

Tertiary Minerals plc

Company No. 03821411

**Annual Report and Accounts
for the year ended 30 September 2020**

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Chairman's Statement



I am pleased to present the Company's Annual Report and Financial Statements for the year ended 30 September 2020, a year of transition as we continue to build our project portfolio. We now have five attractive precious metal and base metal projects in Nevada, USA, one of the most prospective exploration terrains on Earth.

These include precious metal targets as well as a number of targets for copper mineralisation, an under explored commodity in Nevada which is, of course, more famous for its gold and silver deposits.

We have been active in exploring and adding to our Nevada projects throughout the year with results still awaited for our autumn exploration programmes. This has included combinations of soil sampling, geophysics and trenching on our Paymaster, Pyramid, Mt Tobin and Peg Leg Projects and it is anticipated that drilling will be the next step on a number of these exciting prospects. These projects and the work carried out in 2020 are discussed in my Operating Review set out on pages 4 to 7.

We have seen some developments on our royalty interests in 2020, most notably with the completion of a drilling programme by Aurion Resources Ltd on the Kaaresselkä Gold project in Finland where 12 holes were drilled to follow up on our previous exploration. Results announced recently were described as encouraging and extend the gold mineralised zone to c.200m depth and to c.600m strike length at the Vanha target.

At the end of the reporting period we made the difficult decision to terminate our interest in the large MB Fluorspar Project in Nevada after years of effort to find a viable processing route. The combination of fine-grained mineral intergrowths, poor recovery and low grade combined to make production of a saleable concentrate unviable.

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 after having previously granted this. Many projects in Sweden are in the same unfortunate situation and there is no legislated timeframe for the Government to respond.

Fluorspar, as a source of fluorine, is one of the least known of the battery commodities. Fluoride ion batteries provide an interesting alternative to lithium ion batteries, in particular because of their larger theoretical energy densities and the increasing use of fluoropolymers in lithium batteries is an opportunity for the market in the coming years. We have acquired significant expertise in fluorspar and remain interested in identifying and acquiring new fluorspar projects.

In June this year we saw the resignation of our Managing Director, Richard Clemmey, who was originally recruited to take our Storuman Fluorspar Project into production. Since Mr. Clemmey's departure I have temporarily taken on a more involved executive role until a new MD is found and have overseen our recent high level of exploration activity. For some time we have been looking for a new non-executive director and an excellent candidate has now been identified and we expect to make a new Board appointment in the very near future.

Our Annual General Meeting for the year ended 30 September 2020 will be held in our offices in Macclesfield this year, on Thursday 28 January 2021, the notice of which is set out on page 46. Further detailed instructions on proxy voting are set out on pages 48 and 49. In order to observe ongoing government restrictions on social distancing and public gatherings, only the Chairman and one other nominated Shareholder will attend the meeting to ensure that the meeting is quorate. Other Shareholders and third parties will not be permitted to attend the Meeting and will be refused entry. Shareholders are therefore encouraged to appoint the Chairman as their proxy (online at www.signalshares.com or by requesting and submitting a hard copy Form of Proxy) as soon as possible. In line with corporate governance best practice and in order that any proxy votes of those shareholders who are not allowed to attend and to vote in person are fully reflected in the voting on the resolutions, the Chairman of the meeting will direct that voting on the resolutions set out in the notice of meeting will take place by way of a poll. The final poll vote on the resolutions will be published after the General Meeting on the Company's website.

As anticipated in my 2019 Statement, 2020 has been a better year for stock markets and junior mining companies in particular, and, despite the COVID-19 pandemic, this has enabled us to raise funds to continue to explore our project portfolio. A consequence of the higher availability of funding across the mining markets is increased competition for drilling and geological contractors. This may delay progress on our projects but we are pleased that the COVID-19 pandemic has not held up our project work so far and mining is currently exempt from business restrictions in Nevada. However, the rate of infection is continuing to rise over much of the USA and we are starting to see this further affect the availability of contract staff. On the positive side these shortages are likely to be alleviated by the roll-out of new vaccines.

On that note I think there is reason for cautious optimism in looking forward to 2021 and I look forward to delivering further news of developments on our exciting project portfolio.

Patrick Cheetham
Executive Chairman
11 December 2020

Strategic Report

Group Overview

Our **Aim** is to increase shareholder value through the discovery and development of valuable mineral deposits.

Our **Strategy** is to build, explore and develop a multi-commodity project portfolio.

Our **Principal Activities** involve the identification, acquisition, exploration and development of mineral deposits including precious metals, base metals and industrial minerals in Nevada, USA and northern Europe.

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

Company's Business Model

For exploration projects, the Group prefers to acquire 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 currently operates with a low-cost base to maximise the funds that can be spent on exploration and development – value adding activities. The Company currently has five full-time employees including the Executive Chairman who work with and oversee carefully selected and experienced consultants and contractors. Following the departure of the Managing Director in June 2020 the Board of Directors now comprises one independent Non-Executive Director and the Chairman. The profiles of the current directors are provided on page 15.

Administration costs are further reduced via an arrangement governed by a Management Services Agreement with Sunrise Resources plc ("Sunrise"), whereby Sunrise pays a share of the cost of head office overheads (£20,369 in the reporting period). As at the 30 September 2020, Tertiary holds 0.6% 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.

Operating Review & Performance

Precious Metal & Base Metal Projects, Nevada, USA

Pyramid 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 on 9 patented claims with options to purchase (subject to underlying royalties) and an additional 25 mining claims staked to cover additional targets along strike.

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 the Perry Canyon. The only 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.

Soil sampling by Battle Mountain identified a significant open-ended gold-in-soil anomaly which they then tested with two drill holes. Drill hole PYR 9 intersected high-grade gold mineralisation and visible gold within a sample thickness of 1.52m grading 17.8g/t Au from 94.5m downhole. A broad zone of low-grade mineralisation continued to the end of the hole at 115.8m where the last 1.52m sample graded 2.6g/t Au.

The second hole, PYR 10, targeted the same western line soil anomaly some 150m to the southwest but was interpreted to have been drilled in the wrong direction and made no significant gold intersections. Battle Mountain did not carry out any follow up exploration.

Company Exploration

In 2020 the Company completed drill hole TPYR1 to twin and deepen percussion hole PYR9. TPYR1 was drilled to a depth of 137m down hole at the same 45-degree angle and azimuth and from the same general location as PYR9. Gold assay results showed a best intersection of 0.55m grading 2.01g/t Au from 82.6m down hole. Whilst lower than those from the historic drill hole PYR9, the results have confirmed that the target zone is gold mineralised.

Most recently in autumn 2020 a programme of soil sampling was completed to confirm and determine the extent of an open-ended gold and multi-element soil anomaly originally defined by Battle Mountain and to test the broader potential of the vein systems on the Project area which is highlighted by the results of 43 surface chip samples taken by Battle Mountain which assayed up to 7.27g/t Au and averaged 1.3g/t Au.

A total of 370 soil samples have been collected by the Company on a 30m by 120m grid. Results are not yet available but drilling and/or trenching is provisionally planned to test any strong soil anomalies.

Paymaster Polymetallic Project (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.

Zinc skarns are important, not only as a source of zinc, lead, copper, silver and other associated metals, but also as indicators of buried porphyry copper and molybdenum deposits. As a class of mineral deposit, they include a number of world class zinc-silver deposits such as Antamina in Peru. The Company's consultant geologist has also drawn analogies to the Taylor Zinc-Silver Deposit owned by South 32 at Hermosa, in the neighbouring state of Arizona (reported resource of 155mt grading 3.4% zinc, 3.7% lead and 69g/t silver).

The skarn mineralisation at Paymaster is exposed in a number of prospector scale workings but has seen no systematic company exploration until now.

Company Exploration

In 2019 the Company sampled outcropping skarn mineralisation over a total distance of 1.7km in a number of wide spaced and very shallow prospector pits. Seven grab samples of the skarn mineralisation exposed in or excavated from the pits average 10.1% zinc (maximum 20.9%), 1.5% lead (max. 6.5%) 134g/t silver (max 253g/t or 7.3 ounces/ton) and 0.68% copper (maximum 3.4%). The skarn samples also contain up to 0.11% cobalt (average of 419ppm or 0.045%) and up to 58ppm tellurium (average 31ppm) and 782ppm bismuth (average 315ppm).

An initial soil sampling programme was completed by the Company in 2019 and defined significantly elevated levels of Ag, Cu, Zn, Co and Pb over a strike length of over 2,000 metres and work has 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 180g/t silver.

East Slope Prospect

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

In 2020 a detailed magnetic survey was carried out by drone 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.

134 infill soil samples were collected on a 10m by 20m grid and results are awaited. A programme of drone photogrammetry has been completed for topographic control.

Peg Leg Copper-Silver-Lead-Zinc Project (100% owned by Tertiary)

The Peg Leg Project claims are located 11km north of Tonopah in the San Antone Mineral Field. Historical workings comprise shallow shafts, trenches and bulldozer scrapes exploring contact metasomatic (skarn) deposits associated with the Frazier's Well granodiorite.

The project was originally prospected for tungsten which occurs in grey marble. The Company's reconnaissance sampling has confirmed the tungsten content in one skarn layer within the limestone where sampling across 11m width in an old shallow trench returned 11m at 0.22% tungsten.

However, the principal target is a zone of base-precious metal skarn mineralisation along the granite/limestone contact where an outcrop of mineralisation exposed adjacent to the granite contact assayed 59 grammes/tonne (g/t) silver, 1.4% copper, 2.4% lead and 1.8% zinc. The waste pile from a nearby shallow mine shaft contains material assaying up to 181g/t silver, 3.9% copper, 10.1% lead and 1.2% zinc.

The Company has completed four exploration trenches along a granite/limestone contact zone targeting skarn-style mineralisation over a strike length of approximately 230m. The objective of the trenching was to test the thickness of the outcropping mineralisation which is largely obscured by scree and old mine waste.

Strategic Report (continued)

The trenches explored zones of oxidised skarn mineralisation adjacent to the granite contact but analytical results were disappointing. However, a drone magnetic survey has also been completed and this has identified additional and as-yet-untested skarn targets beyond the area so far investigated.

Mt Tobin Silver Prospect (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 north and south, structurally controlled and spatially related to dyke intrusion.

A drone magnetic survey and a soil sampling programme have now been completed. This survey comprised 23.6-line km of flying on traverses 50m apart. 304 soil samples were collected on a 40m by 100m grid. Results are awaited.

Lucky Copper Prospect (100% owned by Tertiary)

The Lucky Project comprises 13 claims on the east side of the old Aurum mining centre, 96km northeast of the major porphyry copper mining town of Ely in northeast Nevada.

The target is a disseminated sediment hosted, intrusion-related copper deposit based on a 1951 shallow churn (percussion) drill hole which intersected copper mineralised limestone and porphyry beneath alluvium on the range front pediment slope. A 20.4m cumulative thickness of this sequence assayed 0.65% copper to the bottom of the hole at 77.7m depth. The hole ended in mineralisation.

A preliminary field evaluation and sampling programme has been carried out in 2020 and drill testing is proposed as soon as a drill rig contract can be secured.

The aim of the drill programme will be to confirm and extend at depth the copper mineralised drill intersection made in 1951.

Fluorspar Projects

Storuman Fluorspar Project, Sweden

The Company's 100% owned Storuman Project is located in north-central Sweden and is linked by the E12 highway to the port city of Mo-i-Rana in Norway and by road and rail to the port of Umeå on the Gulf of Bothnia.

JORC Compliant Mineral Resource

Classification	Million Tonnes (Mt)	Fluorspar (CaF ₂ %)
Indicated	25.0	10.28
Inferred	2.7	9.57
Total	27.7	10.21

Exploitation (Mine) Permit

No work was carried out in 2020 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.

MB Fluorspar Project, Nevada, USA

The Company's interest in the MB Fluorspar Project was terminated during the year.

This follows extensive project work over a number of years and which continued during the year. Despite a large resource of low-grade fluorspar having been defined, metallurgical testwork has failed to achieve target concentrate grades or recovery.

The fluorspar in the deposit is finely intergrown with other minerals, in particular calcite, and the Company concluded, after extensive testwork, that a viable processing route cannot be achieved for the MB Project using currently available technologies.

In addition to this, the leasing costs and expenditure commitments under the Company's lease agreement with the underlying claim holder were set to increase substantially from 30 September 2020 and holding costs could no longer be justified.

Lassedalen Fluorspar Project, Norway

The Lassedalen Fluorspar Project is favourably located near Kongsberg, 80km to the south-west of Oslo in Norway. It is less than 1km from highway E134 and approximately 50km from the nearest Norwegian port.

JORC Compliant Mineral Resource

Classification	Million Tonnes (Mt)	Fluorspar (CaF ₂ %)
Inferred	4.0	24.6

The resource defined at Lassedalen is currently too small to justify development at present but it is open to expansion along strike and at depth. Given the commitments on its other projects and available funding, further exploration at the Lassedalen Project has continued to be a lower priority in 2019/2020 and consideration is being given to the future of the project.

Royalty Interests

Kaaresselkä and Kiekerömaa Gold Projects, Finland

The Company retains a royalty interest in the Kaaresselkä 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 Kaaresselkä 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.

In the reporting period Aurion completed its maiden drill programme at Kaaresselkä. The programme comprised 12 holes for a total of 2,400m testing four targets (Vanha, Lampi South, Lampi North, Tienvarsi) with the aim of confirming historical drilling and testing the mineralised structure at depth and along strike. The results 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.

Non-Core Projects

Rosendal Tantalum Project, Finland

The Exploration Licence for the project expired in October 2015 and the Company has applied for a renewal of the Licence. If the Company is unsuccessful in finding a suitable partner or buyer to progress the project, it is unlikely the renewal will be granted.

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.

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.

Financial Review & Performance

The Group is currently in the earlier stages of the typical mining development cycle and so has no income other than cost recovery from the management contract with Sunrise Resources plc 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 results for the Group are set out in detail on page 22. The Group reports a loss of £2,498,167 for the year (2019: £831,507) after administration costs of £597,994 (2019: £502,788) and after crediting interest receivable of £437 (2019: £234). The loss includes impairment of the MB Project of £2,027,000, expensed pre-licence and reconnaissance exploration costs of £49,360 (2019: £75,778). Administration costs include £30,290 (2019: £8,021) as non-cash costs for the value of certain share warrants held by employees as required by IFRS 2.

Revenue includes £175,750 (2019: £189,742) from the provision of management, administration and office services provided to Sunrise Resources plc, to the benefit of both companies through efficient utilisation of services.

The financial statements show that, at 30 September 2020, the Group had net current assets of £208,365 (2019: £21,499). This represents the cash position after allowing for receivables and trade and other payables. These amounts are shown in the Consolidated and Company Statements of Financial Position on page 23 and are also components of the Net Assets of the Group. Net assets also include various "intangible" assets of the Company. As the name suggests, these intangible assets are not cash assets but include this year's and previous years' accrued expenditure on minerals projects where that expenditure meets the criteria set out in Note 1(d) (accounting policies) to the financial statements on page 28. The intangible assets total £541,958 (2019: £2,461,972) and the breakdown by project is shown in Note 2 to the Financial Statements on page 32.

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.

Strategic Report (continued)

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 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 £597,994 (2019: £502,788).

Fundraising

During the 2020 financial year the Company raised a total of £1,135,800, before expenses, as shown in Note 14 to the financial statements.

These funds were raised through:

- the issue on 19 November 2019 of zero coupon convertible securities to Bergen Global Opportunity Fund, LP (the "Investor"), a US based institutional investment fund as detailed in Notes 14 and 20 of the financial statements on pages 39 and 45; and
- a placing of shares on 25 February 2020 to clients of the Company's joint broker, Peterhouse Capital Limited, as detailed in Note 14 of the financial statements on page 39; and
- a share subscription deed on 2 April 2020 with Precious Metals Capital Group LLC, a U.S. based institutional specialist investor, as detailed in Notes 14 and 21 of the financial statements on pages 39 and 45.

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 (£622,859), 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 £224,890, 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 £2,275,735 has been carried out. This indicated a potential credit loss arising in the year of £1,899,212 relating to Tertiary Minerals US Inc. The assessment and provision arises from the fact that there has been an impairment of the underlying exploration assets held by Tertiary Minerals US Inc., leading to doubt over recoverability of the loan. The provision made against the receivables has reduced it to the value of the underlying development assets.

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.

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>Exploration Risk</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>Resource Risk</p> <p>All mineral projects have risk associated with defined grade and continuity. Mineral Reserves are always subject to uncertainties in the underlying assumptions which include geological projections and metal/mineral assumptions.</p>	<p>Resources and reserves are estimated by independent specialists on behalf of the Group 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>Development Risk</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>Commodity Risk</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>Mining and Processing Technical Risk</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>Environmental Risk</p> <p>Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.</p>	<p>Mineral exploration carries a lower level of environmental liability than mining. The Company has adopted an Environmental Policy and the directors avoid the acquisition of projects where liability for legacy environmental issues might fall upon the Company.</p>

Strategic Report (continued)

RISK	MITIGATION STRATEGIES
<p>Political Risk</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>Partner Risk</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>Financing & Liquidity Risk</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 that 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>Financial Instruments</p> <p>Details of risks associated with the Group's Financial Instruments are given in Note 19 to the financial statements on page 43.</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>

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 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 on page 4 and in the Chairman's Statement on page 3. 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) on page 12 and the section on Risks and Uncertainties on page 9.

The interests of the Company's employees:

All of the Company's employees have daily access to the Executive Chairman 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) on page 13.

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) starting on page 12.

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 Chairman meets with regulators and community representatives when promulgating the Company's plans for exploration and development and takes their comments into consideration wherever possible. Further discussion of these activities can be found in the Operating Review starting on page 4 and in the Corporate Governance Statement (Principle 3) on page 12.

The desirability of the Company maintaining a reputation for high standards of business conduct:

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 starting on page 12. 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 Executive Chairman devotes time to answering genuine shareholder queries, no individual or group of shareholders is given preferential treatment. Further information is provided in the Corporate Governance Statement (Principles 2 and 10) on pages 12 and 14.

This Strategic Report was approved by the Board on 11 December 2020 and signed on its behalf.

Patrick Cheetham
Executive Chairman

Our Governance

Corporate Governance Statement

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 for small and mid-sized quoted companies to be 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 Chairman, Patrick Cheetham, has overall responsibility for the Corporate Governance of the Company. This Corporate Governance Statement was reviewed and amended by the Board on 30 October 2020.

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 on page 4. Details of the key challenges to the execution of the Company's strategy and business model and how these challenges are addressed can be found in Risks and Uncertainties in the Strategic Report set out on pages 9 to 10.

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.

Where feasible all shareholders are encouraged to attend the Annual General Meeting where they can meet and directly communicate with the Board. Shareholders are welcome to contact the Company via email at 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, which is updated on a regular basis.

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 (both internal and external to the Group) through individual policies and through ethical and transparent actions. The Company engages positively with suppliers, stakeholders and with local communities through open meetings and meetings with community representatives in its project locations and encourages feedback through this engagement.

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 together with risk mitigation strategies employed by the Board are detailed in Risks and Uncertainties in the Strategic Report on pages 9 to 10.

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 is supported by the Audit, Remuneration and Nomination Committees.

The Board currently consists of the Executive Chairman and one independent non-executive director. The current Board's preference is that there is a minimum of two independent non-executive directors. However, this is not currently the case and the Company intends that an additional independent non-executive director will be appointed shortly. When there are two independent non-executive directors in post, the Board considers that the Board structure will be acceptable having regard to the fact that it is not yet revenue-earning.

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, he will continue to seek annual re-election rather than every third year as per the Articles of Association.

Attendance at Board and Committee Meetings

The Board retains full control of the Group with day-to-day operational control delegated to the Executive Directors. The full Board meets formally four times a year and on any other occasions it considers necessary. During the period under review there were sixteen Board meetings, two Remuneration Committee meetings, two Audit Committee meetings and one Nomination Committee meeting. All meetings were attended by their constituent directors.

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 the directors is relevant to the Company's business and is appropriate given the current size and stage of development of the Company. The Board is satisfied 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. Details of the current directors' biographies are set out on page 15.

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.

The Board and its committees will also seek external expertise and advice where required.

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 performance of the Executive Directors is reviewed once a year by the rest of the Board, and measured against a definitive list of short, medium and long-term strategic targets set by the Board.

The Nomination Committee, currently consisting of the Chairman and the Non-Executive Director, meets once a year to lead the formal process of rigorous and transparent procedures for Board appointments. During this meeting, 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.

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 corporate culture of the Company is promoted throughout its workforce, 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 and Code of Conduct; Privacy and Cookies Policy and Social Media Policy.

Employees

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

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 13 days of average daily purchases (2019: 11 days).

Anti-Corruption Policy and Code of Conduct

The Company has adopted and implements an Anti-Corruption Policy and a Code of Conduct.

Health and Safety

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

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 ensuring the non-executive directors are properly briefed on all operational and financial matters. The Chairman has overall responsibility

Our Governance (continued)

for corporate governance matters in the Group and chairs the Nomination Committee. The Executive Chairman 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.

Non-Executive Director, Donald McAlister, is 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 and Remuneration Committees and Patrick Cheetham chairs the Nomination Committee.

Audit Committee

The Audit Committee, currently composed entirely of the Non-Executive Director, assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

Remuneration Committee

The Remuneration Committee also comprises the Non-Executive Director. The Remuneration Committee determines the appropriate remuneration for the Company's executive directors, ensuring that this reflects their performance and that of the Group, and to demonstrate to shareholders that executive remuneration is set by Board members who have no personal interest in the outcome of their decisions.

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

As noted above, the Company intends that an additional independent non-executive director will be appointed shortly. The audit and remuneration committees will then comprise two independent non-executive directors.

Conflicts of Interest

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

At 30 September 2020, Tertiary Minerals plc held 0.6% 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.

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 various stakeholder groups. The Company's website is regularly updated and users can register to be alerted via email when certain announcements are made.

The Group's financial reports can be found here:

www.tertiaryminerals.com/investor-media/financial-reports

Notices of General Meetings held for at least the past five years can be found here:

www.tertiaryminerals.com/news-releases

The results of voting on all resolutions in general meetings will be 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% of independent votes.

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.

Patrick Cheetham

Executive Chairman

11 December 2020

Board of Directors

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

Patrick Cheetham (60)

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.

Richard Clemmey (47) (Resigned 30 June 2020)

Previously Managing Director

Key Strengths and Experience

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

External Appointments

Gritstone Ltd.

Donald McAlister (61)

*Non-Executive Director**

Key Strengths and Experience

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

Our Governance (continued)

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

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

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

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

They are further responsible for ensuring that the Strategic Report and the 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.

Directors' Report

The directors are pleased to submit their Annual Report and audited financial statements for the year ended 30 September 2020.

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

Going Concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group's cash position at year end (£622,859), these projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

Dividend

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

Financial Instruments & Other Risks

Details of the Group's financial instruments and risk management objectives and of the Group's exposure to risk associated with its financial instruments is given in Note 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 which are set out on pages 9 to 10.

Directors

The directors holding office during the year were:

Mr P L Cheetham
Mr R H Clemmey (Resigned 30 June 2020)
Mr D A R McAlister

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.

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 11 December 2020	Number of shares	% of share capital
Interactive Investor Services Nominees Limited SMKTNOMS	86,851,224	10.44
Hargreaves Lansdown (Nominees) Limited 15942	63,269,726	7.61
Interactive Investor Services Nominees Limited SMKTISAS	59,999,436	7.21
Aurora Nominees Limited 2288700	50,786,187	6.11
Barclays Direct Investing Nominees Limited CLIENT1	46,521,466	5.59
Euroclear Nominees Limited EOC01	44,136,845	5.31
Hargreaves Lansdown (Nominees) Limited HLNOM	39,688,700	4.77
Hargreaves Lansdown (Nominees) Limited VRA	32,662,960	3.93
HSDL Nominees Limited	30,882,097	3.71

Cancellation of Deferred Shares

At a General Meeting held on 10 September 2020 the shareholders approved a buy-back of deferred shares in accordance with the Company's Articles of Association for an aggregate consideration of £1.00. After the buy-back the deferred shares were cancelled.

The deferred shares effectively carried no value and were created as a result of a capital restructuring in April 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. Further details are provided in Note 14 on page 39.

Disclosure of Audit Information

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

Auditor

A resolution to re-appoint Crowe 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

Notice of the Company's Annual General Meeting, convened for Thursday, 28 January 2021 at 2.00 p.m., is set out on page 46 of this report. Explanatory Notes giving further information about the proposed resolutions are set out on page 47.

Approved by the Board on 11 December 2020 and signed on its behalf.

Patrick Cheetham
Executive Chairman

Independent Auditor's Report

to the Members of Tertiary Minerals plc for the year ended 30 September 2020

Opinion

We have audited the financial statements of Tertiary Minerals plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 September 2020, which comprise:

- the Group income statement and statement of comprehensive income for the year ended 30 September 2020;
- the Group and Parent Company statements of financial position as at 30 September 2020;
- the Group and Parent Company statements of cash flows for the year then ended;
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2020 and of the Group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are

independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial statements, which indicates that the Group's projections include the proceeds of future fundraising necessary within the next 12 months in order to cover the Company's and Group's overheads and carry out the Company's and Group's planned discretionary project expenditure necessary to realise the value inherent in these projects. As stated in Note 1(b), these events or conditions, along with the other matters as set forth in Note 1(b) (taking into account the projects set out in Note 1(n)), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In considering the longer term financial outlook of the group, the continued viability of the most significant exploration and evaluation assets is critical to this assessment and the risks and audit responses are detailed in the Key Audit Matters below. Our opinion is not modified in respect of this matter.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £25,000, based on 2% of the Group's total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £1,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group and its subsidiaries are accounted for from one central operating location, the Group's registered office. Our audit was conducted from the main operating location and all group companies were within the scope of our audit testing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters

included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We determined that going concern should be considered a key audit matter and this is described above in the section "Material uncertainty relating to going concern."

The other key matters and responses are summarised below. This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><i>Potential impairment of capitalised exploration and evaluation costs.</i></p> <p>The group has intangible assets, comprising exploration and evaluation project costs, the most significant of which are the US projects within Tertiary Minerals US Inc. and assets relating to projects in Finland within Tertiary Gold Limited.</p> <p>The directors are required to ensure that only costs which meet the IFRS criteria of an asset are capitalised within exploration properties.</p> <p>The directors are required to assess whether there are any indicators of impairment of these assets. Any assessment of value in use requires that accumulated costs be assessed against the likelihood that such costs will be recoverable against future exploitation or sale. This requires management to use their sector experience, apply their specialist expertise and form a conclusive judgement as whether or not, on the balance of evidence, further exploration is justified to determine if an economically viable mining operation can be established in future.</p>	<p>In respect of all material intangible assets our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Reviewing progress on exploration and evaluation activities at each of the licence areas to assess whether there was evidence which would indicate a potential impairment trigger; • Reviewing approved budget forecasts and minutes of board meetings to confirm the intention to continue exploration work on the licences; and • Review and challenge of the directors' assessment of whether there are any indicators of impairment and discussion of any key judgemental areas.
<p><i>Potential impairment of investments in subsidiaries and recoverability of loans to subsidiaries in the Company financial statements.</i></p> <p>The carrying values of investments in and recoverability of loans to subsidiaries, Tertiary Gold Limited and Tertiary Minerals US Inc., are dependent upon the future cash flows associated with the recovery of the exploration and evaluation assets held by the subsidiaries.</p> <p>In the event of impairment in the underlying exploration and evaluation assets, there is a potential impact upon the realisation of investments and recoverability of loans in the accounts of Tertiary Minerals Plc (the Company) and this assessment would also be required by the directors.</p>	<p>In conjunction with our work associated with the potential impairment of the exploration and evaluation assets held within subsidiaries, critical review of the directors' assessment of potential impairment of investments in subsidiaries and recoverability of loans to subsidiaries in the accounts of Tertiary Minerals Plc (the Company).</p>

Independent Auditor's Report (continued)

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ian Weekes (Senior Statutory Auditor)

for and on behalf of Crowe U.K. LLP

Statutory Auditor

Manchester

11 December 2020

Consolidated Income Statement

for the year ended 30 September 2020

	Notes	2020 £	2019 £
Revenue	2,17	175,750	189,742
Administration costs		(597,994)	(502,788)
Pre-licence exploration costs		(49,360)	(75,778)
Impairment of deferred exploration asset	8	(2,027,000)	(442,917)
Operating loss		(2,498,604)	(831,741)
Interest receivable		437	234
Loss before income tax	3	(2,498,167)	(831,507)
Income tax	7	—	—
Loss for the year attributable to equity holders of the parent		(2,498,167)	(831,507)
Loss per share — basic and diluted (pence)	6	(0.38)	(0.19)

All amounts relate to continuing activities.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2020

	2020 £	2019 £
Loss for the year	(2,498,167)	(831,507)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(94,278)	115,415
	(94,278)	115,415
Items that will not be reclassified to the income statement:		
Changes in the fair value of other investments	23,263	(71,670)
	23,263	(71,670)
Total comprehensive income/(loss) for the year attributable to equity holders of the parent	(2,569,182)	(787,762)

Consolidated and Company Statements of Financial Position

at 30 September 2020

Company Number 03821411

	Notes	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Non-current assets					
Intangible assets	8	541,958	—	2,461,972	—
Property, plant & equipment	9	3,369	3,369	4,182	4,182
Investment in subsidiaries	10	—	541,958	—	2,196,297
Other investments	10	55,985	55,985	89,775	89,775
		601,312	601,312	2,555,929	2,290,254
Current assets					
Receivables	11	71,695	52,634	41,568	19,347
Cash and cash equivalents	12	622,859	587,139	50,617	29,445
		694,554	639,773	92,185	48,792
Current liabilities					
Trade and other payables	13	(66,189)	(37,038)	(70,686)	(29,717)
Share subscription loan	21	(420,000)	(420,000)	—	—
		(486,189)	(457,038)	(70,686)	(29,717)
Net current assets		208,365	182,735	21,499	19,075
Net assets		809,677	784,047	2,577,428	2,309,329
Equity					
Called up Ordinary Shares	14	83,164	83,164	44,307	44,307
Deferred Shares	14	—	—	2,644,062	2,644,062
Share premium account		10,740,972	10,740,972	10,008,687	10,008,687
Capital redemption reserve	14	2,644,061	2,644,061	—	—
Merger reserve		131,096	131,096	131,096	131,096
Share option reserve	14	71,897	71,897	67,468	67,468
Fair value reserve		14,819	14,819	(8,444)	(8,444)
Foreign currency reserve	14	325,474	—	419,752	—
Accumulated losses		(13,201,806)	(12,901,962)	(10,729,500)	(10,577,847)
Equity attributable to the owners of the parent		809,677	784,047	2,577,428	2,309,329

The Company reported a loss for the year ended 30 September 2020 of £2,349,976 (2019: -£779,821).

These financial statements were approved and authorised for issue by the Board on 11 December 2020 and were signed on its behalf.

P L Cheetham
Executive Chairman

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 £
At 30 September 2018	35,932	2,644,062	9,785,702	—	131,096	168,923	63,226	304,337	(10,007,469)	3,125,809
Loss for the period	—	—	—	—	—	—	—	—	(831,507)	(831,507)
Change in fair value	—	—	—	—	—	—	(71,670)	—	—	(71,670)
Exchange differences	—	—	—	—	—	—	—	115,415	—	115,415
Total comprehensive loss for the year	—	—	—	—	—	—	(71,670)	115,415	(831,507)	(787,762)
Share issue	8,375	—	222,985	—	—	—	—	—	—	231,360
Share based payments expense	—	—	—	—	—	8,021	—	—	—	8,021
Transfer of expired warrants	—	—	—	—	—	(109,476)	—	—	109,476	—
At 30 September 2019	44,307	2,644,062	10,008,687	—	131,096	67,468	(8,444)	419,752	(10,729,500)	2,577,428
Loss for the period	—	—	—	—	—	—	—	—	(2,498,167)	(2,498,167)
Change in fair value	—	—	—	—	—	—	23,263	—	—	23,263
Exchange differences	—	—	—	—	—	—	—	(94,278)	—	(94,278)
Total comprehensive loss for the year	—	—	—	—	—	—	23,263	(94,278)	(2,498,167)	(2,569,182)
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	—
At 30 September 2020	83,164	—	10,740,972	2,644,061	131,096	71,897	14,819	325,474	(13,201,806)	809,677

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 £	Accumu- lated losses £	Total £
At 30 September 2018	35,932	2,644,062	9,785,702	—	131,096	168,923	63,226	(9,907,502)	2,921,439
Loss for the period	—	—	—	—	—	—	—	(779,821)	(779,821)
Change in fair value	—	—	—	—	—	—	(71,670)	—	(71,670)
Total comprehensive loss for the year	—	—	—	—	—	—	(71,670)	(779,821)	(851,491)
Share issue	8,375	—	222,985	—	—	—	—	—	231,360
Share based payments expense	—	—	—	—	—	8,021	—	—	8,021
Transfer of expired warrants	—	—	—	—	—	(109,476)	—	109,476	—
At 30 September 2019	44,307	2,644,062	10,008,687	—	131,096	67,468	(8,444)	(10,577,847)	2,309,329
Loss for the period	—	—	—	—	—	—	—	(2,349,976)	(2,349,976)
Change in fair value	—	—	—	—	—	—	23,263	—	23,263
Total comprehensive loss for the year	—	—	—	—	—	—	23,263	(2,349,976)	(2,326,713)
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	—
At 30 September 2020	83,164	—	10,740,972	2,644,061	131,096	71,897	14,819	(12,901,962)	784,047

Consolidated and Company Statements of Cash Flows

for the year ended 30 September 2020

	Notes	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Operating activity					
Total (loss)/profit after tax excluding interest received		(2,498,604)	(2,381,116)	(831,741)	(810,097)
Depreciation charge	9	1,850	1,850	1,635	1,635
Shares issued in lieu of net wages		4,090	4,090	1,360	1,360
Share based payment charge		30,290	30,290	8,021	8,021
Impairment charge – deferred exploration asset	8	2,027,000	—	442,917	—
Increase/(decrease) in provision for impairment of loans to subsidiaries	10	—	1,958,667	—	487,610
(Increase)/decrease in receivables	11	(30,127)	(33,287)	55,084	53,401
Increase/(decrease) in payables	13	(4,497)	7,321	5,523	(8,885)
Net cash outflow from operating activity		(469,998)	(412,185)	(317,201)	(266,955)
Investing activity					
Interest received		437	41,140	234	30,279
Exploration and development expenditures	8	(200,071)	—	(121,967)	—
Disposal of other investments	10	57,053	57,053	40,883	40,883
Purchase of property, plant & equipment	9	(1,037)	(1,037)	(2,509)	(2,509)
Additional loans to subsidiaries	10	—	(304,328)	—	(204,985)
Net cash outflow from investing activity		(143,618)	(207,172)	(83,359)	(136,332)
Financing activity					
Issue of share capital (net of expenses)		767,051	767,051	230,000	230,000
Share subscription loan	21	420,000	420,000	—	—
Net cash inflow from financing activity		1,187,051	1,187,051	230,000	230,000
Net increase/(decrease) in cash and cash equivalents		573,435	567,694	(170,560)	(173,287)
Cash and cash equivalents at start of year		50,617	29,445	218,297	202,732
Exchange differences		(1,193)	—	2,880	—
Cash and cash equivalents at 30 September	12	622,859	597,139	50,617	29,445

Notes to the Financial Statements

for the year ended 30 September 2020

Background

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

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

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

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union. They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

(b) Going concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group’s projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group’s cash position at year end (£622,859), these projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company’s and Group’s overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group and Company’s ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

(c) Basis of consolidation

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

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

In accordance with section 408 of the Companies Act 2006, Tertiary Minerals plc is exempt from the requirement to present its own Statement of Comprehensive Income. The amount of the loss for the financial year recorded within the financial statements of Tertiary Minerals plc is £2,349,976 (2019: £779,821). The loss for 2020 includes provision for impairment of its investment in subsidiary undertakings in the amount of £1,958,667 (Note 10).

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

(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 2020 and October 2020.

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.

Other income

Other income includes amounts received from Sunrise Resources plc under the management services agreement. Other income is recognised in the period the management services are provided based on the expenditure incurred.

(k) Foreign currencies

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

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

(l) Leases

The Group adopted IFRS 16 from 1 January 2019 and this requires the recognition of operating lease commitments on the Group's statement of financial position as assets and the recognition of a corresponding liability. Lease costs are recognised in the income statement in the form of depreciation of the right of use asset over the lease term and interest charges representing the unwind of the discount on the lease liability. The adoption of IFRS 16 did not have material impact on the financial statements of the Group as it has negligible leasing exposure and exploration project leases are exempt as exploration assets under IFRS 16.3(b).

Short term leases, which meet the requirements to not be accounted for by recognising a right of use asset and a lease liability, having a duration of 12 months or less and without reasonable certainty about their renewal, are charged to the income statement on 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, IAS 32 and IAS 39, 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.

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

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 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 consider bi-annually whether there are any indications of impairment of royalty assets. If such indications exist a full impairment review is undertaken and any impairment arising 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 MB Fluorspar project costs were fully impaired in the amount of £2,027,000 after metallurgical test work was unsuccessful and the Group's lease agreement on the project was terminated.

Two gold projects Kaaresselkä and Kiekerömaa with a total carrying value of £359,584 were sold to a third party Aurion Resources Limited ("Aurion") in 2016. Tertiary has the right to future royalties, but only if these projects proceed to the definition of mineral resources and reserves and successful exploration and production. Aurion has recently completed a drilling programme at Kaaresselkä. Based upon this and 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) Standards, amendments and interpretations not yet effective

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

(a) New standards, interpretations and amendments effective from 1 January 2019

The following new standards were effective and did not impact the Group:

- IFRS 16 Leases (IFRS 16)
- IFRIC 23 Uncertainty over Income Tax Treatments (IFRIC 23)

(b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods. The following amendments are effective for the periods beginning on or after 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)

Revised Conceptual Framework for Financial Reporting

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current based upon whether an entity has a right at the end of the reporting period to defer settlement of the liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Amendments as part of the 2015-2018 Annual Improvements Cycle were as follows;

- IFRS 3/IFRS 11: Measuring interests in Joint operations.
- IAS 12: Accounting for income tax consequences of dividend payments.
- IAS 23: Treatment of borrowings originally made to develop a specific asset.
- IAS 1:125 Disclose significant key assumptions concerning the future, and other key sources of estimation uncertainty.
- IAS 1:122 Disclose significant judgements management has made in applying the entity's accounting policies.

Tertiary Minerals Plc is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

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.

2020	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
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)
Operating Loss	(2,076,360)	(422,244)	(2,498,604)
Bank interest received	—	437	437
Loss before income tax	(2,076,360)	(421,807)	(2,498,167)
Income tax	—	—	—
Loss for the year attributable to equity holders	(2,076,360)	(421,807)	(2,498,167)
Non-current assets			
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
Current assets			
Receivables	16,640	55,055	71,695
Cash and cash equivalents	—	622,859	622,859
	16,640	677,914	694,554
Current liabilities			
Trade and other payables	(22,275)	(43,914)	(66,189)
Share subscription loan	—	(420,000)	(420,000)
	(22,275)	(463,914)	(486,189)
Net current assets	(5,635)	214,000	208,365
Net assets	536,323	273,354	809,677
Other data			
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

2019	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Revenue	—	189,742	189,742
Pre-licence exploration costs	(75,778)	—	(75,778)
Impairment of deferred exploration asset	(442,917)	—	(442,917)
Share-based payments	—	(8,021)	(8,021)
Administration costs and other expenses	—	(494,767)	(494,767)
Operating Loss	(518,695)	(313,046)	(831,741)
Disposal of other investments	—	—	—
Bank interest received	—	234	234
Loss before income tax	(518,695)	(312,812)	(831,507)
Income tax	—	—	—
Loss for the year attributable to equity holders	(518,695)	(312,812)	(831,507)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kaaresselkä Gold Project, Finland	260,938	—	260,938
Kiekerömaa Gold Project, Finland	97,828	—	97,828
MB Fluorspar Project, USA	2,056,419	—	2,056,419
Paymaster, USA	17,395	—	17,395
Pyramid, USA	29,392	—	29,392
	2,461,972	—	2,461,972
Property, plant & equipment	—	4,182	4,182
Other investments	—	89,775	89,775
	2,461,972	93,957	2,555,929
Current assets			
Receivables	22,154	19,414	41,568
Cash and cash equivalents	—	50,617	50,617
	22,154	70,031	92,185
Current liabilities			
Trade and other payables	(9,183)	(61,503)	(70,686)
Net current assets	12,971	8,528	21,499
Net assets	2,474,943	102,485	2,577,428
Other data			
Deferred exploration additions	121,967	—	121,967
Exchange rate adjustments to deferred exploration costs	112,536	—	112,536

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

3. Loss before income tax

	2020 £	2019 £
The operating loss is stated after charging		
Operating lease rentals – land and buildings	18,560	21,081
Depreciation – owned assets	1,850	1,635
Fees payable to the Group's Auditor for:		
The audit of the Group's annual accounts	6,363	6,125
The audit of the Group's subsidiaries, pursuant to legislation	4,671	3,105
Fees payable to the Group's Auditor and its associates for other services:		
Interim review of accounts	1,020	1,000
Corporation tax fees	1,460	1,300
Corporation tax review fees	—	3,300

4. Directors' emoluments

Remuneration in respect of directors was as follows:

	Net cost to Group 2020 £	Income from recharge to Sunrise Resources plc 2020 £	Total 2020 £	Total 2019 £
P L Cheetham (salary)	37,237	71,305	108,542	86,888
R H Clemmey (salary)	66,340	—	66,340	86,889
D A R McAlister (salary)	18,365	—	18,365	16,833
	121,942	71,305	193,247	190,610

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 £7,831 (2019: £4,677) or Employer's National Insurance contributions of £23,067 (2019: £23,072).

There was no bonus in the year 2020. Bonus remuneration is applicable to performance in the previous financial year.

Pension contributions made during the year on behalf of Directors amounted to £987 (2019: £1,061).

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £201,078 (2019: £195,287).

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 £129,773 (2019: £126,514).

5. Staff costs

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

	Net cost to Group 2020 £	Income from recharge to Sunrise Resources plc 2020 £	Total 2020 £	Total 2019 £
Wages and salaries	175,775	137,366	313,141	318,804
Social security costs	17,845	16,840	34,685	36,093
Share-based payments	9,921	—	9,921	8,021
	203,541	154,206	357,747	362,918

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:

	2020 Number	2019 Number
Technical employees	3	3
Administration employees (including non-executive directors)	4	5
	7	8

Managing Director, Richard Clemmey, ceased to be an employee and director in June 2020. The Company Secretary, Colin Fitch, retired in June 2019 and since July 2019 the company secretarial services have been provided by Rod Venables through City Group PLC.

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.

	2020	2019
Loss (£)	(2,498,167)	(831,507)
Weighted average ordinary shares in issue (No.)	661,815,154	416,198,199
Basic and diluted loss per ordinary share (pence)	(0.38)	(0.19)

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. Deferred shares are excluded from the loss per share calculation as they have no attributable earnings.

7. Income tax

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2019: £Nil).

	2020 £	2019 £
Tax reconciliation		
Loss before income tax	(2,498,167)	(831,507)
Tax at 19% (2019: 19%)	(474,652)	(157,986)
Differences between capital allowances and depreciation	31	(1,828)
Expenditure disallowed for tax purposes	127,909	29,902
Pre-trading expenditure no longer deductible for tax purposes	27,346	43,625
Tax effect at 19% (2019: 19%)	29,504	13,623
Unrelieved tax losses carried forward	(445,148)	(144,363)
Tax recognised on loss	—	—
Total losses carried forward for tax purposes	11,028,887	8,689,670

Factors that may affect future tax charges

The Group has total losses carried forward of £11,028,887 (2019: £8,689,670). This amount would be charged to tax, thereby reducing tax liability, if sufficient profits were made in the future capped to £5m per annum allowance. 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.

The difference of £3,664 between 2019 and 2020 total losses carried forward balance is additional expenditure non-deductible for tax purposes relating to 2019.

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

8. Intangible assets

Group	Deferred exploration expenditure 2020 £	Royalty assets 2020 £	Deferred exploration expenditure 2019 £
Cost			
At start of year	5,885,219	358,766	6,009,482
Additions	200,071	—	121,967
Exchange adjustments	(93,903)	818	112,536
At 30 September	5,991,387	359,584	6,243,985
Disposals			
At start of year	(3,782,013)	—	(3,339,096)
Impairment losses during year	(2,027,000)	—	(442,917)
Disposals during year	—	—	—
At 30 September	(5,809,013)	—	(3,782,013)
Carrying amounts			
At 30 September	182,374	359,584	2,461,972
At start of year	2,103,206	358,766	2,670,386

Two gold projects, Kaaresselkä and Kiekerömaa, with a total carrying value of £359,584 have been re-classified in the financial statements as Royalty Assets. The exploration rights were sold to a third party, Aurion Resources Limited (“Aurion”) in 2016 and Tertiary has the right to future royalties, but only if these projects proceed to the definition of mineral resources and reserves and successful exploration and production. The re-classification in the financial statements therefore reflects the distinct nature of these projects within intangible fixed assets.

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. MB Fluorspar 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 2020 £	Company fixtures and fittings 2020 £	Group fixtures and fittings 2019 £	Company fixtures and fittings 2019 £
Cost				
At start of year	48,152	33,394	49,543	34,785
Additions	1,037	1,037	2,509	2,509
Disposals	0	0	(3,900)	(3,900)
At 30 September	49,189	34,431	48,152	33,394
Depreciation				
At start of year	(43,970)	(29,212)	(46,235)	(31,477)
Charge for the year	(1,850)	(1,850)	(1,635)	(1,635)
Disposals	0	0	3,900	3,900
At 30 September	(45,820)	(31,062)	(43,970)	(29,212)
Net Book Value				
At 30 September	3,369	3,369	4,182	4,182
At start of year	4,182	4,182	3,308	3,308

10. Investments**Subsidiary undertakings**

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2020	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

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.

	Company 2020 £	Company 2019 £
Investment in subsidiary undertakings		
Ordinary shares – Tertiary (Middle East) Limited	1	1
Ordinary shares – Tertiary Gold Limited	224,888	224,888
Ordinary shares – Tertiary Minerals US Inc.	1	1
Loan – Tertiary (Middle East) Limited	685,890	683,947
Less – Provision for impairment	(685,890)	(683,947)
Loan – Tertiary Gold Limited	5,360,637	5,302,305
Less – Provision for impairment	(5,225,942)	(5,168,430)
Loan – Tertiary Minerals US Inc.	2,081,585	1,837,532
Less – Provision for impairment	(1,899,212)	—
At 30 September	541,958	2,196,297

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 £224,890, 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 £57,512 (2019: £486,907), Tertiary (Middle East) Limited £1,943 (2019: £704) and Tertiary Minerals US Inc. £1,899,212, following an impairment of the MB Project. 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 2020	Principal activity
Sunrise Resources plc	England & Wales	0.6% of ordinary shares	Mineral exploration

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Investment designated at fair value through OCI				
Value at start of year	89,775	89,775	202,328	202,328
Additions	—	—	—	—
Disposal	(57,053)	(57,053)	(40,883)	(40,883)
Movement in valuation	23,263	23,263	(71,670)	(71,670)
At 30 September	55,985	55,985	89,775	89,775

Disposals in the last financial year comprise a disposal of 52,500,000 Sunrise Resources plc shares (2019: 52,000,000).

The fair value of each investment is equal to the market value of its shares at 30 September 2020, 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 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Trade receivables	43,717	43,717	10,496	10,496
Other receivables	18,412	1,772	20,020	1,725
Prepayments	9,566	7,145	11,052	7,126
At 30 September	71,695	52,634	41,568	19,347

The Group aged analysis of trade receivables is as follows:

	Not impaired £	30 days or less £	Over 30 days £	Total carrying amount £
2020 Trade receivables	43,717	43,717	—	43,717
2019 Trade receivables	10,496	10,496	—	10,496

12. Cash and cash equivalents

	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Cash at bank and in hand	52,827	27,107	47,787	26,615
Short-term bank deposits	570,032	570,032	2,830	2,830
At 30 September	622,859	597,139	50,617	29,445

13. Trade and other payables

	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Trade payables	14,735	13,036	11,592	5,737
Other taxes and social security costs	7,106	7,106	6,481	6,481
Accruals	41,716	14,264	48,055	12,941
Other payables	2,632	2,632	4,558	4,558
At 30 September	66,189	37,038	70,686	29,717

14. Issued capital and reserves

	2020 No.	2020 £	2019 No.	2019 £
Allotted, called up and fully paid Ordinary Shares				
Balance at start of year	443,075,665	44,307	359,323,754	35,932
Shares issued in the year	388,571,372	38,857	83,751,911	8,375
Balance at 30 September	831,647,037	83,164	443,075,665	44,307
Deferred Shares				
Balance at start of year	267,076,933	2,644,062	267,076,933	2,644,062
Cancellation of shares	(267,076,933)	(2,644,062)	—	—
Balance at 30 September	—	—	267,076,933	2,644,062

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 2020 the following share issues took place:

An issue of 18,000,000 0.01p Ordinary Shares, to Bergen Global Opportunity Fund, LP ("Bergen") as collateral shares relating to the convertible securities issuance deed (19 November 2019).

An issue of 17,000,000 0.01p Ordinary Shares, to Bergen for settlement of commencement fee (26 November 2019).

An issue of 651,900 0.01p Ordinary Shares at 0.21p per share, to a director, in satisfaction of directors' fees, for a total consideration of £1,369 (2 December 2019).

An issue of 154,705,883 0.01p Ordinary Shares at 0.17p per share, by exercise of conversion rights (Bergen convertible loan note), for a total consideration of £263,000 before expenses (18 February 2020).

An issue of 100,000,000 0.01p Ordinary Shares at 0.275p per share, by way of placing, for a total consideration of £275,000 before expenses (25 February 2020).

An issue of 402,644 0.01p Ordinary Shares at 0.34p per share, to a director, in satisfaction of directors' fees, for a total consideration of £1,369 (27 February 2020).

An issue of 33,333,334 0.01p Ordinary Shares at 0.18p per share to Precious Metal Capital Group LLC ("PMCG"), by way of subscription deed, for a total consideration of £60,000 before expenses (29 April 2020).

An issue of 25,000,000 0.01p Ordinary Shares at 0.2p per share to PMCG, by way of subscription deed, for a total consideration of £50,000 before expenses (14 May 2020).

An issue of 38,888,889 0.01p Ordinary Shares at 0.18p per share to PMCG, by way of subscription deed, for a total consideration of £70,000 before expenses (3 July 2020).

An issue of 587,722 0.01p Ordinary Shares at 0.23p per share, to a director, in satisfaction of directors' fees, for a total consideration of £1,352 (31 July 2020).

An issue of 1,000 0.01p Ordinary Shares, to P. Cheetham at 0.25p per share to buy back and cancel deferred shares for an aggregate consideration of £1 (24 August 2020).

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

During the year to 30 September 2019 a total of 83,751,911 0.01p ordinary shares were issued, at an average price of 0.3p, for a total consideration of £231,360 net of expenses.

The total amount of transaction fees debited to the Share Premium account in the year was £13,750 (2019: £20,000).

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 2020

Issue date	Exercise price	Number	Exercisable	Expiry dates
11/03/2016	1.40p	1,000,000	Any time before expiry	11/03/2021
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	0.335p	22,000,000	Any time before expiry	26/11/2023
02/03/2020	0.275p	5,000,000	Any time before expiry	02/03/2021
27/02/2020	0.34p	8,100,000	Any time from 27/02/2021	27/02/2025
Total		46,600,000		

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 22,000,000 warrants at an exercise price of 0.336p, to Bergen relating to the convertible securities issuance deed (26 November 2019).

A grant of 8,100,000 warrants at an exercise price of 0.34p, to employees and directors of the Company (27 February 2020).

A grant of 5,000,000 warrants at an exercise price of 0.275p, as part of fundraising, to Peterhouse Capital Limited (2 March 2020).

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:

	2020	Weighted average exercise price Pence	2019	Weighted average exercise price Pence
	Number of share warrants		Number of share warrants and share options	
Outstanding at start of year	13,200,000	1.106	9,050,000	7.877
Granted during the year	35,100,000	0.328	8,500,000	0.412
Exercised during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Expired during the year	(1,700,000)	4	(4,350,000)	13.84
Outstanding at 30 September	46,600,000	0.415	13,200,000	1.106
Exercisable at 30 September	38,500,000	0.43	4,700,000	2.362

The warrants outstanding at 30 September 2020 had a weighted average exercise price of 0.415p (2019: 1.1p), a weighted average fair value of 0.13p (2019: 0.43p) and a weighted average remaining contractual life of 3.01 years (2019: 3.42 years).

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 these dates is £33,125. In the year ended 30 September 2019, warrants were granted on 21 February 2019. The aggregate of the estimated fair values of the warrants granted on this date is £11,173.

There were no warrants exercised in the year ending 30 September 2020.

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

	2020	2019
Weighted average share price	0.279p	0.350p
Weighted average exercise price	0.328p	0.388p
Expected volatility	75.0%	75.0%
Expected life	3.57 years	4 years
Risk-free rate	0.408%	0.827%
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 £30,290 and £8,021 related to equity-settled share-based payment transactions in 2020 and 2019 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.

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

16. Leases

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

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

	2020 Land & buildings £	2019 Land & buildings £
Office accommodation:		
Within one year	15,863	3,525

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

Lease payments recognised in loss for the period amounted to £18,560 (2019: £21,081).

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 2020				At 30 September 2019	
	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	12,612,113	3,000,000
D A R McAlister	2,937,609	1,500,000	0.340p	27/02/2025	1,295,343	1,500,000
R H Clemmey – resigned**	977,405	3,000,000	0.350p	21/02/2024	977,405	3,000,000
		3,000,000	0.340p	27/02/2025		

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

* The shareholding reported for the years ended 30 September 2017, 2018 and 2019 were under-reported by 28,358 ordinary shares due to an administrative error.

** R H Clemmey ceased to be an employee and director of the Company on 30 June 2020.

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings as at 30 September 2020.

The directors of the Company are the directors of all Group companies.

Details of the Parent Company's investment in subsidiary undertakings are shown in Note 10.

Sunrise Resources plc

During the year the Company charged costs of £175,750 (2019: £189,742) to Sunrise Resources plc being shared overheads of £20,369 (2019: £27,025), costs paid on behalf of Sunrise Resources plc of £1,175 (2019: £6,554), staff salary costs of £74,085 (2019: £78,590) and directors' salary costs of £80,121 (2019: £77,574), comprising P L Cheetham £80,121 (2019: £76,773) and R H Clemmey £Nil (2019: £801). All salary costs include employer's National Insurance and Pension contributions.

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

At the balance sheet date an amount of £43,717 (2019: £10,496) 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 2020				At 30 September 2019	
	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	125,593,683	3,000,000
D A R McAlister	550,000	—	—	—	550,000	—
R H Clemmey – resigned**	—	500,000	0.160p	18/02/2021	—	3,000,000
		500,000	0.135p	01/02/2022		
		500,000	0.160p	31/01/2023		
		750,000	0.110p	21/02/2024		

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

** R H Clemmey ceased to be an employee and director of the Company on 30 June 2020.

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 2020, 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 and had share subscription outstanding amount with PMCG convertible to shares within 24 months from the issue date of 2 April 2020 as at this date. There is no material difference between the carrying and fair values of the Group and Company's financial assets and liabilities.

The carrying amounts for each category of financial instruments held at 30 September 2020, as defined in IFRS 9, are as follows:

	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Financial assets at amortised cost	684,527	632,336	81,133	41,670
Financial assets at fair value through other comprehensive income	55,985	55,985	89,775	89,775
Financial liabilities at amortised cost	58,402	29,251	62,156	21,187
Share subscription loan	420,000	420,000	62,156	21,187

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.

Notes to the Financial Statements (continued)

for the year ended 30 September 2020

Liquidity risk

The Group holds cash balances in Sterling, US Dollars, Swedish Krona, Canadian Dollars, Euros and Saudi Riyals 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	
	2020 £	2019 £	2020 £	2019 £
United Kingdom Sterling	599,433	23,526	596,509	22,433
United States Dollar	19,804	11,628	290	6,691
Swedish Krona	3,238	5,734	—	—
Norwegian Krona	4	4	4	4
European Euro	321	9,664	321	303
Canadian Dollar	15	14	15	14
Saudi Riyal	44	47	—	—
	622,859	50,617	597,139	29,445

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 2020 would increase or decrease by £990 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. Convertible Loan note

On 19 November 2019, the Company entered into a convertible securities issuance deed (the "Agreement") with Bergen Global Opportunity Fund, LP (the "Investor"), a US based institutional investment fund, in connection with an issuance by the Company of zero coupon convertible securities having a nominal amount of up to £653,000 (the "Convertible Securities"). Pursuant to the Agreement, on 26 November 2019 the Company issued a convertible security with the nominal value of £263,000 (at the purchase price of £232,000).

In connection with the Agreement:

- (a) the Company issued to the Investor 17,000,000 Shares by way of a commencement fee in relation to the overall funding ("Commencement Fee Shares").
- (b) the Company issued to the Investor 18,000,000 Shares at par to collateralise the investment ("Collateral Shares").
- (c) the Company issued 22,000,000 warrants with an exercise period of 48 months from the date of issue (the "Warrants") to the Investor entitling the Investor (or any subsequent holder of the Warrants) to subscribe for one Share per Warrant at the exercise price equal to 0.33588 pence.
- (d) On 18 February 2020, the Company received a Conversion Notice from the Investor in respect of the Conversion of £263,000 of the Convertible Security as a result of which the Company will issued 154,705,883 new ordinary shares at a Conversion Price of 0.17 pence per share.
- (e) The Company announced that the convertible securities issuance deed (the "Agreement") between the Company and Bergen Global Opportunity Fund, LP ("Bergen"), dated 19 November 2019, the details of which were notified on 20 November 2019, has been terminated by the parties by mutual consent, effective as of 1 April 2020. Following the termination, no further funding will be provided to the Company under the Agreement.

21. 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 the Subscriber's request, within 24 months of the date of the placing. A further investment may be made by the Subscriber 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 the Subscriber'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, the Subscriber 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 2020 the outstanding amount of prepayment is £420,000 following three issues of shares within the period since 2 April 2020 (Note 14).

Notice of Annual General Meeting

TERTIARY MINERALS PLC

Company No.03821411

Notice is hereby given that the Annual General Meeting of **Tertiary Minerals** plc will be held at Silk Point, Queens Avenue, Macclesfield, Cheshire SK10 2BB on Thursday, 28 January 2021, at 2.00 p.m. for the following purposes:

Ordinary Business

1. To receive the Accounts and the Reports of the Directors and of the Auditor for the year ended 30 September 2020.
2. To re-elect Mr D A R McAlister who is retiring as a director of the Company.
3. To reappoint Crowe U.K. LLP as Auditor of the Company and to authorise the directors to fix their remuneration.

Special Business

Ordinary Resolution

4. That, in accordance with section 551 of the Companies Act 2006 (the "2006 Act"), the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £70,000 (consisting of 700,000,000 ordinary shares of 0.01p each) provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

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

Special Resolution

5. That subject to the passing of resolution 4, the directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 4 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
 - a) the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £70,000 (consisting of 700,000,000 ordinary shares of 0.01 pence each).

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

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

As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. Please refer to the Proxy Notes and Instructions on page 48 regarding attendance restrictions.

By order of the Board.

Rod Venables

Company Secretary
11 December 2020

Registered Office:

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

Annual General Meeting Explanatory Notes

The Annual General Meeting of Tertiary Minerals plc will be held on at 2.00 p.m. on Thursday, 28 January 2021 at Silk Point, Queens Avenue, Macclesfield, Cheshire SK10 2BB. The business of the meeting is as follows:

ORDINARY BUSINESS

Resolution 1

The Board is required to present to the meeting for approval the Accounts and the Reports of directors and the Auditor for the year ended 30 September 2020 which can be found on pages 4 to 26.

Resolution 2

Non-Executive Director, 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, he will continue to seek annual re-election rather than every third year as per the Articles of Association. He continues to provide valuable advice based on his long experience of the mining industry.

Biographical details of the directors can be found on page 15.

Resolution 3

The Company's Auditor, Crowe U.K. LLP is offering itself for reappointment and if elected will hold office until the conclusion of the next Annual General Meeting at which accounts are laid before shareholders. This resolution will also authorise the directors to fix the remuneration of the Auditor.

SPECIAL BUSINESS

Resolution 4

This resolution is to give the directors authority to issue shares. The last such authority was put in place at the Annual General Meeting of shareholders held on 19 March 2020 but it will expire at the coming Annual General Meeting.

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

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

If given, this authority will expire at the conclusion of the Annual General Meeting in 2021.

Resolution 5

This resolution will be proposed as a Special Resolution in the event that Resolution 4 is passed by shareholders. Resolution 5 is proposed to give the directors authority to issue shares other than by way of rights issues which are, for regulatory reasons, complex, expensive, time consuming and impractical for a company the size of Tertiary Minerals plc.

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

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

If given, this authority will expire at the conclusion of the Annual General Meeting in 2021.

As the Annual General Meeting is a closed Meeting, Shareholders who wish to raise any queries regarding the Resolutions to be put to the Meeting may do so by email to agmtertiary@tertiaryminerals.com at **any time before 2.00 p.m. on Friday 15 January 2021** and any relevant questions along with the answers will be published on the Company's website **by 2.00 p.m. on Tuesday 19 January 2021**.

In line with corporate governance best practice and in order that any proxy votes of those shareholders who are not allowed to attend and to vote in person are fully reflected in the voting on the resolutions, the Chairman of the meeting will direct that voting on the resolutions set out in the notice of meeting will take place by way of a poll. The final poll vote on the resolutions will be published after the General Meeting on the Company's website.

Voting at the Meeting, Electronic Voting, Proxy Notes and Instructions

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. Due to the restrictions imposed by the Government in connection with the COVID-19 pandemic, the Meeting will be held as a closed meeting, with only the minimum number of shareholders and directors in attendance as will be required to ensure that the Meeting is quorate. This being the case, shareholders are advised not to travel to attend the Meeting as they will not be admitted. Shareholders are therefore urged to register a proxy vote appointing the Chairman to vote in accordance with their instructions.
2. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at **close of trading on Tuesday 26 January 2021**. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting. **Please note that on this occasion the Meeting will be held as a closed meeting and therefore Shareholders will not be able to attend in person.**
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. **Shareholders are advised that as the Meeting will be a closed meeting they should appoint the Chairman of the Meeting as their proxy, in order to guarantee their proxy is in attendance. Appointment of a proxy who is unable to attend the Meeting will mean that your vote will not be counted.**
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote:
 - by logging on to www.signalshares.com and following the instructions to appoint one or more and direct your votes.
 - by hard copy Form of Proxy. You may request a hard copy form of proxy directly from the registrars, Link Asset Services, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by the Registrars, Link Asset Services, at 34 Beckenham Road, Beckenham, Kent, BR3 4TU **by 2.00 p.m. on Tuesday 26 January 2021.**

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) **by 2.00p.m. on Tuesday 26 January 2021**. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Shareholder Notes

Company Information

Tertiary Minerals plc (AIM – EPIC: TYM)

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Registrars

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Joint Broker

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Solicitors

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