Liquidity risk is the risk that the Company will not be able to raise working capital for its ongoing activities.</p> <p>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.</p>	<p>The Company maintains a good network of contacts in the capital markets which has historically met its financing requirements.</p> <p>The Company's low overheads and cost-effective exploration strategies help reduce its funding requirements. Nevertheless, further equity issues will be required over the next 12 months.</p>
<p><b>Financial Instruments</b></p> <p>Details of risks associated with the Group's Financial Instruments are given in Note 19 to the financial statements.</p>	<p>The directors are responsible for the Group's systems of internal financial control. Although no systems of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.</p> <p>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.</p> <p>The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.</p>

## COVID-19

The Company has applied all government guidelines in its day-to-day operations and administration. The restrictions on international travel have impacted the ability of the Company to travel to the US. Fortunately, this has not caused any material delays or setbacks in the exploration of the Group's projects in the US or the advancement of corporate objectives. Management and staff have carried out their duties diligently and efficiently in the circumstances of the "work-from-home" rules and social distancing. Travel restrictions to the US were lifted on 8 November 2021.

There have been no cases of Coronavirus amongst the Company's staff.



## **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.

## Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. This requires a director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, clients, joint arrangement partners and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Company's directors give careful consideration to these factors in discharging their duties. The stakeholders we consider are our shareholders, employees, suppliers (including consultants and contractors), our joint arrangement partners, the regulatory bodies that we engage with and those that live in the societies and geographical areas in which we operate. The directors recognise that building strong, responsible and sustainable relationships with our stakeholders will help us to deliver our strategy in line with our long-term objectives.

Having regard to:

### **The likely consequences of any decision in the long-term:**

The Company's Aims and Business Model are set out at the head of this Strategic Report and in the Chairman's Statement. The Company's mineral exploration and development business is, by its very nature, long-term and so the decisions of the Board always consider the likely long-term consequences and take into consideration, for example, trends in metal and minerals supply and demand, the long-term political stability of the countries in which the Company operate and the potential impact of its decisions on its stakeholders and the environment. The Board's approach to general strategy and long-term risk management are set out in the Corporate Governance Statement (Principle 1) and the section on Risks and Uncertainties.

### **The interests of the Company's employees:**

All of the Company's employees have daily access to the executive directors and to the non-executive directors and there is a continuous and transparent dialogue on all employment matters. Further details on the Board's employment policies, health and safety policy and employee engagement are given in the Corporate Governance Statement (Principle 8).

### **The need to foster the Company's business relationships with its stakeholders:**

The sustainability of the Company's business long-term is dependent on maintaining strong relationships with its stakeholders. The factors governing the Company's decision making and the details of stakeholder engagement are set out in the Corporate Governance Statement (Principles 2, 3, 8 and 10).

### **Having regard to the impact of the Company's operations on the community and the environment:**

The Company requires a "social licence" to operate sustainably in the mining industry and so the Board makes careful consideration of any potential impacts of its activities on the local community and the environment. The Board strives to maintain good relations with the local communities in which it operates and with local businesses. The executive directors meet with regulators and community representatives when promulgating the Company's plans for exploration and development and take their comments into consideration wherever possible. Further discussion of these activities can be found in the Operating Review and in the Corporate Governance Statement (Principle 3).

### **The desirability of the Company maintaining a reputation for high standards of business contact:**

The Board recognises that its reputation is key to its long-term success and depends on maintaining high standards of corporate governance. It has adopted the QCA Code of Corporate Governance and sets out in detail how it has complied with the 10 key principles of the QCA Code in the Corporate Governance Statement. This contains details of various Company policies designed to maintain high standards of business conduct such as the Share Dealing Policy, Health and Safety Policy and Anti-Bribery Policy and Code of Conduct.

**The need to act fairly between Members of the Company:**

The Board ensures that it takes decisions in the interests of the members (shareholders) as a whole and aims to keep shareholders fully informed of significant developments, ensuring that all shareholders receive Company news at the same time. The directors devote time to answering genuine shareholder queries and ensure that no individual or group of shareholders is given preferential treatment. Further information is provided in the Corporate Governance Statement (Principles 2 and 10).

This Strategic Report was approved by the Board on 9 December 2021 and signed on its behalf.

**Patrick Cheetham**  
Executive Chairman

# 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 a company for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with applicable law and International Accounting Standards in conformity with the Companies Act 2006. 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 applicable law and International Accounting Standards in conformity with the Companies Act 2006;
- 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 Directors' Report and other information included in the Annual Report and financial statements are 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. 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.

# Information from the Directors' Report

The directors are pleased to submit their Annual Report and audited financial statements for the year ended 30 September 2021.

The Strategic Report contains details of the principal activities of the Company and includes the Operating Review 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 through share placings. 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. Given the Group's cash position at the year-end (£472,733), 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 do not 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 19 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 Risks and Uncertainties.

## Directors

The directors holding office during the year were:

Mr P L Cheetham  
 Mr P B Cullen (Appointed 14 September 2021)  
 Mr D A R McAlister  
 Dr M G Armitage (Appointed 28 January 2021)

## Attendance at Board and Committee Meetings

The Board retains control of the Group with day-to-day operational control delegated to the Executive Chairman. The full Board meets four times a year and on any other occasions it considers necessary.

Director	Board Meetings		Nomination Committee		Audit Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
P L Cheetham	17	17	3	3	2	2	1	1
P B Cullen*	-		-		-			
D A R McAlister	17		3		2			
Dr M Armitage**	11		1		1			

\*Appointed 14 September 2021 and so not eligible to attend any meetings during the reporting period

\*\* Appointed 28 January 2021 and so only eligible to attend 11 meetings

The directors' shareholdings are shown in Note 17 to the financial statements.

## 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 9 December 2021	Number of shares	% of share capital
JIM Nominees Limited JARVIS	139,255,490	11.77
Interactive Investor Services Nominees Limited SMKTISAS	125,561,008	10.61
Hargreaves Lansdown (Nominees) Limited 15942	98,466,905	8.32
Hargreaves Lansdown (Nominees) Limited HLNOM	72,702,424	6.14
Barclays Direct Investing Nominees Limited CLIENT1	71,283,832	6.02
Interactive Investor Services Nominees Limited SMKNOMS	65,378,710	5.53
Aurora Nominees Limited 2288700	51,686,187	4.37
Hargreaves Lansdown (Nominees) Limited VRA	51,400,510	4.34
Vidacos Nominees Limited IGUKCLT	45,840,570	3.87
HSDL Nominees Limited	40,879,510	3.45

## Disclosure of Audit Information

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

## Annual General Meeting

The Company's Annual General Meeting will be held on Friday, 28 January 2022 at 10.00 a.m..

## Conflicts of Interest

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

At 30 September 2021, Tertiary Minerals plc held 0.59% 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.

Approved by the Board on 9 December 2021 and signed on its behalf.

**Patrick Cullen**  
Managing Director

# Board of Directors

The directors and officers of the Company during the financial year were:

## **Patrick Cheetham (61)**

*Chairman*

### **Key Strengths and Experience**

- Geologist.
- 39 years' experience in mineral exploration.
- 34 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.

## **Patrick Cullen (50) (Appointed 14 September 2021)**

*Managing Director*

### **Key Strengths and Experience**

- MBA, BSc (Hons.) Geology and experienced mineral exploration executive.
- 25 years' experience in mining and mineral exploration.
- Strong technical background in geology, geophysics and mining.

### **External Appointments**

None.

## **Donald McAlister (62)**

*Non-Executive Director\**

### **Key Strengths and Experience**

- Accountant.
- Previously Finance Director at Mwana Africa plc, Ridge Mining plc, Reunion Mining and Moxico Resources plc.
- 26 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**

Financial Director of ZincOx Resources plc.

\* Currently Chair of the Audit Committee.

## **Dr Michael Armitage (59)**

*Non-Executive Director\*\**

### **Key Strengths and Experience**

- 30 years' experience producing resource estimates, competent persons reports and feasibility studies with SRK Consulting
- Previously Managing Director and Chairman of the SRK UK, Director of SRK's Exploration Services, and SRK Group Chairman
- Chair of the Applied Earth Science Division of IMMM, Chair of the Geological Society Business Forum and Honorary Chair of the Critical Minerals Association

### **External Appointments**

Executive Director of Sarn Helen Gold Limited. Executive Director SRK Exploration Services Ltd. Director of TREO Minerals Ltd.

\*\*Currently Chair of the Remuneration Committee

## **Rod Venables – City Group PLC**

*Company Secretary*

### **Key Strengths and Experience**

- Qualified company/commercial solicitor
- Director and Head of Company Secretarial Services at City Group PLC
- Experienced in both Corporate Finance and Corporate Broking

### **External Appointments**

Company Secretary for Sunrise Resources plc and other corporate clients of City Group PLC.

# Corporate Governance

## Chairman's Overview

There is no prescribed corporate governance code for AIM companies and London Stock Exchange prefers to give companies the flexibility to choose from a range of codes which suit their specific stage of development, sector and size.

The Board considers the corporate governance code published by the Quoted Companies Alliance the most suitable code for the Company. Accordingly, the Company has adopted the principles set out in the QCA Corporate Governance Code (the "QCA Code") and applies these principles wherever possible, and where appropriate to its size and available resources.

The Company's Corporate Governance Statement was reviewed and amended by the Board on 9 December 2021. The Company has set out on its website and in its Corporate Governance Statement, the ten principles of the QCA Code and details of the Company's compliance.

Patrick Cheetham, in his capacity as Chairman, has overall responsibility for the corporate governance of the Company and the Board is responsible for delivering on our well-defined business strategy having due regard for the associated risks and opportunities. The Company's corporate governance arrangements now in place are designed to deliver a corporate culture that understands and meets shareholder and stakeholder needs and expectations whilst delivering long-term value for shareholders.

The Board recognises that its principal activity, mineral exploration and development, has potential to impact on the local environment and consequently has adopted an Environmental Policy to ensure that the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same. The Group's activities, carried out in accordance with the Environmental Policy, have had only minimal environmental impact at present and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

The Board recognises the benefits that social media engagement can have in helping the Company reach out to shareholders and other stakeholders, but it also recognises that misuse or abuse of social media can bring the Company into disrepute. To facilitate the responsible use of social media the Company has adopted a Social Media Policy applicable to all officers and employees of the Company.

The Board has also adopted a Share Dealing Code for dealings in shares of the Company by directors and employees and an Anti-corruption Policy and Code of Conduct applicable to employees, 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 (2020: 5 days). This amount is calculated by dividing the creditor balance at the year-end by the average daily Group spend in the year.

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 employees and other stakeholders. The Company has developed a Health and Safety Policy to clearly define roles and responsibilities and in order to identify and manage risk.

Your Board currently comprises four directors of which two are non-executive and considered by the Board to be independent of management. We believe that this balance provides an appropriate level of independent oversight. The Board has the ability to seek independent advice although none was deemed necessary in the year under review. The Board is aware of the need to refresh its membership from time to time and to match its skill set to those required for the development of its mineral interests and will consider appointing additional independent non-executive directors in the future.

**Patrick Cheetham**  
Executive Chairman



# Corporate Governance Statement

The QCA Code sets out ten principles which should be applied. The principles are listed below with an explanation of how the Company applies each principle and/or the reasons for any aspect of non-compliance.

## **Principle One: Establish a strategy and business model which promotes long-term value for shareholders.**

The Company has a clearly defined strategy and business model that has been adopted by the Board and is set out in the Strategic Report. Details of the challenges to the execution of the Company's strategy and business model and how those will be addressed can be found in Risks and Uncertainties in the Strategic Report.

## **Principle Two: Seek to understand and meet shareholder needs and expectations.**

The Board is committed to maintaining good communication with its shareholders and investors. The Chairman and members of the Board from time to time meet with shareholders and investors directly or through arrangements with the Company's brokers to understand their investment requirements and expectations and to address their enquiries and concerns.

All shareholders are normally encouraged to attend the Company's Annual General Meetings where they can meet and directly communicate with the Board. After the close of business at the Annual General Meeting, the Chairman makes an up-to-date corporate presentation and opens the floor to questions from shareholders.

Shareholders are also welcome to contact the Company via email at [info@tertiaryminerals.com](mailto:info@tertiaryminerals.com) with any specific queries.

The Company also provides regulatory, financial and business news updates through the Regulatory News Service (RNS) and various media channels such as Twitter. Shareholders also have access to information through the Company's website, [www.tertiaryminerals.com](http://www.tertiaryminerals.com), which is updated on a regular basis and which includes the latest corporate presentation on the Group. Contact details are also provided on the website.

## **Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long-term success.**

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, regulatory authorities, suppliers and other stakeholders in its project locations and encourages feedback through this engagement. Through this process the Company identifies the key resources and fosters the relationships on which the business relies.

## **Principle Four: Embed effective risk management, considering both opportunities and threats, throughout the organisation.**

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 whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Group at this stage in its development and in the foreseeable future are detailed in Risks and Uncertainties in the Strategic Report, together with risk mitigation strategies employed by the Board.

## **Principle Five: Maintain the board as a well-functioning, balanced team led by the chair.**

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 formally four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives regular and timely reports for consideration on all significant strategic, operational and financial matters. Relevant information for consideration by the Board is circulated in advance of its meetings.

The Board met seventeen times during the year to consider such matters. Further details are provided in the Directors' Report. The Board is supported by the Audit, Remuneration and Nomination Committees.

The Board currently consists of the Executive Chairman (Patrick Cheetham), Managing Director (Patrick Cullen) and two non-executive directors (Donald McAlister and Dr Mike Armitage). The Board considers that the Board structure is acceptable having regard to the fact that it is not yet revenue-earning.

The non-executive directors have committed the time necessary to fulfil their roles during the year. The attendance record of the directors at Board and Board Committee meetings are detailed in the Directors' Report.

The current non-executive directors are considered independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Despite serving as a non-executive director for more than nine years, Donald McAlister is considered independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgement. In compliance with good practice, Mr McAlister would normally seek annual re-election rather than every third year as per the Articles of Association. However, as two other Board members are up for election this year Mr McAlister will not be retiring and offering himself for re-election.

**Principle Six: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.**

The Board considers the current balance of sector, financial and public market skills and experience of its directors are relevant to the Company's business and are appropriate for the current size and stage of development of the Company and the Board considers that it has the skills and experience necessary to execute the Company's strategy and business plan and discharge its duties effectively.

The directors maintain their skills through membership of various professional bodies, attendance at mining conferences and through their various external appointments.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. All directors are able to take independent professional advice, if required, in relation to their duties and at the Company's expense.

**Principle Seven: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.**

The ultimate measure of the effectiveness of the Board is the Company's progress against the long-term strategy and aims of the business. This progress is reviewed in Board meetings held at least four times a year. The executive directors' performance is regularly reviewed by the rest of the Board.

The Nomination Committee, currently consisting of the executive directors and the two non-executive directors, meets at least once a year to lead the formal process of rigorous and transparent procedures for Board appointments. During its meetings the Nomination Committee reviews the structure, size and composition of the Board; succession planning; leadership; key strategic and commercial issues; conflicts of interest; time required from non-executive directors to execute their duties effectively; overall effectiveness of the Board and its own terms of reference.

A new non-executive director, Dr Mike Armitage, was appointed in January 2021. Mr Patrick Cullen was appointed as Managing Director in September 2021.

Under the Articles of Association, new directors appointed to the Board must stand for election at the first Annual General Meeting of the Company following their appointment. Under the Articles of Association, existing directors retire by rotation and may offer themselves for re-election.

**Principle Eight: Promote a corporate culture that is based on ethical values and behaviours.**

The Board recognises and strives to promote a corporate culture based on strong ethical and moral values.

The Group will give 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 Tertiary's employees' interests when making decisions, and suggestions from those employees aimed at improving the Group's performance are welcomed.

The corporate culture of the Company is promoted to Tertiary's employees, suppliers and contractors and is underpinned by the implementation and regular review, enforcement and documentation of various policies: Health and Safety Policy; Environmental Policy; Share Dealing Policy; Anti-Corruption Policy & Code of Conduct; Privacy and Cookies Policy and Social Media Policy. These procedures enable the Board to determine that ethical values are recognised and respected.

The Board recognises that its principal activity, mineral exploration and development, has potential to impact on local environments and consequently has adopted an Environmental Policy to ensure that, wherever they take place, the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same. 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 affected parties.

**Principle Nine: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.**

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making, and that the non-executive directors are properly briefed on all operational and financial matters. The Chairman has overall responsibility for corporate governance matters in the Group and chairs the Nomination Committee. The Managing Director has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. Key operational and financial decisions are reserved for the Board through quarterly project reviews, annual budgets, and quarterly budget and cash-flow forecasts and on an ad hoc basis where required.

The two non-executive directors are responsible for bringing independent and objective judgment to Board decisions. The Board has established Audit, Remuneration and Nomination Committees with formally delegated duties and responsibilities. Donald McAlister currently chairs the Audit Committee, Dr Mike Armitage chairs the Remuneration Committee and Patrick Cheetham chairs the Nomination Committee.

This Corporate Governance statement will be reviewed at least annually to ensure that the Company's corporate governance framework evolves in line with the Company's strategy and business plan.

**Principle Ten: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.**

The Company regularly communicates with, and encourages feedback from, its shareholders who are its key stakeholder group. The Company's website is regularly updated and users, including all stakeholders, can register to be alerted via email when material announcements are made. The Company's contact details are on the website should stakeholders wish to make enquiries of management.

The Group's financial reports for at least the past five years can be found here: [www.tertiaryminerals.com/investor-media/financial-reports](http://www.tertiaryminerals.com/investor-media/financial-reports) and contains past Notices of Annual General Meetings.

The results of voting on all resolutions in general meetings are posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent votes.

# Audit Committee Report

The Audit Committee is a sub-committee of the Board, comprised of the independent non-executive directors 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 auditors taking account of any non-audit services provided by them. Donald McAlister is Chair of the Audit Committee.

The specific objectives of the Committee are to:

- a) maintain adequate quality and effective scope of the external audit of the Group including its branches where applicable and review the independence and objectivity of the auditors.
- b) ensure that the Board of Directors has adequate knowledge of issues discussed with external auditors.
- c) ensure the financial information and reports issued by the Company to AIM, shareholders and other recipients are accurate and contain proper disclosure at all times.
- d) maintain the integrity of the Group's administrative, operating and accounting controls and internal control principles.
- e) ensure proper accounting policies are adhered to by the Group.

The Committee has unlimited access to the external auditors, to senior management of the Group and to any external party deemed necessary for the proper discharge of its duties. The Committee may consult independent experts where it considers necessary to perform its duties.

The Audit Committee reviews the financial controls of the Company on a regular basis and is satisfied that the Group's financial controls and reporting procedures are robust and sufficient to ordinarily prevent fraud and ensure that senior management, the Committee and the Board are fully aware of the Company's financial position at all times.

The Audit Committee met twice in the last financial year, on 11 December 2020 and 26 May 2021.

The Committee reviewed the carrying values of the Group projects and the Group inter-company loans and carried out impairment reviews. The project carrying values are assessed against the IFRS 6 criteria set out in Note 1(n). Loans to Group undertakings are assessed for impairment under IFRS 9.

As a result of the year-end review, it was judged that the Pegleg Project expenditure should be fully impaired but none of the Group's inter-company loans should be impaired.

## 2. Going Concern

The Committee also considered the Going Concern basis on which the accounts have been prepared (see Note 1(b)). The directors are satisfied that the Going Concern basis is appropriate for the preparation of the financial statements.

**Donald McAlister**  
Chair - Audit Committee

# Remuneration Committee Report

The Remuneration Committee is a sub-committee of the Board and comprises the two non-executive directors. Dr Mike Armitage is Chairman of the Remuneration Committee, having been appointed on 28 January 2021.

The primary objective of the Committee is to review the performance of the executive directors and review the basis of their service agreements and make recommendations to the Board regarding the scale and structure of their remuneration.

The Remuneration Committee met once only in the financial year under review, on 28 June 2021, to discuss the medium-term incentive scheme to be put in place for the Executive Chairman, Patrick Cheetham, who had been managing Tertiary Minerals plc, since the departure of Mr Richard Clemmey, former Managing Director, in June 2020.

## **Dr Mike Armitage**

Chair - Remuneration Committee

# Nomination Committee Report

The Nomination Committee comprises the Executive Chairman, Managing Director and the two non-executive directors. Patrick Cheetham is Chair of the Nomination Committee.

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.

The Committee is required to:

- (a) Review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes.
- (b) Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- (c) Keep under review the leadership needs of the organisation to compete effectively in the marketplace.
- (d) Review annually the time required from non-executive directors.
- (e) Arrange periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Committee carries out its duties for the Parent Company, major subsidiary undertakings and the Group as a whole and met three times during the period under review:

- on 15 December 2020, to consider and recommend to the Board the appointment of Dr Mike Armitage as an independent non-executive director;
- on 19 February 2021, to consider and recommend the appointment of Dr Mike Armitage to the Board of Tertiary Gold Limited, and also his appointment to the Nomination and Audit Committees, and as Chairman of the Remuneration Committee; and
- on 13 September 2021, to consider and recommend to the Board the appointment of Mr Patrick Cullen to the position of Managing Director.

The Committee is satisfied that the current Board has a depth of experience and level and range of skills appropriate to the Company at this stage in its development. It is however recognised that the Company is likely to need additional expertise as it moves forward into commercial production and so the composition of the Board will be kept under careful review to ensure that the Board can deliver long-term growth in shareholder value.

**Patrick Cheetham**

Chair - Nomination Committee

**Publication of Statutory Accounts**

The financial information set out in this announcement does not constitute the Company's Annual Accounts for the period ended 30 September 2021 or 2020. The financial information for 2020 is derived from the Statutory Accounts for 2020. Full audited accounts in respect of that financial period have been delivered to the Registrar of Companies. The Statutory Accounts for 2021 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The Auditors have reported on the 2021 and 2020 accounts. Neither set of accounts contain a statement under section 498(2) of (3) the Companies Act 2006 and both received an unqualified audit opinion. However, there was an emphasis of matter in relation to a requirement that the Company raise funds in the future to continue as a going concern.

**Availability of Financial Statements**

The Annual Report containing the full financial statements for the year to 30 September 2021 will be uploaded to the Shareholders Documents section of the Company's website on or around 17 December 2021: <https://www.tertiaryminerals.com/shareholder-documents>.

# Consolidated Income Statement

for the year ended 30 September 2021

	Notes	2021 £	2020 £
Revenue	2,17	165,058	175,750
Administration costs		(486,171)	(597,994)
Pre-licence exploration costs		(72,725)	(49,360)
Impairment of deferred exploration asset	8	(13,179)	(2,027,000)
<b>Operating loss</b>		<b>(407,017)</b>	<b>(2,498,604)</b>
Interest receivable		54	437
Loss before income tax	3	(406,963)	(2,498,167)
Income tax	7	—	—
<b>Loss for the year attributable to equity holders of the parent</b>		<b>(406,963)</b>	<b>(2,498,167)</b>
Loss per share — basic and diluted (pence)	6	(0.038)	(0.38)

All amounts relate to continuing activities.

# Consolidated Statement of Comprehensive Income

for the year ended 30 September 2021

	2021 £	2020 £
<b>Loss for the year</b>	<b>(406,963)</b>	<b>(2,498,167)</b>
<b>Items that could be reclassified subsequently to the income statement:</b>		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(1,758)	(94,278)
	<b>(1,758)</b>	<b>(94,278)</b>
<b>Items that will not be reclassified to the income statement:</b>		
Changes in the fair value of other investments	(5,489)	23,263
	<b>(5,489)</b>	<b>23,263</b>
<b>Total comprehensive income/(loss) for the year attributable to equity holders of the parent</b>	<b>(414,210)</b>	<b>(2,569,182)</b>

# Consolidated and Company Statements of Financial Position

at 30 September 2021

Company Number 03821411

	Notes	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
<b>Non-current assets</b>					
Intangible assets	8	754,110	—	541,958	—
Property, plant & equipment	9	3,953	3,953	3,369	3,369
Investment in subsidiaries	10	—	839,108	—	541,958
Other investments	10	50,496	50,496	55,985	55,985
		<b>808,559</b>	<b>893,557</b>	601,312	601,312
<b>Current assets</b>					
Receivables	11	81,024	52,522	71,695	52,634
Cash and cash equivalents	12	472,733	456,126	622,859	587,139
		<b>553,757</b>	<b>508,648</b>	694,554	639,773
<b>Current liabilities</b>					
Trade and other payables	13	(76,850)	(52,185)	(66,189)	(37,038)
Reclamation liability	21	(15,994)	—	—	—
Share subscription loan	20	—	—	(420,000)	(420,000)
		<b>(92,844)</b>	<b>(52,185)</b>	(486,189)	(457,038)
<b>Net current assets</b>		<b>460,913</b>	<b>456,463</b>	208,365	182,735
<b>Net assets</b>		<b>1,269,472</b>	<b>1,350,020</b>	809,677	784,047
<b>Equity</b>					
Called up Ordinary Shares	14	118,332	118,332	83,164	83,164
Share premium account		11,567,055	11,567,055	10,740,972	10,740,972
Capital redemption reserve	14	2,644,061	2,644,061	2,644,061	2,644,061
Merger reserve		131,096	131,096	131,096	131,096
Share option reserve	14	80,048	80,048	71,897	71,897
Fair value reserve		9,330	9,330	14,819	14,819
Foreign currency reserve	14	323,716	—	325,474	—
Accumulated losses		(13,604,166)	(13,199,902)	(13,201,806)	(12,901,962)
<b>Equity attributable to the owners of the parent</b>		<b>1,269,472</b>	<b>1,350,020</b>	809,677	784,047

The Company reported a loss for the year ended 30 September 2021 of £302,543 (2020: £2,349,976).

These financial statements were approved and authorised for issue by the Board on 9 December 2021 and were signed on its behalf.

**P B Cullen**  
Managing Director

**D A R McAlister**  
Director



# Consolidated Statement of Changes in Equity

Group	Ordinary share capital £	Deferred shares £	Share premium account £	Capital redemption reserve £	Merger reserve £	Share option reserve £	Fair value reserve £	Foreign currency reserve £	Accumulated losses £	Total £
<b>At 30 September 2019</b>	<b>44,307</b>	<b>2,644,062</b>	<b>10,008,687</b>	<b>—</b>	<b>131,096</b>	<b>67,468</b>	<b>(8,444)</b>	<b>419,752</b>	<b>(10,729,500)</b>	<b>2,577,428</b>
Loss for the period	—	—	—	—	—	—	—	—	(2,498,167)	(2,498,167)
Change in fair value	—	—	—	—	—	—	23,263	—	—	23,263
Exchange differences	—	—	—	—	—	—	—	(94,278)	—	(94,278)
<b>Total comprehensive loss for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23,263</b>	<b>(94,278)</b>	<b>(2,498,167)</b>	<b>(2,569,182)</b>
Share issue	38,857	—	732,284	—	—	—	—	—	—	771,141
Cancellation of deferred shares	—	(2,644,062)	1	2,644,061	—	—	—	—	—	—
Share based payments expense	—	—	—	—	—	30,290	—	—	—	30,290
Transfer of expired warrants	—	—	—	—	—	(25,861)	—	—	25,861	—
<b>At 30 September 2020</b>	<b>83,164</b>	<b>—</b>	<b>10,740,972</b>	<b>2,644,061</b>	<b>131,096</b>	<b>71,897</b>	<b>14,819</b>	<b>325,474</b>	<b>(13,201,806)</b>	<b>809,677</b>
Loss for the period	—	—	—	—	—	—	—	—	(406,963)	(406,963)
Change in fair value	—	—	—	—	—	—	(5,489)	—	—	(5,489)
Exchange differences	—	—	—	—	—	—	—	(1,758)	—	(1,758)
<b>Total comprehensive loss for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5,489)</b>	<b>(1,758)</b>	<b>(406,963)</b>	<b>(414,210)</b>
Share issue	35,168	—	826,083	—	—	—	—	—	—	861,251
Share based payments expense	—	—	—	—	—	12,754	—	—	—	12,754
Transfer of expired warrants	—	—	—	—	—	(4,603)	—	—	4,603	—
<b>At 30 September 2021</b>	<b>118,332</b>	<b>—</b>	<b>11,567,055</b>	<b>2,644,061</b>	<b>131,096</b>	<b>80,048</b>	<b>9,330</b>	<b>323,716</b>	<b>(13,604,166)</b>	<b>1,269,472</b>

# Company Statement of Changes in Equity

Company	Ordinary share capital £	Deferred shares £	Share premium account £	Capital redemption reserve £	Merger reserve £	Share option reserve £	Fair value reserve £	Accumulated losses £	Total £
<b>At 30 September 2019</b>	<b>44,307</b>	<b>2,644,062</b>	<b>10,008,687</b>	<b>—</b>	<b>131,096</b>	<b>67,468</b>	<b>(8,444)</b>	<b>(10,577,847)</b>	<b>2,309,329</b>
Loss for the period	—	—	—	—	—	—	—	(2,349,976)	(2,349,976)
Change in fair value	—	—	—	—	—	—	23,263	—	23,263
<b>Total comprehensive loss for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23,263</b>	<b>(2,349,976)</b>	<b>(2,326,713)</b>
Share issue	38,857	—	732,284	—	—	—	—	—	771,141
Cancellation of deferred shares	—	(2,644,062)	1	2,644,061	—	—	—	—	—
Share based payments expense	—	—	—	—	—	30,290	—	—	30,290
Transfer of expired warrants	—	—	—	—	—	(25,861)	—	25,861	—
<b>At 30 September 2020</b>	<b>83,164</b>	<b>—</b>	<b>10,740,972</b>	<b>2,644,061</b>	<b>131,096</b>	<b>71,897</b>	<b>14,819</b>	<b>(12,901,962)</b>	<b>784,047</b>
Loss for the period	—	—	—	—	—	—	—	(302,543)	(302,543)
Change in fair value	—	—	—	—	—	—	(5,489)	—	(5,489)
<b>Total comprehensive loss for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5,489)</b>	<b>(302,543)</b>	<b>(308,032)</b>
Share issue	35,168	—	826,083	—	—	—	—	—	861,251
Share based payments expense	—	—	—	—	—	12,754	—	—	12,754
Transfer of expired warrants	—	—	—	—	—	(4,603)	—	4,603	—
<b>At 30 September 2021</b>	<b>118,332</b>	<b>—</b>	<b>11,567,055</b>	<b>2,644,061</b>	<b>131,096</b>	<b>80,048</b>	<b>9,330</b>	<b>(13,199,902)</b>	<b>1,350,020</b>

# Consolidated and Company Statements of Cash Flows

for the year ended 30 September 2021

	Notes	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
<b>Operating activity</b>					
Operating (loss)/profit		(407,017)	(316,374)	(2,498,604)	(2,381,116)
Depreciation charge	9	1,691	1,691	1,850	1,850
Shares issued in lieu of net wages		—	—	4,090	4,090
Share based payment charge		12,754	12,754	30,290	30,290
Impairment charge - deferred exploration asset	8	13,179	—	2,027,000	—
Increase/(decrease) in provision for impairment of loans to subsidiaries	10	—	29,090	—	1,958,667
Reclamation liability	8	(15,994)	—	—	—
(Increase)/decrease in receivables	11	(9,328)	112	(30,127)	(33,287)
Increase/(decrease) in payables	13	32,936	(14,004)	(4,497)	7,321
<b>Net cash outflow from operating activity</b>		<b>(355,785)</b>	<b>(286,731)</b>	<b>(469,998)</b>	<b>(412,185)</b>
<b>Investing activity</b>					
Interest received		54	32,983	437	41,140
Exploration and development expenditures	8	(235,051)	—	(200,071)	—
Disposal of other investments	10	—	—	57,053	57,053
Purchase of property, plant & equipment	9	(2,276)	(2,276)	(1,037)	(1,037)
Additional loans to subsidiaries	10	—	(326,240)	—	(304,328)
<b>Net cash outflow from investing activity</b>		<b>(237,276)</b>	<b>(295,533)</b>	<b>(143,618)</b>	<b>(207,172)</b>
<b>Financing activity</b>					
Issue of share capital (net of expenses)		861,251	861,251	767,051	767,051
Share subscription loan		(420,000)	(420,000)	420,000	420,000
<b>Net cash inflow from financing activity</b>		<b>441,251</b>	<b>441,251</b>	<b>1,187,051</b>	<b>1,187,051</b>
<b>Net (decrease)/increase this year</b>		<b>(151,810)</b>	<b>(141,013)</b>	<b>573,435</b>	<b>567,694</b>
Cash and cash equivalents at start of year		622,859	597,139	50,617	29,445
Exchange differences		1,684	—	(1,193)	—
<b>Cash and cash equivalents at 30 September</b>	12	<b>472,733</b>	<b>456,126</b>	<b>622,859</b>	<b>597,139</b>

# Notes to the Financial Statements

for the year ended 30 September 2021

## 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 applicable law and International Accounting Standards in conformity with the Companies Act 2006.

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 £302,543 (2020: £2,349,976). The loss for 2021 includes provision for impairment of its investment in subsidiary undertakings in the amount of £29,089 (Note 10).

### **(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. Given the Group’s cash position at year end (£472,733), 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.

### **(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 biannual review is carried out by the directors to consider whether there are any indications of impairment in capitalised exploration and development costs. The biannual impairment reviews were conducted in April 2021 and November 2021.

Where an indication of impairment is identified, the relevant value is written off to the income statement in the period for which the impairment was identified. An impairment of exploration and development costs may be subsequently reversed in later periods should conditions allow.

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.

#### **(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) Financial assets designated at fair value through OCI**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

#### **(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 recognised as the fair value of management services provided to Sunrise Resources plc and relates to expenditure incurred and recharged. The Company recognises revenue as contractual performance obligations are satisfied. Revenue is 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 reporting 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 in equity.

#### **(l) Leases**

The general policy adopted in relation to leased assets is IFRS 16, which requires the recognition of lease commitments as right of use assets and a corresponding liability.

The company only has short term leases, which do not require recognition as right of use assets having a duration of 12 months or less and without a renewal commitment. Leasing costs are therefore charged to the income statement on a straight line basis.

***(m) Share warrants and share-based payments***

The Company issues warrants and options to employees (including directors) and third parties. The fair value of the warrants and options is recognised as a charge measured at fair value on the date of grant and determined in accordance with IFRS 2, adopting the Black–Scholes–Merton model. The fair value is charged to administrative expenses on a straight-line basis over the vesting period, together with a corresponding increase in equity, based on the management’s estimate of shares that will eventually vest. The expected life of the options and warrants is adjusted based on management’s best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The details of the calculation are shown in Note 15.

The Company also issues shares and/or warrants in order to settle certain liabilities, including partial payment of fees to directors. The fair value of shares issued is based on the closing mid-market price of the shares on the AIM market on the day prior to the date of settlement and it is expensed on the date of settlement with a corresponding increase in equity.

***(n) Judgements and estimations in applying accounting policies***

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

*Intangible assets - exploration and evaluation*

IFRS 6 “Exploration for and Evaluation of Mineral Resources” requires that exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed recoverable amount.

In practical terms, this requires that project carrying values are regularly monitored and assessed for recoverability whether from future exploitation of resources or realised by sale to a third party.

Where activities have not reached a stage which permits reasonable confirmation of the existence of mineral reserves, the directors must form a judgement whether future exploration and evaluation should continue. This requires management to use their sector experience, apply their specialist expertise and form a conclusive judgement as to whether or not, on the balance of evidence that further exploration is justified to determine if an economically viable mining operation can be established in future. Such estimates, judgements and assumptions are likely to change as new information and evidence becomes available. If it becomes apparent, in the judgement of the directors, that recovery of capitalised expenditure is unlikely, the carrying value should be considered as impaired as detailed below.

*Royalty assets*

Royalty assets representing the Company’s rights to future royalties based upon the extraction of mineral resources by a third party are amortised based upon units of production. The directors review throughout the year to consider whether there are any indications of impairment and considerations are documented at board meetings. If such indications exist a full impairment review is undertaken and if it is concluded that an impairment provision is required, this is charged 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 directors are required to continually monitor and review the carrying values by reference to new developments, stages in the exploration process and new circumstances. Assessment of the potential impairment of assets requires an updated judgement of the probability of adequate future cash flows from the relevant project. It includes 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) Whether substantive expenditure on further exploration for and evaluation of mineral resources for the specific project is either budgeted or planned.
- (c) Whether exploration for and evaluation of mineral resources on the specific project has led to the discovery of commercially viable quantities of mineral resources and whether the entity has decided to discontinue such activities on the project.
- (d) Whether 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 likely to be recovered in full from successful development of a mine or by the sale of the project.

The judgments in respect of key projects are;

The Pegleg Project costs were fully impaired in the amount of £13,179 as exploration gave negative results.

Two gold projects Kaaresselkä and Kiekerömaa with a total carrying value of £357,829 were sold to a third party Aurion Resources Limited (“Aurion”) in 2016. Tertiary has the right to pre-production royalties if either of these projects proceed to the definition of mineral resources and in the event of production.

Aurion completed a drilling programme at Kaaresselkä in late 2020 and the Company reported results of (3 December 2020) 1.52 g/t Au over 2.85 m (KS20001 from 306.50m) and 1.85 g/t Au over 5.40 m (KS20002 from 199.00m). The drilling extended the gold mineralised zone to approximately 200m depth and approximately 600m strike at the Vanha target.

The Kiekerömaa property forms part of a joint venture (JV) between Aurion and B2Gold Corp. The JV includes Kiekerömaa (5.8 g/t Au over 5.0 m). B2Gold Corp. recently gave notice to exercise its option to acquire an additional 19% interest in the JV, taking its total interest to 70%. B2Gold Corp. can earn this additional 19% interest by spending a further CAN\$10,000,000 over 2 years.

Based upon these developments in the reporting period and in their confidence regarding the likely outcome of exploration, the Directors have concluded that the carrying value is not impaired.

*Going concern*

The preparation of financial statements requires an assessment of the validity of the going concern assumption. This in turn 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 warrants, share options and share based payments*

The estimates of costs recognised in connection with the fair value of share options and share warrants 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 warrants and options before exercise, and behavioural considerations of warrant holders.

**(o) Reclamation costs**

The Group's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. The Group records a liability for the estimated future rehabilitation costs and decommissioning of its development projects at the time a constructive obligation is determined.

When provisions for closure and environmental rehabilitation are initially recognized, the corresponding cost is capitalized as an intangible asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost of closure and environmental rehabilitation activities is recognized in mining interests and, from the commencement of commercial production is amortized over the expected useful life of the operation to which it relates. Any change in the value of the estimated expenditure is reflected in an adjustment to the provision and asset.

**(p) Standards, amendments and interpretations not yet effective**

At the date of authorisation of these financial statements, there are no amended standards and interpretations issued by the IASB that impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the current accounting policies.

## **2. Segmental analysis**

The Chief Operating Decision Maker is the Board. 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.

<b>2021</b>	<b>Exploration projects £</b>	<b>Head office £</b>	<b>Total £</b>
<b>Consolidated Income Statement</b>			
Revenue	—	165,058	165,058
Pre-licence exploration costs	(72,725)	—	(72,725)
Impairment of deferred exploration asset	(13,179)	—	(13,179)
Share-based payments	—	(12,754)	(12,754)
Administration costs and other expenses	—	(473,417)	(473,417)
<b>Operating Loss</b>	<b>(85,904)</b>	<b>(321,113)</b>	<b>(407,017)</b>
Bank interest received	—	54	54
Loss before income tax	(85,904)	(321,059)	(406,963)
Income tax	—	—	—
<b>Loss for the year attributable to equity holders</b>	<b>(85,904)</b>	<b>(321,059)</b>	<b>(406,963)</b>
<b>Non-current assets</b>			
Intangible assets:			
Royalty assets:			
Kaaresselkä Gold Project, Finland	260,490	—	260,490
Kiekerömaa Gold Project, Finland	97,339	—	97,339
	357,829	—	357,829
Deferred exploration costs:			
Paymaster, USA	51,376	—	51,376
Pyramid, USA	203,577	—	203,577
Brunton Pass, USA	49,101	—	49,101
Mt Tobin, USA	27,668	—	27,668
Lucky, USA	61,495	—	61,495
Jacks, Zambia	3,064	—	3,064
	396,281	—	396,281
Property, plant & equipment	—	3,953	3,953
Other investments	—	50,496	50,496
	754,110	54,449	808,559
<b>Current assets</b>			
Receivables	25,364	55,660	81,024
Cash and cash equivalents	—	472,733	472,733
	25,364	528,393	553,757
<b>Current liabilities</b>			
Trade and other payables	(18,211)	(58,639)	(76,850)
Reclamation liability	(15,994)	—	(15,994)
	(34,205)	(58,639)	(92,844)
<b>Net current assets</b>	<b>(8,841)</b>	<b>469,754</b>	<b>460,913</b>
<b>Net assets</b>	<b>745,269</b>	<b>524,203</b>	<b>1,269,472</b>
<b>Other data</b>			
Deferred exploration additions	219,057	—	219,057
Exchange rate adjustments to deferred exploration costs	(7,965)	—	(7,965)
Exchange rate adjustments to royalty assets	(1,755)	—	(1,755)



## 2. Segmental analysis (continued)

2020	Exploration projects £	Head office £	Total £
<b>Consolidated Income Statement</b>			
Revenue	—	175,750	175,750
Pre-licence exploration costs	(49,360)	—	(49,360)
Impairment of deferred exploration asset	(2,027,000)	—	(2,027,000)
Share-based payments	—	(30,290)	(30,290)
Administration costs and other expenses	—	(567,704)	(567,704)
<b>Operating Loss</b>	<b>(2,076,360)</b>	<b>(422,244)</b>	<b>(2,498,604)</b>
Bank interest received	—	437	437
Loss before income tax	(2,076,360)	(421,807)	(2,498,167)
Income tax	—	—	—
<b>Loss for the year attributable to equity holders</b>	<b>(2,076,360)</b>	<b>(421,807)</b>	<b>(2,498,167)</b>
<b>Non-current assets</b>			
Intangible assets:			
Royalty assets:			
Kaaresselkä Gold Project, Finland	261,329	—	261,329
Kiekerömaa Gold Project, Finland	98,255	—	98,255
	359,584	—	359,584
Deferred exploration costs:			
Paymaster, USA	39,055	—	39,055
Pyramid, USA	108,227	—	108,227
Pegleg, USA	11,964	—	11,964
Mt Tobin, USA	12,565	—	12,565
Lucky, USA	10,563	—	10,563
	182,374	—	182,374
Property, plant & equipment	—	3,369	3,369
Other investments	—	55,985	55,985
	541,958	59,354	601,312
<b>Current assets</b>			
Receivables	16,640	55,055	71,695
Cash and cash equivalents	—	622,859	622,859
	16,640	677,914	694,554
<b>Current liabilities</b>			
Trade and other payables	(22,275)	(43,914)	(66,189)
Share subscription loan	—	(420,000)	(420,000)
	(22,275)	(463,914)	(486,189)
<b>Net current assets</b>	<b>(5,635)</b>	<b>214,000</b>	<b>208,365</b>
<b>Net assets</b>	<b>536,323</b>	<b>273,354</b>	<b>809,677</b>
<b>Other data</b>			
Deferred exploration additions	200,071	—	200,071
Exchange rate adjustments to deferred exploration costs	(93,903)	—	(93,903)
Exchange rate adjustments to royalty assets	818	—	818

### 3. Loss before income tax

	2021 £	2020 £
<b>The operating loss is stated after charging</b>		
Costs relating to leases expiring within 12 months and not within the scope of IFRS 16	<b>17,625</b>	18,560
Depreciation - owned assets	<b>1,691</b>	1,850
Fees payable to the Group's Auditor for:		
The audit of the Group's annual accounts	<b>6,151</b>	6,363
The audit of the Group's subsidiaries, pursuant to legislation	<b>3,872</b>	4,671
Fees payable to the Group's Auditor and its associates for other services:		
Interim review of accounts	<b>1,050</b>	1,020
Corporation tax fees	<b>1,606</b>	1,460
Corporation tax review fees	<b>3,809</b>	—

### 4. Directors' emoluments

Remuneration in respect of directors was as follows:

	Net cost to Group 2021 £	Income from recharge to Sunrise Resources plc 2021 £	Total 2021 £	Total 2020 £
P L Cheetham (salary)	<b>58,530</b>	<b>60,449</b>	<b>118,979</b>	108,542
P B Cullen (salary)	<b>4,432</b>	—	<b>4,432</b>	—
R H Clemmey (salary) resigned June 2020	—	—	—	66,340
M G Armitage (salary)	<b>12,466</b>	—	<b>12,466</b>	—
D A R McAlister (salary)	<b>18,486</b>	—	<b>18,486</b>	18,365
	<b>93,914</b>	<b>60,449</b>	<b>154,363</b>	193,247

The above remuneration amounts do not include non-cash share-based payments charged in these financial statements in respect of share warrants issued to the directors amounting to £4,791 (2020: £7,831) or Employer's National Insurance contributions of £17,910 (2020: £23,067).

There was no bonus in the year 2021. Bonus remuneration is applicable to performance in the previous financial year.

Pension contributions made during the year on behalf of Directors amounted to £0 (2020: £987).

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £159,154 (2020: £201,078).

After recharge to Sunrise Resources plc, if all benefits are taken into account, the key management personnel net compensation cost to the Group would be £98,705 (2020: £129,773).

## 5. Staff costs

Total staff costs for the Group and Company, including directors, were as follows:

	Net cost to Group 2021 £	Income from recharge to Sunrise Resources plc 2021 £	Total 2021 £	Total 2020 £
Wages and salaries	161,157	124,916	286,073	313,141
Social security costs	14,637	15,798	30,435	34,685
Share-based payments	6,085	—	6,085	9,921
	<b>181,879</b>	<b>140,714</b>	<b>322,593</b>	<b>357,747</b>

The average monthly number of part-time and full-time employees, including directors, employed by the Group and Company during the year was as follows:	2021 Number	2020 Number
Technical employees	2	3
Administration employees (including non-executive directors)	5	4
	<b>7</b>	<b>7</b>

Patrick Cullen was appointed as Managing Director in September 2021.

## 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 ordinary shares in issue during the year.

	2021	2020
Loss (£)	<b>(406,963)</b>	(2,498,167)
Weighted average ordinary shares in issue (No.)	<b>1,064,955,671</b>	661,815,154
Basic and diluted loss per ordinary share (pence)	<b>(0.038)</b>	(0.38)

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for the basic earnings per ordinary share. This is because the exercise of share warrants and options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

## 7. Income tax

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2020: £Nil).

	2021 £	2020 £
<b>Tax reconciliation</b>		
Loss before income tax	(406,963)	(2,498,167)
Tax at 19% (2020: 19%)	(77,323)	(474,652)
Differences between capital allowances and depreciation	(1,226)	31
Expenditure disallowed for tax purposes	12,754	127,909
Pre-trading expenditure no longer deductible for tax purposes	40,978	27,346
Tax effect at 19% (2020: 19%)	9,976	29,504
Unrelieved tax losses carried forward	(67,347)	(445,148)
<b>Tax recognised on loss</b>	—	—
<b>Total losses carried forward for tax purposes</b>	<b>11,383,344</b>	<b>11,028,887</b>

### **Factors that may affect future tax charges**

The Group has total losses carried forward of £11,383,344 (2020: £11,028,887). This amount would be available (subject to a maximum of £5million per annum) to set against future taxable profits of the Company. 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.

## 8. Intangible assets

Group	Deferred exploration expenditure	Royalty assets	Total	Deferred exploration expenditure	Royalty assets	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
<b>Cost</b>						
At start of year	5,991,387	359,584	6,350,971	5,885,219	358,766	6,243,985
Additions	219,057	—	219,057	200,071	—	200,071
Reclamation cost	15,994	—	15,994	—	—	—
Exchange adjustments	(7,965)	(1,755)	(9,721)	(93,903)	818	(93,085)
<b>At 30 September</b>	<b>6,218,473</b>	<b>357,829</b>	<b>6,576,302</b>	<b>5,991,387</b>	<b>359,584</b>	<b>6,350,971</b>
<b>Disposals</b>						
At start of year	(5,809,013)	—	(5,809,013)	(3,782,013)	—	(3,782,013)
Impairment losses during year	(13,179)	—	(13,179)	(2,027,000)	—	(2,027,000)
Disposals during year	—	—	—	—	—	—
<b>At 30 September</b>	<b>(5,822,192)</b>	<b>—</b>	<b>(5,822,192)</b>	<b>(5,809,013)</b>	<b>—</b>	<b>(5,809,013)</b>
<b>Carrying amounts</b>						
<b>At 30 September</b>	<b>396,281</b>	<b>357,829</b>	<b>754,110</b>	<b>182,374</b>	<b>359,584</b>	<b>541,958</b>
At start of year	182,374	359,584	541,958	2,103,206	358,766	2,461,972

The directors carried out an impairment review which, with reference to IFRS6.20(b), resulted in an impairment charge, relating to the Tertiary Minerals US Inc. Pegleg Project, being recognised in the Consolidated Income Statement as part of operating expenses. Refer to accounting policy 1(d) and 1(n) for a description of the considerations used in the impairment review.

## 9. Property, plant & equipment

	Group fixtures and fittings 2021 £	Company fixtures and fittings 2021 £	Group fixtures and fittings 2020 £	Company fixtures and fittings 2020 £
<b>Cost</b>				
At start of year	49,189	34,431	48,152	33,394
Additions	2,276	2,276	1,037	1,037
Disposals	0	0	0	0
<b>At 30 September</b>	<b>51,465</b>	<b>36,707</b>	<b>49,189</b>	<b>34,431</b>
<b>Depreciation</b>				
At start of year	(45,820)	(31,061)	(43,970)	(29,212)
Charge for the year	(1,694)	(1,694)	(1,850)	(1,850)
Disposals	0	0	0	0
<b>At 30 September</b>	<b>(47,513)</b>	<b>(32,755)</b>	<b>(45,820)</b>	<b>(31,062)</b>
<b>Net Book Value</b>				
<b>At 30 September</b>	<b>3,952</b>	<b>3,952</b>	<b>3,369</b>	<b>3,369</b>
At start of year	3,369	3,369	4,182	4,182

## 10. Investments

### Subsidiary undertakings

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2021	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
Tertiary Minerals (Zambia) Limited (formerly Luangwa Minerals Limited*)	Zambia	96% of ordinary shares	Mineral exploration

The registered office of Tertiary Gold Limited and Tertiary (Middle East) Limited is the same as the Parent Company, being Sunrise House, Hulley Road, Macclesfield, Cheshire, SK10 2LP.

The registered office of Tertiary Minerals US Inc. is 241 Ridge Street, Suite 210, Reno, NV 89501, USA.

\* With effect from 7 December 2021, the name of Luangwa Minerals Limited was changed to Tertiary Minerals (Zambia) Limited. The registered office of Tertiary Minerals (Zambia) Limited. is 491/492 Akapela Street/Town Area, Livingstone Southern Province, Zambia.

	Company 2021 £	Company 2020 £
<b>Investment in subsidiary undertakings</b>		
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
Ordinary shares - Tertiary Minerals (Zambia) Limited	493	-
Loan - Tertiary Minerals (Zambia) Limited	8,725	-
Loan - Tertiary (Middle East) Limited	687,098	685,890
Less - Provision for impairment	(687,098)	(685,890)
Loan - Tertiary Gold Limited	5,386,764	5,360,637
Less - Provision for impairment	(5,253,824)	(5,225,942)
Loan - Tertiary Minerals US Inc.	2,371,272	2,081,585
Less - Provision for impairment	(1,899,212)	(1,899,212)
<b>At 30 September</b>	<b>839,108</b>	<b>541,958</b>

#### **Investments in share capital of subsidiary undertakings**

The directors have reviewed the carrying value of the Company's investments in shares of subsidiary undertakings totalling £225,383, by reference to estimated recoverable amounts. In turn, this requires an assessment of the recoverability of underlying exploration assets in those subsidiaries in accordance with IFRS 6.

#### **Loans to Group undertakings**

Amounts owed by subsidiary undertakings are unsecured and repayable in cash. Loan interest is charged to US subsidiaries on intercompany loans with Parent Company.

A review of the recoverability of loans to subsidiary undertakings has been carried out. This indicated potential credit losses arising in the year which have been provided for as follows: Tertiary Gold Limited £27,881 (2020: £57,512) and Tertiary (Middle East) Limited £1,208 (2020: £1,943). The provisions made reflect the differences between the loan carrying amounts and the value of the underlying project assets.

#### **Other investments – listed investments**

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2021		Principal activity	
Sunrise Resources plc	England & Wales	0.59% of ordinary shares		Mineral exploration	
		<b>Group 2021 £</b>	<b>Company 2021 £</b>	Group 2020 £	Company 2020 £
<b>Investment designated at fair value through OCI</b>					
Value at start of year		55,985	55,985	89,775	89,775
Additions		—	—	—	—
Disposal		—	—	(57,053)	(57,053)
Movement in valuation		(5,489)	(5,489)	23,263	23,263
<b>At 30 September</b>		<b>50,496</b>	<b>50,496</b>	55,985	55,985

The fair value of each investment is equal to the market value of its shares at 30 September 2021, based on the closing mid-market price of shares on its equity exchange market.

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

## 11. Receivables

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Trade receivables	44,147	44,147	43,717	43,717
Other receivables	26,224	841	18,412	1,772
Prepayments	10,653	7,534	9,566	7,145
<b>At 30 September</b>	<b>81,024</b>	<b>52,522</b>	71,695	52,634

The Group aged analysis of trade receivables is as follows:

	Not impaired £	30 days or less £	Over 30 days £	Total carrying amount £
<b>2021 Trade receivables</b>	<b>44,147</b>	<b>44,147</b>	—	<b>44,147</b>
2020 Trade receivables	43,717	43,717	—	43,717

## 12. Cash and cash equivalents

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Cash at bank and in hand	48,147	31,540	52,827	27,107
Short-term bank deposits	424,586	424,586	570,032	570,032
<b>At 30 September</b>	<b>472,733</b>	<b>456,126</b>	622,859	597,139

## 13. Trade and other payables

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Trade payables	17,186	9,692	14,735	13,036
Other taxes and social security costs	14,556	14,556	7,106	7,106
Accruals	43,714	26,543	41,716	14,264
Other payables	1,394	1,394	2,632	2,632
<b>At 30 September</b>	<b>76,850</b>	<b>52,185</b>	66,189	37,038

#### 14. Issued capital and reserves

	2021 No.	2021 £	2020 No.	2020 £
<b>Allotted, called up and fully paid Ordinary Shares</b>				
Balance at start of year	831,647,037	83,164	443,075,665	44,307
Shares issued in the year	351,675,408	35,168	388,571,372	38,857
<b>Balance at 30 September</b>	<b>1,183,322,445</b>	<b>118,332</b>	831,647,037	83,164

  

	2021 No.	2021 £	2020 No.	2020 £
<b>Deferred Shares</b>				
Balance at start of year	—	—	267,076,933	2,644,062
Cancellation of shares	—	—	(267,076,933)	(2,644,062)
<b>Balance at 30 September</b>	<b>—</b>	<b>—</b>	0	0

#### **Capital restructure**

At a General Meeting on 10 September 2020 the shareholders approved a buy-back of the Company's deferred shares in accordance with the Company's Articles of Association for an aggregate consideration of £1.00. The buy-back of the deferred shares was funded from the part-proceeds of a placing of 1,000 new ordinary shares 0.01p each at a price of 0.25p per share to the Company's Chairman, Patrick Cheetham. The deferred shares were then cancelled and a Capital Redemption Reserve formed to the value of £2,644,061.

The deferred shares resulted from a subdivision of the Company's ordinary share capital in 2017 whereby each existing Ordinary Share with a nominal value of 1p was subdivided into 1 new Ordinary Share of 0.01p and 1 deferred share of 0.99p each. The deferred shares had no significant rights attached to them and carried no right to vote or to participate in distribution of surplus assets and were not admitted to trading on the AIM market of the London Stock Exchange plc or any other stock exchange. The deferred shares effectively carried no value.

#### **Share issues**

During the year to 30 September 2021 the following share issues took place:

An issue of 43,181,818 0.01p Ordinary Shares at 0.22p per share to Precious Metal Capital Group LLC ("PMCG"), by way of subscription deed, for a total consideration of £95,000 before expenses (21 January 2021).

An issue of 173,076,923 0.01p Ordinary Shares at 0.26p per share, by way of placing, for a total consideration of £450,000 before expenses (26 January 2021).

An issue of 54,166,667 0.01p Ordinary Shares at 0.24p per share to PMCG, by way of subscription deed, for a total consideration of £130,000 before expenses (3 February 2021).

An issue of 5,000,000 0.01p Ordinary Shares at 0.275p per share by way of warrant exercise, for a total consideration of £13,750 before expenses (8 February 2021).

An issue of 56,250,000 0.01p Ordinary Shares at 0.24p per share to PMCG, by way of subscription deed, for a total consideration of £135,000 before expenses (10 February 2021).

An issue of 20,000,000 0.01p Ordinary Shares at 0.3p per share to PMCG, by way of subscription deed, for a total consideration of £60,000 before expenses (24 February 2021).

During the year to 30 September 2020 a total of 388,571,372 0.01p ordinary shares were issued, at an average price of 0.2p, for a total consideration of £771,142 net of expenses.

The total amount of transaction fees debited to the Share Premium account in the year was £22,500 (2020: £13,750).

#### **Nature and purpose of reserves**

##### *Capital redemption reserve*

Non distributable reserve into which amounts are transferred following the redemption or the purchase of a company's own shares. The provisions relating to the capital redemption reserve are set out in section 733 of the Companies Act 2006.



*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 Company'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 fair value of share-based payments provided to employees, including key management personnel, by means of share options and share warrants issued as part of their remuneration. Refer to Note 15 for further details.

**15. Warrants granted**

***Warrants not exercised at 30 September 2021***

<b><i>Issue date</i></b>	<b><i>Exercise price</i></b>	<b><i>Number</i></b>	<b><i>Exercisable</i></b>	<b><i>Expiry dates</i></b>
31/01/2017	1.025p	1,000,000	Any time before expiry	31/01/2022
31/01/2018	1.875p	1,000,000	Any time before expiry	31/01/2023
21/02/2019	0.50p	3,500,000	Any time before expiry	21/02/2024
21/02/2019	0.35p	5,000,000	Any time before expiry	21/02/2024
26/11/2019	0.336p	22,000,000	Any time before expiry	26/11/2023
27/02/2020	0.34p	8,100,000	Any time from 27/02/2021	27/02/2025
26/01/2021	0.26p	8,653,846	Any time before expiry	26/01/2022
28/06/2021	0.34p	3,100,000	Any time from 28/06/2022	28/06/2026
28/06/2021	0.50p	3,000,000	Any time from 28/06/2022	28/06/2026
28/06/2021	1.00p	3,000,000	Any time from 28/06/2023	28/06/2026
28/06/2021	1.50p	3,000,000	Any time from 28/06/2024	28/06/2026
<b>Total</b>		<b>61,353,846</b>		

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

A grant of 8,653,846 warrants at an exercise price of 0.26p, as part of a fundraising, to Peterhouse Capital Limited (26 January 2021).

A grant of 3,100,000 warrants at an exercise price of 0.34p, to employees and a director of the Company (28 June 2021).

A grant of three lots of 3,000,000 warrants at an exercise price of 0.5p, 1p and 1.5p respectively, to a director of the Company (28 June 2021).

### Share-based payments

The Company issues warrants to directors and employees on varying terms and conditions.

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

	2021		2020	
	Number of Share warrants and share options	Weighted average exercise price Pence	Number of Share warrants and share options	Weighted average exercise price Pence
Outstanding at start of year	46,600,000	0.415	13,200,000	1.106
Granted during the year	20,753,846	0.593	35,100,000	0.328
Exercised during the year	(5,000,000)	0.275	—	—
Forfeited during the year	—	—	—	—
Expired during the year	(1,000,000)	1.4	(1,700,000)	4
Outstanding at 30 September	61,353,846	0.47	46,600,000	0.415
Exercisable at 30 September	49,253,846	0.382	38,500,000	0.43

The warrants outstanding at 30 September 2021 had a weighted average exercise price of 0.47p (2020: 0.41p), a weighted average fair value of 0.11p (2020: 0.13p) and a weighted average remaining contractual life of 2.56 years (2020: 3.01 years).

In the year ended 30 September 2021, warrants were granted on 26 January 2021 and 26 June 2021. The aggregate of the estimated fair values of the warrants granted on these dates is £33,125. In the year ended 30 September 2020, warrants were granted on 26 November 2019, 2 March 2020 and 27 February 2020. The aggregate of the estimated fair values of the warrants granted on this date is £17,252.

There were 5,000,000 warrants exercised at an exercise price of 0.275 in the year ending 30 September 2021.

The inputs into the Black–Scholes–Merton Pricing Model were for warrants granted in the year and are as follows:

	2021	2020
Weighted average share price	0.34p	0.279p
Weighted average exercise price	0.593p	0.328p
Expected volatility	72.0%	75.0%
Expected life	2.75 years	3.57 years
Risk-free rate	0.12%	0.408%
Expected dividend yield	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous three 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 £12,754 and £30,290 related to equity-settled share-based payment transactions in 2021 and 2020 respectively. The fair value is charged to administrative expenses and where there is a vesting period it is charged 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.

## 16. Leases

The Company rents office premises under a short-term lease agreement.

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

	2021	2020
	Land & buildings	Land & buildings
	£	£
<b>Office accommodation:</b>		
Within one year	15,863	15,863

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

Lease payments recognised in loss for the period amounted to £17,625 (2020: £18,560).

## 17. 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:

	At 30 September 2021				At 30 September 2020	
	Shares number	Share warrants number	Warrants exercise price	Warrants expiry date	Shares number	Share warrants number
P L Cheetham*	12,641,471	2,000,000	0.500p	21/02/2024	12,641,471	4,000,000
		2,000,000	0.340p	27/02/2025		
		3,000,000	0.500p	28/06/2026		
		3,000,000	1.00p	28/06/2026		
		3,000,000	1.50p	28/06/2026		
P B Cullen	—	—	—	—	N/A	N/A
D A R McAlister	2,937,609	1,500,000	0.500p	21/02/2024	2,937,609	3,000,000
		1,500,000	0.340p	27/02/2025		
		1,500,000	0.340p	28/06/2026		
Dr M G Armitage	—	—	—	—	N/A	N/A

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

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings as at 30 September 2021.

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 £165,058 (2020: £175,750) to Sunrise Resources plc being shared overheads of £19,700 (2020: £20,369), costs paid on behalf of Sunrise Resources plc of £4,644 (2020: £1,175), staff salary costs of £72,540 (2020: £74,085) and directors' salary costs of £68,174 (2020: £80,121), comprising P L Cheetham £68,174 (2020: £80,121). All salary costs include employer's National Insurance and Pension contributions.

The salary costs in Notes 4 and 5 include these charges.

At the reporting date an amount of £44,147 (2020: £43,717) was due from Sunrise Resources plc.

P L Cheetham, a director of the Company, is also a director of Sunrise Resources plc.

Shares and warrants held in Sunrise Resources plc by the Company's directors are as follows:

	At 30 September 2021				At 30 September 2020	
	Shares number	Warrants number	Warrants Exercise price	Warrants expiry date	Shares number	Warrants number
P L Cheetham*	231,047,657	30,000,000	0.195p	05/08/2025	231,047,657	30,000,000
D A R McAlister	550,000	—	—	—	550,000	—

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

#### ***Tertiary Minerals (Zambia) Limited (formerly Luangwa Minerals Limited)***

Tertiary Minerals (Zambia) Limited ("Tertiary Zambia") is a 96% controlled subsidiary of Tertiary Minerals plc, incorporated on 28 June 2021. There were limited transactions in the period mainly consisting of initial share capital of £493 and project cost of £3,064. At the reporting date the balance of £4,150 was due from Tertiary Minerals (Zambia) Limited. D A R McAlister, a director of Tertiary Minerals plc, is also the director of Tertiary Minerals (Zambia) Limited.

### **18. 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.

### **19. Financial instruments**

At 30 September 2021, the Group's and Company's financial assets consisted of listed investments, trade receivables and cash and cash equivalents. At the same date, the Group and Company had financial liabilities of trade and other payables due within one year. 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 2021, as defined in IFRS 9, are as follows:

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Financial assets at amortised cost	543,745	501,753	684,527	632,336
Financial assets at fair value through other comprehensive income	50,496	50,496	55,985	55,985
Financial liabilities at amortised cost	78,288	37,628	58,402	29,251
Share subscription loan	-	-	420,000	420,000

#### ***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 holds cash balances in Sterling, US Dollars and other currencies to provide funding for exploration and evaluation activity. The Group and the Company are dependent on equity fundraising through share 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 risk. 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.

Bank and cash balances were held in the following denominations:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
United Kingdom Sterling	<b>457,601</b>	599,433	<b>455,731</b>	596,509
United States Dollar	<b>14,172</b>	19,804	<b>73</b>	290
Other	<b>960</b>	3,622	<b>322</b>	340
	<b>472,733</b>	622,859	<b>456,126</b>	597,139

Surplus Sterling funds are placed with NatWest bank on short-term treasury deposits at variable rates of interest.

The Company and the Group are exposed to changes in exchange rates 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 2021 would increase or decrease by £709 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.

## **20. Share subscription loan**

Tertiary Minerals plc entered into a share subscription deed on 2 April 2020 with Precious Metals Capital Group LLC (PMCG), a U.S. based institutional specialist investor. PMCG made an investment of £600,000 by way of a subscription for Company shares.

The placing was made by PMCG by way of prepayment for Company shares to be issued, at PMCG's request, within 24 months of the date of the placing. A further investment may be made by PMCG within 12 months after the date of this placement, but only with the consent of the Company, in the amount not exceeding an additional £600,000, by way of prepayment for shares to be issued, at PMCG's request, within 24 months following the date of such subsequent placement.

The number of shares to be issued as a result of the placing is determined by dividing the subscription amount (or that part of the subscription amount in relation to which the shares are being issued) by 95% of the prevailing price, the latter being the average of the five daily volume weighted average prices during a specified period immediately prior to the date of issuance of the shares. Alternatively, PMCG may choose for the subscription price to be equal to £0.0042, being an approximately 133% premium to the Company's share price on 1 April 2020.

As at 30 September 2021 all shares were issued (Note 14) and there is no outstanding prepayment amount remaining.

## 21. Provision for other liabilities and charges

<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Reclamation Costs</b>		
At start of year	—	—
Additions	<b>15,994</b>	—
<b>At 30 September</b>	<b>15,994</b>	—

The Group makes provision for future reclamation costs relating to exploration projects. Provisions are calculated based upon internal estimates and expected costs based upon past experience and expert guidance where appropriate.