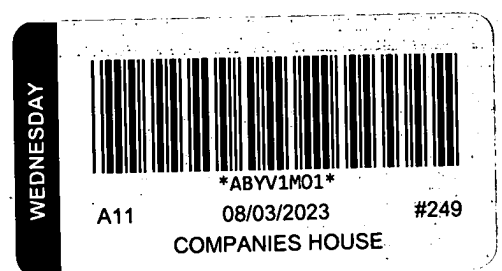




Company No. 03821411

**Annual Report and Accounts
for the year ended 30 September 2022**



Contents

Our Performance

Chairman's Statement	3
Strategic Report	5
Organisation Overview	5
Financial Review and Performance	5
Operating Review	6
Risks & Uncertainties	12
Section 172 (1) Statement	14

Our Responsibilities

Directors' Responsibilities	16
Directors' Report	16
Board of Directors	19
Corporate Governance	20
Chairman's Overview	20
Environmental, Social and Governance Statement	21
Corporate Governance Statement	22
Audit Committee Report	24
Remuneration Committee Report	25
Nomination Committee Report	25

Our Financials

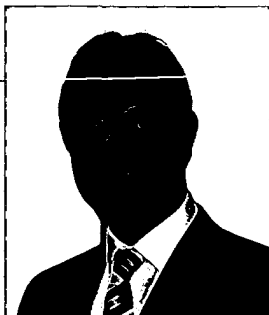
Independent Auditor's Report to the Members of Tertiary Minerals plc	26
Consolidated Income Statement	30
Consolidated Statement of Comprehensive Income	30
Consolidated and Company Statements of Financial Position	31
Consolidated Statement of Changes in Equity	32
Company Statement of Changes in Equity	33
Consolidated and Company Statements of Cash Flows	34
Notes to the Financial Statements	35

Annual General Meeting

Notice of Annual General Meeting	51
Annual General Meeting – Explanatory Notes	52
Voting at the Annual General Meeting, Electronic Voting, Proxy Notes and Instructions	53

Company Information	IBC
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Chairman's Statement



Dear Shareholder,

It is with great pleasure that I present the Annual Report for the year ended 30 September 2022. This has been our first full year of exploration for copper in Zambia and a year of very pleasing progress on a number of fronts.

We continue to pursue a strategic focus on copper, a key energy

transition metal in the new green economy, and on precious metals. We remain bullish on the outlook for the copper price and the associated market sentiment that has supported our exploration efforts, and which we expect will reward exploration success. This view is based on increasing long-term demand for copper and projections of a future supply deficit, albeit that demand has been tempered in the short term by weaker Chinese demand due to restrictive Covid policies. Precious metal prices have been subdued this year, in US Dollar terms, due to the strength of the US Dollar and following aggressive interest rate rises imposed by the US Federal Reserve. That said, years of inflationary money printing around the world supports a view that the gold price is set for a rerating.

In Zambia we work through our 96% owned Zambian subsidiary, Tertiary Minerals (Zambia) Limited ("TMZ") and have interests in five projects through various agreements with our local partner, Mwashia Resources Ltd ("Mwashia"). Mwashia has been instrumental in the tribal and stakeholder engagement process that has allowed for the smooth running of our exploration in Zambia to date.

This exploration has focused on the Jacks Copper Project ("Jacks") where TMZ now holds a 90% joint venture interest and an option to move to 100% ownership. Our inaugural drilling programme at Jacks was successful with all four holes hitting copper mineralisation. When considered alongside historical drilling, this work has so far demonstrated mineralisation over a 350m strike length open in both directions and at depth.

We also carried out a large soil sampling programme at Jacks, collecting over 2,000 samples on four detailed grids to follow up unresolved copper-in-soil anomalies identified in wide spaced sampling by previous explorers. We are delighted with the results obtained to date which, although provisional, have defined multiple soil anomalies, mainly in favourable Lower Roan stratigraphy, that are of the same order of magnitude as those reported to occur in the vicinity of ore-zones at past and currently operating mines elsewhere in the Copperbelt. The results also extend the target area at the original Jacks copper prospect.

During the year we have been assessing data and the exploration priorities for our other project interests in Zambia whilst awaiting the approval of Environmental Project Briefs ("EPBs") to allow the start of exploration. Two of these EPBs were recently granted and the approval process for the remaining EPBs is at an advanced stage.

Our assessment process was boosted recently when we signed a data sharing and technical cooperation agreement with global copper company First Quantum Minerals Limited ("FQM") to work collaboratively with respect to advancing exploration and development of the Company's Mukai and Mushima North projects. As a result, we are set to benefit from FQM's extensive and in-depth country experience, gained over many years of exploration and mine development in Zambia and, importantly, its site-specific historical exploration data in and around these two exciting projects.

Our Mukai licence, in the Domes region of northwest Zambia, is strategically located, being surrounded by FQM's Trident Project licences which cover the large producing Sentinel copper mine and the newly developed Enterprise nickel mine. We are also located just east of Arc Minerals' Zambia Copper-Cobalt Project where Anglo American is set to earn a 70% interest for expenditure of US\$88,500,000. At Mushima North our targets are for copper and gold.

Whilst our exploration operations in Nevada have yielded mixed results, we remain enthusiastic about our project portfolio in Nevada and have further drill programmes planned for 2023. This includes drilling at our Brunton Pass Copper-Gold Project where a successful programme of trenching uncovered substantial widths of skarn mineralisation anomalous in copper and hydrothermally altered rock with up to 1,000x background values for gold pathfinder elements, mercury and antimony, at two locations 900m apart and with gold values up to 2.65g/t gold. We are now targeting a high sulphidation epithermal gold deposit which we believe has been overprinted on a copper skarn system which itself may also suggest the presence of a larger porphyry copper target nearby.

A drilling programme earlier this year at our Pyramid Gold-Silver Project in Nevada failed to demonstrate the continuity at depth of widespread silver values found at surface and the decision was made to cut losses, terminate our lease and return the property to the underlying owner.

In August we signed an agreement to sell our royalty interests in the Kaaresselkä and Kiekerömaa Gold Projects in Finland which completes our exit from projects in Finland, but as a result we will retain a small shareholding in Aurion Resources Ltd and follow with interest its progress at the Risti and Helmi gold discoveries in Finland which continue to deliver exciting exploration results close to Rupert Resources' 4 million ounce Ikkari gold discovery.

Chairman's Statement (continued)

A more detailed discussion of our exploration programmes and results can be found in our Operating Review starting on page 6.

Our Annual General Meeting for the year ended 30 September 2022 will be held in London on 16 February 2023 as set out on page 51. Further detailed instructions on proxy voting are on pages 53 and 54. We encourage shareholders who cannot attend to appoint the Chairman as their proxy (online at www.signalshares.com or by requesting and submitting a hard copy Form of Proxy).

At the AGM I will be standing for re-election and we will be proposing the usual Ordinary Resolution to allow for the issue of shares and a Special Resolution to allow for the issue of shares other than by way of a rights issue. It is very important that these resolutions are passed as the Company is currently reliant on raising funds periodically from the market by placing shares to fund its exploration business and to continue as a going concern.

We are eager to continue our exploration in Nevada and to get back on the ground in Zambia as soon as the wet season is over, and we look forward to reporting back to shareholders on a full programme of exploration in 2023.



Patrick Cheetham
Executive Chairman
8 December 2022

Strategic Report

Organisation Overview

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

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

The Company's current principal activities are the identification and acquisition of prospective projects, and the exploration and development of copper, gold and silver resources in Zambia and in Nevada.

Our aim is to increase shareholder value through the discovery and development of valuable mineral deposits while optimising opportunity and minimising risk through management of the Company's jurisdictional, permitting, technical, and commodity profile.

The Parent Company of the Group is Tertiary Minerals plc. The Group's projects in Nevada are held through a Nevada registered subsidiary, Tertiary Minerals US Inc., in Zambia through a 96% owned Zambian registered Company, Tertiary Minerals (Zambia) Limited, and in Sweden through a Swedish branch of UK registered subsidiary Tertiary Gold Limited. A fourth subsidiary, UK registered Tertiary (Middle East) Limited, is inactive. The head office for all Group companies is based in Macclesfield in the United Kingdom.

Company's Business Model

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

The Group aims to maximise the funds spent on exploration and development, our core value adding activities. The Company currently has five employees, including the Executive Chairman, who work with and oversee carefully selected and experienced consultants and contractors. The Board of Directors comprises two independent Non-Executive Directors and the Executive Chairman. The profiles of the current directors are provided on page 19.

Administration costs are shared through a Management Services Agreement with Sunrise Resources plc ("Sunrise"), whereby Sunrise pays a share of the cost of head office overheads and staff costs. As at 30 September 2022, Tertiary holds 0.57% of the issued ordinary share capital of Sunrise.

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

Financial Review and Performance

The Group's assets are all in the earlier stages of the typical mining development cycle and so the Group has no income other than cost recovery from the management contract with Sunrise Resources plc ("Sunrise") and a small amount of bank interest. Consequently, the Group is not expected to report profits until it is able to profitably develop, dispose of, or otherwise commercialise its exploration and development projects.

The results for the Group are set out in detail on page 30.

The Group reports a loss of £1,175,817 for the year (2021: £406,963) after administration costs of £566,675 (2021: £486,171). The loss includes impairment of the Pyramid Project of £497,581 and Royalty assets of £201,903 and expensed pre-licence and reconnaissance exploration costs of £80,843 (2021: £72,725). Administration costs include a charge of £31,387 (2021: £12,754) relating to share warrants held by employees and third parties as required by IFRS 2.

Revenue includes £171,052 (2021: £165,058) for the provision of management, administration and office services provided to Sunrise, to the benefit of both companies through efficient utilisation of services.

The financial statements show that, as at 30 September 2022, the Group had net current assets of £251,152 (2021: £476,907). 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 31 and are also components of the Net assets of the Group. Net assets also include various "intangible" assets of the Company. As the term suggests, these intangible assets are not cash assets but include this year's and previous years' accrued expenditure on mineral projects where that expenditure meets the criteria set out in Note 1(d) (accounting policies) to the financial statements on page 35. The intangible assets total £542,907 (2021: £754,110) and the breakdown by project is shown in Note 2 to the Financial Statements on page 39.

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

The extent to which expenditure is carried forward as intangible assets is a measure of the extent to which the value of the Company's expenditure is preserved.

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

Strategic Report (continued)

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

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

Key Performance Indicators

The usual financial key performance indicators ("KPIs") are neither applicable nor appropriate to measurement of the value creation of a company involved in mineral exploration and which currently has no turnover other than cost recovery. The directors consider that the detailed information in the Operating Review is the best guide to the Group's progress and performance during the year.

The Company does seek to reduce overhead costs, where practicable, but is reporting higher administration costs this financial year of £566,675 (2021: £486,171) mainly due to the costs of an additional staff member for a part of the year and the inclusion of share-based payments associated with the issue of share warrants during the year.

Fundraising

During the year to 30 September 2022 the Company raised a total of £600,000 before expenses, as shown in Note 14 to the financial statements.

These funds were raised through:

- a share placing and Broker Option on 19 January 2022 and 21 January 2022 to clients of the Company's joint broker, Peterhouse Capital Limited, existing shareholders and three Directors of the Company as detailed in Note 14 of the financial statements on page 46.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of approval of this report. Given the Group's cash position at the year-end (£59,414), these projections include the proceeds of future fundraising necessary within the next 12 months to meet overheads and planned discretionary project expenditure. The successful raising of finance is required based on projections for the Group and Company to meet their liabilities as they fall due and continue to operate on a going concern basis.

Impairment

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

Group

The carrying value of the Pyramid Project (£497,581) was impaired in full as a result of the year-end impairment review due to the negative results of exploration during the year and a decision to terminate the Group's lease interest in the project mining claims. Royalty assets were impaired

(£201,903) to the recoverable amount of £165,594 with regards to completion of the sale of the royalty assets to Aurion Resources on 3 October 2022.

Company

Investments in share capital of subsidiary undertakings

The directors have reviewed the carrying value of the Company's investments in shares of subsidiary undertakings totalling £225,749, 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 and Zambia subsidiaries on intercompany loans with Parent Company.

A review of the recoverability of loans to subsidiary undertakings has been carried out. The review indicated potential credit losses arising in the year which have been provided for as follows: Tertiary Minerals US Inc provision of £543,526, Tertiary Gold Limited provision of £201,235 and release of provision in Tertiary (Middle East) Limited of £2,564. The provisions made reflect the differences between the loan carrying amounts and the value of the underlying project assets.

Operating Review

Zambia

Tertiary Minerals (Zambia) Limited ("TMZ"), the Company's 96% owned Zambian subsidiary, was established in 2021 to target copper exploration and development opportunities in Zambia.

TMZ holds a 90% Joint Venture interest in the Jacks Copper Project ("Jacks") and option agreements with Mwashia Resources Limited ("Mwashia") to acquire up to a 90% joint venture interest in four additional exploration licences in Zambia considered prospective for copper. These licences, currently held by Mwashia, are licence numbers 27065-HQ-LEL ("Lubuila"), 27066-HQ-LEL ("Mukai"), 27067-HQ-LEL ("Konkola West") and 27068-HQ-LEL ("Mushima North").

Technical Cooperation with First Quantum Minerals Limited ("FQM")

Towards the end of the reporting period, Tertiary and FQM entered into a technical cooperation and data sharing agreement that covers the Mukai and Mushima North project interests. This agreement effectively harnesses the expertise of one of the world's largest copper producers without cost to the Company, and in return FQM will gain first-hand knowledge of any new discoveries that the Company makes, and will be well positioned should Tertiary seek an exploration or development partner in future. Nevertheless, it is important to stress that the Agreement does not bind either company to any further agreement or grant FQM any right of first refusal and so is not commercially restrictive for Tertiary.

FQM is a global copper company operating long life mines in several countries. It employs approximately 20,000 people world-wide. FQM is ranked the sixth largest copper producer in the world and is forecasting global copper metal production of at least 790,000 tonnes in 2022. Just under half of FQM's copper production is expected to come from its Kansanshi and Sentinel mines in Zambia which together represent approximately 50% of total Zambian copper output.

FQM & Tertiary have established a Technical Committee to advise and assist the Company in relation to all technical matters relating to the Mukai and Mushima North projects. As part of this agreement, FQM is providing Tertiary with all of its historical exploration data for the two licence areas and Tertiary will submit its exploration results to the Technical Committee on an ongoing basis.

Jacks Copper Project (90% Joint Venture interest, Option to Increase to 100%)

The original Jacks copper prospect, discovered in the 1960s, lies within the Jacks Exploration Licence 27069-HQ-LEL. This covers 141.4km² and is located 85km south of Luanshya in the Central Province of Zambia.

Having met its expenditure obligations at Jacks, the Company has earned the right to a 90% interest in the licence and subsequently TMZ and its partner, Mwashia, have executed a full Joint Venture and Shareholders' Agreement for 27069-HQ-LEL. A new Zambian company will be formed to be owned 90% by TMZ and 10% by Mwashia to own the licence and manage the exploration. Mwashia will transfer 27069-HQ-LEL into the name of the newly formed company. TMZ will hold an option, exercisable at any time, to purchase Mwashia's 10% interest for payment of US\$3.5 million.

Geology and Historic Exploration

The host rocks in the licence comprise synclinally folded basal Katangan Supergroup sediments which include the Lower Roan Subgroup, the main copper mineralised rock sequence in the Central African Copperbelt.

The area was first explored by Roan Selection Trust Limited ("RST") in the 1960s who drilled a series of wide spaced

core holes in the area of copper showings at the original Jacks prospect which occurs within the nose of a synclinal fold structure.

In the 1990s, Caledonia Mining Corporation ("CMC") and Cyprus AMAX Minerals ("Cyprus") explored the area under a JV Agreement. The exploration programme included geochemical sampling, ground-based magnetics and drilling. One drill hole of note, KJD10 was reported to have intersected 23.95m (222.05 – 246.00m) grading 1.26% copper which includes 1.88m (230.12 – 232.00m) grading 2.93% copper.

The area was further explored by KPR Investments Limited ("KPR") and FQM under a JV Agreement who, between 2014-2015, conducted lithological and structural mapping, licence-wide 500 x 500 metre soil sampling and limited infill soil sampling on a 250 x 250 metre grid. This identified a number of copper-in-soil anomalies where follow up drilling was planned but never carried out.

Phase 1 Drill Programme – June 2022

The Company's first Zambian drill programme at Jacks was to confirm the presence of, and assess the continuity of, copper mineralisation at the original Jacks copper prospect.

The historical data had limitations on the positional accuracy so to assist with drill targeting the Company conducted soil geochemical analysis using a portable XRF ("pXRF") analyser along and between the profiles of historical drilling. Several strong copper anomalies were identified which, when correlated with historical soil geochemistry, allowed the interpreted geological model to be spatially refined.

Four holes were completed for a total of 746m of drilling, two each on two separate traverses spaced approximately 150m apart. During the drill programme core orientation was conducted and preliminary analysis of core using pXRF allowed real-time interpretation of drill intersections and facilitated the positioning of subsequent holes. Drill core was cut on-site and 186 samples, along with internal QA/QC samples, were delivered to SGS Laboratories in Kalulushi, Zambia, for independent laboratory-based analysis. A table of significant drill intersections is shown in Table 1.

Table 1: Analytical Results

	Drill Hole	Down Hole Interval (m)	Copper (%)	From (m)	To (m)
	22JKDD01	13.5	0.9	77.5	91.0
Including	22JKDD01	3.0	1.7	79.5	82.5
Including	22JKDD01	3.5	1.2	87.0	90.5
	22JKDD02	7.0	0.6	54.0	61.0
	22JKDD02	3.0	0.8	191.0	194.0
	22JKDD03	6.0	1.8	105.0	111.0
Including	22JKDD03	4.0	2.4	106.0	110.0
	22JKDD04	14.0	0.8	27.0	41.0
Including	22JKDD04	2.0	1.7	27.0	29.0
Including	22JKDD04	5.0	1.0	35.0	40.0

Strategic Report (continued)

The Company considers that the presence of copper mineralisation has now been demonstrated at the original Jacks copper prospect over a 350m strike length and to depths up to 230m vertically below surface. It is open along strike and may be thickening closer to the fold nose, as evidenced by historical drillhole KJD10.

Soil Sampling Programme

A soil sampling programme was commissioned following the Phase 1 Drill Programme. Over 2,000 samples were collected on four separate grids (A-D) at 40m intervals on north-south lines spaced 200m apart. Preliminary analysis was performed by pXRF in the field.

As a guide to the significance of soil sampling results, the Company notes that soil anomalies for freely drained soils in the vicinity of various ore zones at current and past producing mines on the Copperbelt have thresholds in the range 50 to 150 parts per million ("ppm") copper, averaging 80ppm copper and peak values in the range 100-450ppm copper and averaging 210ppm copper.

Areas A, B and C targeted copper anomalies identified in the wide spaced historical soil sampling. Preliminary pXRF results identified areas for immediate follow-up in areas B, C and D as follows:

In Area B, a 600m long x 600m wide copper-in-soil anomaly was defined with a peak of 325 ppm copper and 197ppm nickel in different samples. The trace element signature of the anomaly is atypical for Copperbelt style mineralisation and further evaluation of this is required to determine its significance.

In Area C, a north-northeast striking copper anomaly approximately 1,100m long and 400m wide was identified with a peak value of 257ppm copper. The Area C anomaly demonstrated elevated Cu:Sc ratios in FQM's original sampling. Scandium is considered immobile in hydrothermal ore forming systems and so the Cu:Sc ratio is a useful tool to discriminate between copper anomalies caused by hydrothermal concentration of copper in sulphide minerals from those caused by rocks with naturally high background concentrations of copper.

Area D covered approximately 4km of strike length at the original Jacks copper prospect which was the target of the Phase 1 Drill Programme. A peak value of 525ppm copper was observed in the Phase 1 drilling area within a 600m x 400m anomaly. Further to the southwest a second anomaly was defined with dimensions of 600m x 500m and a peak value of 173ppm copper.

As pXRF results do not have the same accuracy or precision as traditional laboratory chemical analysis, the results are considered provisional. A subset of samples will now be selected for analysis using traditional wet geochemical methods and the results will form the basis of geochemical interpretation and drill planning.

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

Exploration Licence 27066-HQ-LEL, which forms the Mukai Project, covers 55.4km² and is located 125km west of Solwezi in the North-Western Province of Zambia. Located in the Domes Region of the Central African Copperbelt the licence encompasses Lower Roan Subgroup rocks which are part of the southern flank of the Kabompo Dome.

The licence is directly adjacent to FQM's Trident Project licences which include the recently opened Enterprise nickel mine and the large producing Sentinel (Kalumbila) copper mine, located 8km south and 18km southeast of the licence, respectively. Enterprise will be the largest nickel mine in Africa with a total Measured and Indicated Resource of 40 million tonnes of ore containing 431,000 tonnes of nickel. FQM has invested US\$2.1 billion in the Sentinel copper mine where the plant has the capacity to treat 55 Mt of ore per annum (Mineral Reserves – 721.7 million tonnes ("Mt") with a mean grade of 0.46% copper). The Mukai Project is also located west of Arc Minerals project area on the opposite flank of the Kabompo Dome where Anglo American plc can earn a 70% interest from Arc Minerals plc through expenditure of US\$88.5 million including US\$14.5 million in cash payments.

The Mukai Project is subject to the Technical Cooperation and Data Sharing Agreement between TMZ and FQM.

Historic exploration in the Mukai licence area has been carried out for copper by Roan Selection Trust ("RST") in the 1960s, for uranium by Agip in the 1980s, and by an Equinox-Anglo American JV ("Zamanglo") in the early 2000s. Most of this work was of a regional nature comprising stream sediment sampling and soil sampling.

To date, FQM has provided Tertiary with licence-wide geophysical data including magnetic data, radiometric data and electromagnetic data. FQM's mapping, in part based on this data, has traced the Enterprise and Sentinel host rocks into the Mukai Licence where they occur in similar proximity to the deep seated Kalumbila Fault Zone.

A copper soil anomaly was identified within the Mukai licence by RST in the 1960s close to the boundary with FQM's licences and is seen to continue into FQM's adjacent licence as a copper and copper:scandium anomaly (high copper:scandium ratios are seen as an indicator of copper sulphide mineralisation as opposed to enhanced background level of copper in the rock). This is a high priority target for follow-up exploration.

Nickel anomalies have also been identified in the licence area, in soils by Zamanglo and in stream sediments by the Zambian Geological Survey. Data interpretation and targeting is ongoing.

The Mukai Licence contains an area of designated forest, which, although affording a higher level of environmental protection, does not exclude exploration or mining.

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

Exploration Licence 27068-HQ-LEL, which forms the Mushima North Project, covers 701.3km² and is located 100km east of Manyinga in the North-Western Province of Zambia.

The licence encompasses basement rocks outside of the traditional Copperbelt and the region is a focus of exploration for copper-gold in so called Iron-Oxide-Copper-Gold ("IOCG") deposits best exemplified by the giant Olympic Dam copper-gold-uranium deposit in South Australia. The past producing Kalengwa copper mine is situated approximately 20km west of the licence and is believed to be one of the highest-grade copper deposits ever to be mined in Zambia with high grade ore in excess of 26% copper mined in the 1970s.

The Mushima North Project is also subject to the Technical Cooperation and Data Sharing Agreement between TMZ and FQM.

Historical exploration has focused on the eastern margin of a series of syenitic-granitic intrusives. A number of historic copper prospects occur within the licence and soil anomalies have been identified in RST soil sampling programmes in the 1960's. One of these anomalies was followed up with a 154m deep drill hole, RKN 800, which intersected pyritic siltstone and sandstone containing chalcopyrite (copper sulphide) in association with calcite veins. Sampling of drill cores was very rudimentary with random samples taken at the end of each core run. Nevertheless, copper values were anomalous throughout with many samples grading more than 0.3% copper (0.3% being the upper limit on the graphical scale of analytical results presented with the drill log). This is an immediate target for follow-up exploration.

FQM has so far provided the Company with airborne magnetic and VTEM electromagnetic survey data for the Mushima North licence. This data will be processed with a view to additional target generation and data compilation and reviews are ongoing.

Lubaila Project (Option Agreement to acquire up to a 90% joint venture interest)

The Lubaila Project, formed by exploration licence 27065-HQ-LEL, is situated on the western flank of the Kabuche Dome on the southwest margin of the Kafue Anticline. Located approximately 90km west of Luanshya in the Copperbelt Province, the licence covers 334.8km² which is partially underlain by the prospective Lower Roan arenite. Approximately 70km to the northwest lies the currently producing Chambishi Southeast copper-cobalt mine.

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

Exploration Licence 27067-HQ-LEL, which forms the Konkola West Project, covers 71.9km² and is located 18km northwest of Chingola in the Copperbelt Province. The licence

lies immediately west of the Konkola and Musoshi copper deposits which are under active exploitation at the Konkola and Lubambe copper mining complexes.

Prospective Lower Roan Subgroup rocks are projected to be deeply buried in the licence area but key fault structures, such as the Luansobe Fault extension and the Cross Axis Fault Zone, may cross into Konkola West. These fault structures are often associated with copper mineralisation in the area.

Environmental Project Briefs ("EPBs"), which are required to conduct mineral exploration activities, have been approved by the Zambia Environmental Management Agency ("ZEMA") for the Lubaila and Konkola West Projects, and the Company expects they will be granted within the coming weeks for the Mukai and Mushima North Projects.

Nevada, USA

Brunton Pass Copper Project (100% owned)

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

Geology, Mineralisation and Past Exploration

Regionally the Brunton Pass Copper Project sits on the north-east side of a large granite batholith around which there are a number of epithermal gold and porphyry copper-gold deposits including the high sulphidation Paradise Peak gold deposit, located 25km southwest of Brunton Pass, that produced over 1.6 million ounces of gold and over 44 million ounces of silver and at least 457 tons of mercury. The Project area is underlain by Triassic-age limestone, sandstone, and siltstone which have been intruded by diorite and quartz monzonite. The sedimentary rocks are strongly altered locally and appear as a window in fault contact with Tertiary-age volcanic rock (rhyolite) bounding on all sides.

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

In 1991, the area was mapped and sampled by the US Bureau of Mines ("USBM") who collected a total of 14 samples and 8 of these contained values above 1% copper and up to 6.91% copper including a chip sample over 12ft (3.66m) grading 1.36% copper.

Company Exploration

Prior to the reporting period, Company reconnaissance sampling in 2020 had confirmed the USBM records of widespread copper mineralisation. As follow-up in 2021, the Company conducted a high-resolution drone-based aeromagnetic-photogrammetric survey, a soil sampling programme and additional rock chip sampling.

Strategic Report (continued)

Several copper-in-soil anomalies with individual grades of up to 953ppm copper are present within the project area. The largest of these anomalies has dimensions of 340m x 310m and they are mainly coincident with areas of rock samples containing percent-level copper values. Two large mercury-in-soil anomalies were also defined with values up to 52 ppm mercury with the largest of these extending over an area approximately 500m x 500m, with the combined anomalies extending over approximately 1km.

Structural and geological interpretation of the magnetic data was also conducted to define structures that could be potential pathways for mineralisation.

Trenching Programme

In late July 2022, six trenches were excavated for a total of 386.2m over the zones of anomalous copper, arsenic and mercury. All trenches were geologically mapped and sampled throughout at 10ft (3m) intervals. Three were excavated in the eastern half of the project area in the area of the mercury-arsenic anomalies and three trenches targeted the copper soil anomalies in the southwest quadrant of the project.

Multiple rock samples from trenches and outcrop were sent for thin section, polished thin section and XRD evaluation to evaluate the styles of mineralisation and so provide context for trench sampling analytical results. Trenches were labelled according to a broader plan, therefore the trench numbers below do not run sequentially.

Trenches 1, 2 and 11 targeted the mercury-arsenic anomaly. Geochemical analysis showed high-level arsenic (As) and mercury (Hg) values with a 9.1m section in Trench 1 containing 1,930ppm As and 102ppm Hg and a 32m section in Trench 11 grading 1622ppm As and 110ppm Hg. The As and Hg values are approximately 1000x background. Trench 2 intersected 2.7 metres grading 2.65 g/t gold in a north trending shear zone that parallels the strike of the soil anomaly suggesting it was mobilised from a deeper part of the same structural zone. The similar argillic alteration assemblages (smectite+quartz+/-opal) seen in Trench 1 and Trench 11 closely resemble those observed in the upper levels of high sulphidisation epithermal gold deposits.

Trenches 7, 8 and 10 tested copper-in-soil anomalies in the southwest quadrant of the project area. Beneath the peak copper-in-soil anomaly, Trench 7 cut 27.4m grading 1,010ppm copper (0.1% Cu) within a 45.7m wide intersection grading 814ppm copper and Trench 8, 40m south of Trench 7, returned 77.7m averaging 473ppm copper for the full length of the trench. The copper values are highly anomalous and open ended.

The work undertaken during this field season suggests the possible presence of a copper skarn-porphyry copper target and epithermal gold mineralisation at deeper levels and the Company believes that drill testing of these copper and gold targets is now warranted.

Pyramid Project, Nevada, USA

The Pyramid Project is located 25 miles northwest of Reno in the Pyramid Mining District. During the reporting period, the Company conducted a Phase 2 Trenching Programme followed by a reverse circulation percussion drill programme to follow up on favourable results of earlier exploration programmes. However, drilling results were disappointing and could not replicate the wide intervals of mineralisation sampled at surface and in view of upcoming lease payments, the company lease agreement on the Pyramid Project was terminated and the Project returned to the lessor.

Other Projects

No work was conducted on the Company's Paymaster, Mt Tobin and Lucky projects in Nevada during the year due to the focus on the Brunton Pass and Pyramid Projects, but further work is budgeted for 2023.

Kaarelselkä and Kiekerömaa Gold Royalties, Finland

During the reporting period, the Company accepted a binding offer from Aurion Resources Ltd ("Aurion") for the purchase of its royalty interests associated with the Kaarelselkä and Kiekerömaa gold projects in Finland.

Aurion assigned all of its rights in the sale agreement to B2Fingold Oy ("B2 Fingold"), (a Finnish company in which Aurion holds an interest) insofar as they relate to the Kiekerömaa Property and consequently separate agreements were executed with Aurion in respect of the Kaarelselkä royalty interest and with B2Fingold Oy in respect of the Kiekerömaa royalty interest.

The consideration paid on closing of the formal sale and purchase agreement was CAD\$200,000 in cash and the issue to Tertiary of 83,333 common shares in Aurion. The transaction completed in October 2022, following the reporting year-end.

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.

The Storuman Fluorspar Project has a JORC Compliant Mineral Resource of 27.7Mt at 10.21% CaF₂ as shown in Table 2.

Table 2: 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 2022 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 following exploitation concession awards to other mineral exploration companies in Sweden during the reporting period, the Company remains hopeful that the Swedish Government will respond to our appeal. There is, however, still no timeline for a response from the Swedish Government. Expenditure on the Storuman Project remains fully impaired.

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.

Strategic Report (continued)

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
Exploration Risk 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.	The directors bring many years of combined mining and exploration experience and an established track record in mineral discovery. The Company maintains a portfolio of exploration projects, including projects at the drill stage, in order to spread the risk associated with mineral exploration.
Resource/Reserve Risk All mineral projects have risk associated with defined grade and continuity. Mineral Resources and Reserves are always subject to uncertainties in the underlying assumptions which include the quality of the underlying data, geological interpretations, technical assumptions and price forecasts.	When relevant, Mineral Resources and Reserves are estimated by independent specialists on behalf of the Group and reported in accordance with accepted industry standards and codes. The directors are realistic in the use of mineral price forecasts and impose rigorous practices in the QA/QC programmes that support its independent estimates.
Development Risk Delays in permitting, or changes in permit legislation and/or regulation, financing and commissioning a project may result in delays to the Group meeting production targets or even the Company ultimately not receiving the required permits and in extreme cases loss of title.	In order to reduce development risk in future, the directors will ensure that its permit application processes and financing applications are robust and thorough.
Commodity Risk Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.	The Company consistently reviews commodity prices and trends for its key projects throughout the development cycle.
Mining and Processing Technical Risk Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, groundwater conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable.	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.
Environmental and Social Governance (ESG) Risk Exploration and development of a project can be adversely affected by environmental and social legislation and the unforeseen results of environmental and social impact studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.	The Company has adopted an Environmental, Social and Governance Policy (the "ESG Policy") and avoids the acquisition of projects where liability for legacy environmental issues might fall upon the Company. Mineral exploration carries a lower level of environmental and social liability than mining. The ESG Policy will be updated in the future to reflect the status of the Company's projects.

RISK	MITIGATION STRATEGIES
Political Risk All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest, and government expropriation of assets.	The Company's strategy currently restricts its activities to stable, democratic and mining-friendly jurisdictions. The Company has adopted a strong Bribery & Anti-corruption Policy and a Code of Conduct and these are strictly enforced. When working in less developed countries the Company undertakes a higher level of due diligence with respect to partners and suppliers.
Partner Risk 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.	The Company currently maintains control of certain key projects so that it can control the pace of exploration and reduce partner risk. For projects where other parties are responsible for critical payments and expenditures, the Company's agreements legislate that such payments and expenditures are met. Where appropriate, the Company carries out Due Diligence and Know Your Customer checks on potential business partners.
Financing & Liquidity Risk Liquidity risk is the risk that the Company will not be able to raise working capital for its ongoing activities. The Group's goal is to finance its exploration and evaluation activities from future cash flows, but until that point is reached the Company is reliant on raising working capital from equity markets or from industry sources. There is no certainty such funds will be available when needed.	The Company maintains a good network of contacts in the capital markets which has historically met its financing requirements. 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.
Financial Instruments Details of risks associated with the Group's Financial Instruments are given in Note 19 to the financial statements on page 49.	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. In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control. The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

Strategic Report (continued)

Forward-Looking Statements

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

Section 172 (1) Statement

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

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

Having regard to:

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

The Company's Aims and Business Model are set out at the head of this Strategic Report on page 5 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 22 and the section on Risks and Uncertainties on page 12.

The interests of the Company's employees:

All of the Company's employees have daily access to the executive directors and to the non-executive directors and there is a continuous and transparent dialogue on all employment matters. Further details on the Board's employment policies, health and safety policy and employee engagement are given in the Corporate Governance Statement (Principle 8) on page 23.

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 22.

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

The Company requires a "social licence" to operate sustainably in the mining industry and so the Board makes careful consideration of any potential impacts of its activities on the local community and the environment. The Board strives to maintain good relations with the local communities in which it operates and with local businesses. The executive directors and/or local partners meet with regulators and community representatives when promulgating the Company's plans for exploration and development and take their comments into consideration wherever possible. Further discussion of these activities can be found in the Environmental, Social and Governance ("ESG") Policy, starting on page 21, and in the Corporate Governance Statement (Principle 3) on page 22.

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 22. 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, ESG Policy and Bribery & Anti-Corruption Policy and Code of Conduct.

The need to act fairly between Members of the Company:

The Board ensures that it takes decisions in the interests of the members (shareholders) as a whole and aims to keep shareholders fully informed of significant developments, ensuring that all shareholders receive Company news at the same time. The directors devote time to answering genuine shareholder queries and ensure that no individual or group of shareholders is given preferential treatment. Further information is provided in the Corporate Governance Statement (Principles 2 and 10) on pages 22 and 24.

This Strategic Report was approved by the Board on 8 December 2022 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P. Cheetham', followed by a long horizontal line extending to the right.

Patrick Cheetham
Executive Chairman

Our Responsibilities

Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable law and UK adopted International Accounting Standards;
- 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 2022.

The Strategic Report starting on page 5 contains details of the principal activities of the Company and includes the Operating Review which provides detailed information on the development of the Group's business during the year and indications of likely future developments.

Going Concern

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

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group's cash position at the year-end (£59,414), these projections include the proceeds of future fundraising deemed necessary within the next 12 months to meet the Company's and Group's overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

Dividend

The directors do not recommend the payment of a dividend.

Financial Instruments & Other Risks

Details of the Group's financial instruments and risk management objectives and of the Group's exposure to risk associated with its financial instruments is given in Note 19 to the financial statements.

The business of mineral exploration and evaluation has inherent risks. Details of risks and uncertainties that affect the Group's business are given in Risks and Uncertainties which are set out on pages 12 to 13.

Directors

The directors holding office during the year were:

Mr P L Cheetham
 Mr P B Cullen (Resigned 13 June 2022)
 Mr D A R McAlister
 Dr M G Armitage

Attendance at Board and Committee Meetings

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

Director	Board Meetings		Nomination Committee		Audit Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
P L Cheetham	10		2		3		1	
P B Cullen*	8	10	1	2	2	3	0	1
D A R McAlister	10		2		3		1	
Dr M Armitage	10		2		3		1	

* Resigned 13 June 2022 and so only eligible to attend 10 Board and one Committee meeting during the reporting period.

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

Events After the Year-End

The sale of Kaaresselkä and Kiekerömaa royalties agreed on 8 August 2022 was completed on 7 October 2022.

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 8 December 2022	Number of shares	% of share capital
JIM Nominees Limited JARVIS	217,000,058	14.13
Interactive Investor Services Nominees Limited SMKTISAS	151,720,071	9.88
Hargreaves Lansdown (Nominees) Limited 15942	132,656,092	8.63
Interactive Investor Services Nominees Limited SMKNOMS	89,595,700	5.83
Barclays Direct Investing Nominees Limited CLIENT1	88,940,254	5.79
Hargreaves Lansdown (Nominees) Limited HLNOM	83,930,360	5.46
Vidacos Nominees Limited IGUKCLT	70,822,848	4.61
Aurora Nominees Limited 2288700	51,843,059	3.37
HSDL Nominees Limited	51,441,257	3.35
Hargreaves Lansdown (Nominees) Limited VRA	50,430,440	3.28
HSDL Nominees Limited MAXI	49,163,992	3.20

Disclosure of Audit Information

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

Our Responsibilities (continued)

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, 16 February 2023, at 10.00 a.m., is set out on page 51 of this report. Explanatory Notes giving further information about the proposed resolutions are set out on page 52.

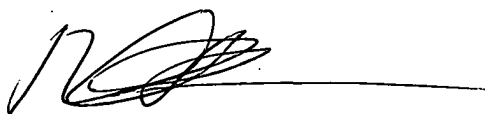
Conflicts of Interest

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

At 30 September 2022, Tertiary Minerals plc held 0.57% of the issued share capital of Sunrise Resources plc and the Chairman of Tertiary Minerals plc is also Chairman of Sunrise Resources plc. Tertiary Minerals plc also provides management services to Sunrise Resources plc, in the search, evaluation and acquisition of new projects.

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

Approved by the Board on 8 December 2022 and signed on its behalf.



Patrick Cheetham
Executive Chairman

Board of Directors

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

Patrick Cheetham

Chairman

Key Strengths and Experience

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

External Appointments

Chairman and founder of Sunrise Resources plc.

Donald McAlister

*Non-Executive Director**

Key Strengths and Experience

- Accountant.
- Previously Finance Director at Mwana Africa plc, Ridge Mining plc, Reunion Mining and Moxico Resources plc.
- 27 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

None.

* Currently Chair of the Audit Committee.

Dr Michael Armitage

*Non-Executive Director***

Key Strengths and Experience

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

External Appointments

Executive Director of Sam Helen Gold Limited. Executive Director of TREO Minerals Ltd. Non-Executive Director of Central Asia Metals plc.

** Currently Chair of the Remuneration Committee

Rod Venables – City Group PLC

Company Secretary

Key Strengths and Experience

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

External Appointments

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

Patrick Cullen

Managing Director, Resigned 13 June 2022

Our Responsibilities (continued)

Corporate Governance

Chairman's Overview

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

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

The Company's Corporate Governance Statement was reviewed and amended by the Board on 8 December 2022. The Company has set out on its website and in its Corporate Governance Statement, on pages 22 to 24, the ten principles of the QCA Code and details of the Company's compliance.

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

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

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

The Board has also adopted a Share Dealing Code for dealings in shares of the Company by directors and employees and a Bribery & Anti-corruption Policy and Code of Conduct applicable to employees, suppliers and contractors.

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers. The amount shown in the Consolidated and Company Statements of Financial Position in respect of trade payables at the end of the financial year represents 5 days of average daily purchases (2021: 14 days). This amount is calculated by dividing the creditor balance at the year-end by the average daily Group spend in the year.

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

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



Patrick Cheetham
Executive Chairman

Environmental, Social and Governance Statement

Tertiary Minerals plc practises responsible exploration as reflected in our Environmental, Social and Governance ("ESG") policy statement and our activities. By doing so we reduce project risk, avoid adverse environmental and social impacts, optimising benefits for all stakeholders while adding value to our projects.

Our business associates, consultants and contractors perform much of our primary activities at our projects and therefore we require that all representatives and contractors working on our behalf or for our subsidiaries accept and adhere to the principles set out in this policy. We encourage input from those with local knowledge and we review this policy on a regular basis.

Our ESG policy is guided by the Prospectors & Developers Association of Canada's (PDAC) Framework for Responsible Exploration (known as e3 Plus) which encourages mineral exploration companies to compliment and improve social, environmental and health and safety performance across all exploration activities around the world.

Adopting Responsible Governance and Management

Tertiary is committed to environmentally and socially responsible mineral exploration and has developed and implemented policies and procedures for corporate governance and ethics as set out from page 20. We ensure that all staff and key associates are familiar with these and have appropriate level of knowledge of these policies and procedures.

The Company employs persons and engages contractors with the required experience and qualifications relevant to their specific tasks and, where necessary, seeks the advice of specialists to improve understanding and management of social, environmental, human rights and security, and health and safety.

Tertiary's Corporate Governance Statement and Bribery & Anti-Corruption policies can be viewed on our website here: www.tertiaryminerals.com/corporate-governance-statement.

Applying Ethical Business Practices

As well as our shareholders and staff, our stakeholders include local communities and local leadership, government and regulatory authorities, suppliers, contractors and consultants, our local business partners and other interested parties. Our corporate culture and policies require honesty, integrity, transparency and accountability in all aspects of our work and when interacting with all stakeholders.

We ensure that our contractors, consultants and local partners are aware of and adhere to our Bribery & Anti-Corruption Policy and Code of Conduct.

The Company takes all necessary steps to ensure that activities in the field minimise or mitigate any adverse impacts on both the environment and on local communities.

Commitment to Project Due Diligence and Risk Assessment

We make sure we are informed of the laws, regulations, treaties and standards that are applicable with respect to our activities. We ensure that relevant parties are informed and prepared before going into the field in order to minimise the risk of miscommunication, unnecessary costs and conflict, and to understand the potential for creating opportunities with local communities where possible.

Engaging Host Communities and Other Affected and Interested Parties

Tertiary is committed to engaging positively with local communities, regulatory authorities, suppliers and other stakeholders in its project locations, and encourages feedback through this engagement. Through this process the Company develops and fosters the relationships on which our business relies for success.

For example, in Zambia, we work together with our local partner, Mwashia Resources Limited, to ensure that the appropriate tribal and local government organisations are consulted before initiating any exploration work.

Respecting Human Rights

The exploration activities of Tertiary are carried out in line with applicable laws on human rights and the Company does not engage in activities that have adverse human rights impacts.

Protecting the Environment

We are committed to ensuring that environmental standards are met or exceeded in the course of our exploration activities. Applicable laws and local guidelines in all project jurisdictions are followed diligently and exploration programmes are only carried out once relevant permits and approvals have been secured from the appropriate regulatory bodies.

In Zambia, we work with the Zambian Environmental Management Agency ("ZEMA") and are required to submit Environmental Project Briefs for approval by ZEMA before starting exploration. In Nevada, USA, most of our exploration is carried out on Federally owned land administered by the Bureau of Land Management ("BLM") which requires the submission of financial bonds for reclamation of exploration activities and which holds the Company to account. Provisions are made in the financial statements for reclamation costs in accordance with calculations set by the BLM. When operating on private lands the Company applies the same rigorous standards for reclamation.

Tertiary is committed to good practices in rehabilitation and repair during its mineral exploration activities and, where possible, choose less impactful exploration methods to limit disturbance.

Safeguarding the Health and Safety of Workers and the Local Population

Company activities are carried out in accordance with its Health and Safety Policy, which adheres to all applicable laws.

Our Responsibilities (continued)

Corporate Governance Statement

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

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

The Company has a clearly defined strategy and business model that has been adopted by the Board and is set out in the Strategic Report starting on page 5. Details of the challenges to the execution of the Company's strategy and business model and how those will be addressed can be found in Risks and Uncertainties in the Strategic Report set out on pages 12 to 13.

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

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

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

Shareholders are also welcome to contact the Company via email at info@tertiaryminerals.com 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 and which includes the latest corporate presentation on the Group. Contact details are also provided on the website.

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

The Board takes regular account of the significance of social, environmental and ethical matters affecting the business of the Group. The Board has adopted an Environmental, Social and Governance ("ESG") Policy, which can be found on the Company website and an ESG Statement can be found in this Annual Report on page 21. The Company engages positively with local communities, regulatory authorities, suppliers and other stakeholders in its project locations and encourages feedback through this engagement. Through this process

the Company identifies the key resources and fosters the relationships on which the business relies.

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

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Group at this stage in its development and in the foreseeable future are detailed in Risks and Uncertainties in the Strategic Report set out on pages 12 to 13, together with risk mitigation strategies employed by the Board.

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

The Board's role is to agree the Group's long-term direction and strategy and monitor achievement of its business objectives. The Board meets formally four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives regular and timely reports for consideration on all significant strategic, operational and financial matters. Relevant information for consideration by the Board is circulated in advance of its meetings.

The Board met ten times during the year to consider such matters. Further details are provided in the Directors' Report on page 17. The Board is supported by the Audit, Remuneration and Nomination Committees, details of which, together with attendance records, can also be found on page 17.

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

The non-executive directors have committed the time necessary to fulfil their roles during the year. The attendance record of the directors at Board and Board Committee meetings are detailed in the Directors' Report on page 17.

Non-executive directors are considered independent if they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Despite serving as a non-executive director for more than nine years, Donald McAlister is considered to be independent using these criteria. In compliance with good practice, Mr McAlister would normally seek annual re-election rather than every third year as per the Articles of Association. However, as another of the three current directors is up for re-election at this next annual general meeting Mr McAlister will not be retiring and offering himself for re-election this next time.

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

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

The directors maintain their skills through membership of various professional bodies, attendance at mining conferences and through their various external appointments. Details of the current Board of Directors' biographies are set out on page 19.

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

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

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

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

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

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

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

The Group will give full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Board takes account of Tertiary's employees' interests when making decisions, and suggestions from those employees aimed at improving the Group's performance are welcomed.

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

The Board recognises that its principal activity, mineral exploration and development, has potential to impact on local environments and communities, as such the ESG Policy was developed with this in mind and this replaces the previous Environmental Policy to ensure that, wherever they take place, the Group's activities have minimal environmental and social impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same. The Group's activities carried out in accordance with the ESG Policy have had only minimal environmental and social impact, and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

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

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making, and that the non-executive directors are properly briefed on all operational and financial matters. The Chairman has overall responsibility for corporate governance matters in the Group and chairs the Nomination Committee. The 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. Key operational and financial decisions are reserved for the Board through quarterly project reviews, annual budgets, and quarterly budget and cash-flow forecasts and on an ad hoc basis where required.

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

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

Our Responsibilities (continued)

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

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

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

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

Audit Committee Report

The Audit Committee is a sub-committee of the Board, comprised of the independent non-executive directors and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the auditors taking account of any non-audit services provided by them. Donald McAlister is Chair of the Audit Committee.

The specific objectives of the Committee are to:

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

The Committee has unlimited access to the external auditors, to senior management of the Group and to any external party deemed necessary for the proper discharge of its duties.

The Committee may consult independent experts where it considers necessary to perform its duties.

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

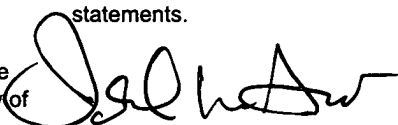
The Audit Committee met three times in the last financial year, on 9 December 2021, 25 May 2022 and 4 August 2022.

The Committee reviewed the carrying values of the Group projects and the Group inter-company loans and carried out impairment reviews. The project carrying values are assessed against the IFRS 6 criteria set out in Note 1(n) starting on page 37. Loans to Group undertakings are assessed for impairment under IFRS 9.

As a result of the year-end review, it was judged that the Pyramid Project expenditure should be fully impaired. The review of the recoverability of loans to subsidiary undertakings was also carried out and it was decided to write off the Loan to Tertiary Middle East Ltd due to the write off in the underlying investment in the Ghurayyah joint venture. Further details are provided on pages 38 and 44.

Going Concern

The Committee also considered the Going Concern basis on which the accounts have been prepared (see Note 1(b) on page 35). The directors are satisfied that the Going Concern basis is appropriate for the preparation of the financial statements.



Donald McAlister
Chair – Audit Committee

Remuneration Committee Report

The Remuneration Committee is a sub-committee of the Board and comprises the two non-executive directors. Dr Mike Armitage is Chairman of the Remuneration Committee.

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

The Remuneration Committee met once in the financial year under review, on 4 August 2022, to review the Committee Terms of Reference and ensure their continued suitability.



Dr Mike Armitage
Chair – Remuneration Committee

Nomination Committee Report

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

The Nomination Committee meets at least once per year to lead the formal process of rigorous and transparent procedures for Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations, insofar as they are appropriate to the Group at this stage in its development.

The Committee is required, amongst other things, to:

- (a) Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to Board appointments and any Board changes.

- (b) Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- (c) Keep under review the leadership needs of the organisation to compete effectively in the marketplace.
- (d) Review annually the time required from executive directors and non-executive directors. Performance evaluation should be used to assess whether the executive directors and non-executive directors are spending enough time in fulfilling their duties.
- (e) Arrange periodic reviews of the Committee's own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- (f) Ensure that prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that may result in a conflict of interest.

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

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



Patrick Cheetham
Chair – Nomination Committee

Independent Auditor's Report

to the Members of Tertiary Minerals plc for the year ended 30 September 2022

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 2022, which comprise:

- the Group income statement and statement of comprehensive income for the year ended 30 September 2022;
- the Group and Parent Company statements of financial position as at 30 September 2022;
- 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 UK adopted International Accounting Standards.

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 2022 and of the Group's loss for the period then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with applicable law and UK adopted International Accounting Standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 as applied to listed companies, 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 future projections of positive monthly net cashflows for the foreseeable future rely upon cash inflows from successful fundraising at a certain point in

time within the next 12 months. The Group is reliant upon this fundraising in order to adequately finance overheads, meet its liabilities as they fall due and maintain planned discretionary project expenditure necessary to realise the value inherent in exploration projects. Therefore as stated in Note 1(b), these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group (and Company) 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 as set out in Note 1(n) is critical to this assessment. The risks and audit responses are detailed in the Key Audit Matters below. Our opinion is not modified in respect of these matters.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, but there is a material uncertainty in relation to this matter. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included;

Consideration based on historical experience of the accuracy of forecasting in previous periods by management; review of forecast expenditure, consideration of management assumptions and the probability of achieving forecast expenditure; assessment of the key uncertainties and the impact upon our reporting.

The key observation from our assessment was the reliance of the Group upon successful raising of finance to fund projected expenditure and continue as a going concern for the foreseeable future. This represents a material uncertainty.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 to be £24,100, based on 3% of Group net assets. For the Company's financial statements materiality of £24,000 was determined based on Company gross 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 was set at £17,000 for the Group and Company.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £1,200 based on 5% of Group materiality. 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
Potential impairment of capitalised exploration and evaluation costs and royalty assets. 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. The directors are required to ensure that only costs which meet the IFRS criteria of an asset are capitalised within deferred exploration expenditure. 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.	In respect of all material intangible assets our audit work included, but was not restricted to: • Substantive testing of expenditure capitalised in the year to ensure that it was permitted under accounting standards; • 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.
Potential impairment of investments in subsidiaries and recoverability of loans to subsidiaries in the Company financial statements. The carrying values of investments in and recoverability of loans to subsidiaries, Tertiary Gold Limited, Tertiary Minerals (Zambia) 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. 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.	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).

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error and discussed these between audit team members. We then designed and performed audit procedures in response to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations which have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006.

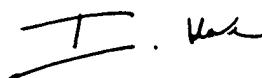
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journal entries and reviewing accounting estimates for evidence of management bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Use of our report

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.



Ian Weekes (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Manchester, United Kingdom

8 December 2022

Consolidated Income Statement

for the year ended 30 September 2022

	Notes	2022 £	2021 £
Revenue	2,17	171,052	165,058
Administration costs		(566,675)	(486,171)
Pre-licence exploration costs		(80,843)	(72,725)
Impairment of deferred exploration expenditure	8	(699,484)	(13,179)
Operating loss		(1,175,950)	(407,017)
Interest receivable		133	54
Loss before taxation	3	(1,175,817)	(406,963)
Tax on loss	7	—	—
Loss for the year attributable to equity holders of the parent		(1,175,817)	(406,963)
Loss per share – basic and diluted (pence)	6	(0.08)	(0.038)

All amounts relate to continuing activities.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2022

	2022 £	2021 £
Loss for the year	(1,175,817)	(406,963)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	136,753	(1,758)
	136,753	(1,758)
Items that will not be reclassified to the income statement:		
Changes in the fair value of other investments	(26,346)	(5,489)
	(26,346)	(5,489)
Total comprehensive income/(loss) for the year attributable to equity holders of the parent	(1,065,410)	(414,210)

Consolidated and Company Statements of Financial Position

at 30 September 2022

Company Number 03821411

	Notes	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Non-current assets					
Intangible assets	8	542,907	—	754,110	—
Property, plant & equipment	9	2,398	2,398	3,953	3,953
Investment in subsidiaries	10	—	681,526	—	839,108
Other investments	10	24,150	24,150	50,496	50,496
		569,455	708,074	808,559	893,557
Current assets					
Receivables	11	272,667	64,785	81,024	52,522
Cash and cash equivalents	12	59,414	48,165	472,733	456,126
		332,081	112,950	553,757	508,648
Current liabilities					
Trade and other payables	13	(80,929)	(45,076)	(76,850)	(52,185)
Net current assets		251,152	67,874	476,907	456,463
Provisions for liabilities and charges	20	(15,158)	—	(15,994)	—
Net assets		805,449	775,948	1,269,472	1,350,020
Equity					
Called up share capital	14	153,626	153,626	118,332	118,332
Share premium account		12,101,761	12,101,761	11,567,055	11,567,055
Capital redemption reserve	14	2,644,061	2,644,061	2,644,061	2,644,061
Merger reserve		131,096	131,096	131,096	131,096
Share option reserve	14	101,985	101,985	80,048	80,048
Fair value reserve		(17,016)	(17,016)	9,330	9,330
Foreign currency reserve	14	460,469	—	323,716	—
Accumulated losses		(14,770,533)	(14,339,565)	(13,604,166)	(13,199,902)
Equity attributable to the owners of the parent		805,449	775,948	1,269,472	1,350,020

The Company reported a loss for the year ended 30 September 2022 of £1,149,113 (2021: £302,543).

These financial statements were approved and authorised for issue by the Board on 8 December 2022 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 £	Share premium account £	Capital redemption reserve £	Merger reserve £	Share option reserve £	Fair value reserve £	Foreign currency reserve £	Accumulated losses £	Total £
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
Loss for the period	—	—	—	—	—	—	—	(406,963)	(406,963)
Change in fair value	—	—	—	—	—	(5,489)	—	—	(5,489)
Exchange differences	—	—	—	—	—	—	(1,758)	—	(1,758)
Total comprehensive loss for the year	—	—	—	—	—	(5,489)	(1,758)	(406,963)	(414,210)
Share issue	35,168	826,083	—	—	—	—	—	—	861,251
Share based payments expense	—	—	—	—	12,754	—	—	—	12,754
Transfer of expired warrants	—	—	—	—	(4,603)	—	—	4,603	—
At 30 September 2021	118,332	11,567,055	2,644,061	131,096	80,048	9,330	323,716	(13,604,166)	1,269,472
Loss for the period	—	—	—	—	—	—	—	(1,175,817)	(1,175,817)
Change in fair value	—	—	—	—	—	(26,346)	—	—	(26,346)
Exchange differences	—	—	—	—	—	—	136,753	—	136,753
Total comprehensive loss for the year	—	—	—	—	—	(26,346)	136,753	(1,175,817)	(1,065,410)
Share issue	35,294	534,706	—	—	—	—	—	—	570,000
Share based payments expense	—	—	—	—	31,387	—	—	—	31,387
Transfer of expired warrants	—	—	—	—	(9,450)	—	—	9,450	—
At 30 September 2022	153,626	12,101,761	2,644,061	131,096	101,985	(17,016)	460,469	(14,770,533)	805,449

Company Statement of Changes in Equity

Company	Ordinary share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Share option reserve £	Fair value reserve £	Accumulated losses £	Total £
At 30 September 2020	83,164	10,740,972	2,644,061	131,096	71,897	14,819	(12,901,962)	784,047
Loss for the period	—	—	—	—	—	—	(302,543)	(302,543)
Change in fair value	—	—	—	—	—	(5,489)	—	(5,489)
Total comprehensive loss for the year	—	—	—	—	—	(5,489)	(302,543)	(308,032)
Share issue	35,168	826,083	—	—	—	—	—	861,251
Share based payments expense	—	—	—	—	12,754	—	—	12,754
Transfer of expired warrants	—	—	—	—	(4,603)	—	4,603	—
At 30 September 2021	118,332	11,567,055	2,644,061	131,096	80,048	9,330	(13,199,902)	1,350,020
Loss for the period	—	—	—	—	—	—	(1,149,113)	(1,149,113)
Change in fair value	—	—	—	—	—	(26,346)	—	(26,346)
Total comprehensive loss for the year	—	—	—	—	—	(26,346)	(1,149,113)	(1,175,459)
Share issue	35,294	534,706	—	—	—	—	—	570,000
Share based payments expense	—	—	—	—	31,387	—	—	31,387
Transfer of expired warrants	—	—	—	—	(9,450)	—	9,450	—
At 30 September 2022	153,626	12,101,761	2,644,061	131,096	101,985	(17,016)	(14,339,565)	775,948

Consolidated and Company Statements of Cash Flows

for the year ended 30 September 2022

	Notes	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Operating activity					
Operating (loss)/profit		(1,175,950)	(1,178,456)	(407,017)	(316,374)
Depreciation charge	9	1,661	1,661	1,691	1,691
Share based payment charge		31,387	31,387	12,754	12,754
Impairment charge – deferred exploration assets	8	699,484	—	13,179	—
Increase/(decrease) in provision for impairment of loans to subsidiaries	10	—	742,199	—	29,090
Reclamation liability	8	—	—	(15,994)	—
(Increase)/decrease in receivables	11	(35,049)	(12,263)	(9,328)	112
Increase/(decrease) in payables	13	4,079	(7,109)	32,936	(14,004)
Net cash outflow from operating activity		(474,388)	(422,581)	(355,785)	(286,731)
Investing activity					
Interest received		133	29,344	54	32,983
Exploration and development expenditures	8	(561,431)	—	(235,051)	—
Purchase of property, plant & equipment	9	(107)	(107)	(2,276)	(2,276)
Additional loans to subsidiaries	10	—	(584,617)	—	(326,240)
Net cash outflow from investing activity		(561,405)	(555,380)	(237,276)	(295,533)
Financing activity					
Issue of share capital (net of expenses)		570,000	570,000	861,251	861,251
Share subscription loan		—	—	(420,000)	(420,000)
Net cash inflow from financing activity		570,000	570,000	441,251	441,251
Net (decrease)/increase this year		(465,793)	(407,961)	(151,810)	(141,013)
Cash and cash equivalents at start of year		472,733	456,126	622,859	597,139
Exchange differences		52,474	—	1,684	—
Cash and cash equivalents at 30 September	12	59,414	48,165	472,733	456,126

Notes to the Financial Statements

for the year ended 30 September 2022

Background

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

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

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

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the basis of the recognition and measurement requirements of applicable law and UK adopted International Accounting Standards.

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 £1,149,113 (2021: £302,543). The loss for 2022 includes provision for impairment of its investment in subsidiary undertakings in the amount of £744,761 (Note 10).

(b) Going concern

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

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group’s cash position at year end (£59,414), 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

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.

Tertiary Minerals (Zambia) Limited is 96% controlled subsidiary by Tertiary Minerals plc and has 4% non-controlling interest from other parties. Further details are in Note 10.

(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. Full impairment reviews were carried out in order to assess the carrying values of each project as at 31 March 2022 and 30 September 2022. This involved consideration of changes in circumstances and evidence including exploration results, changes in tenure of mineral rights, economic circumstances such as market prices, opportunities for realisation such as sale or joint ventures and viability, comparing anticipated future costs with expected recoverable value. For each project, based upon the relevant considerations, the directors formed a view regarding the recoverability of capitalised expenditure and continued compliance with the IFRS 6 criteria for recognition and deferral.

Notes to the Financial Statements (continued)

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

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

Development

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

(e) Property, plant & equipment

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

Fixtures and fittings	20% to 33% per annum	Straight-line basis
Computer equipment	33% per annum	Straight-line basis

Useful life and residual value are reassessed annually.

(f) Financial assets designated at fair value through OCI

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

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

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

(g) Trade and other receivables and payables

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

(h) Cash and cash equivalents

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

(i) Deferred taxation

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

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

(j) Revenue

Revenue is recognised as the fair value of management services provided to Sunrise Resources plc and relates to expenditure incurred and recharged. The Company recognises revenue as contractual performance obligations are satisfied. Revenue is net of discounts, VAT and other sales-related taxes.

(k) Foreign currencies

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

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

(l) Leases

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

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

(m) Share warrants and share-based payments

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

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

(n) Judgements and estimations in applying accounting policies

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

Intangible assets – exploration and evaluation

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

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

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

Royalty assets

Royalty assets representing the Company's rights to future royalties based upon the extraction of mineral resources by a third party are amortised based upon units of production. The directors review throughout the year to consider whether there are any indications of impairment and considerations are documented at board meetings. If such indications exist a full impairment review is undertaken and if it is concluded that an impairment provision is required, this is charged to the income statement.

Impairment

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. The directors are required to continually monitor and review the carrying values by reference to new developments, stages in the exploration process and new circumstances. Assessment of the potential impairment of assets requires an updated judgement of the probability of adequate future cash flows from the relevant project. It includes consideration of:

- (a) The period for which the entity has the right to explore in the specific area and whether this right will expire in the near future, and whether the right is expected to be renewed.
- (b) Whether substantive expenditure on further exploration for and evaluation of mineral resources for the specific project is either budgeted or planned.

Notes to the Financial Statements (continued)

- (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 judgements in respect of key projects are;

The Pyramid Project costs were fully impaired in the amount of £497,481 as exploration gave negative results.

The Brunton Pass Project in Nevada has been an active exploration project during the financial year. Positive results have been obtained and drilling is now warranted.

Whilst no work was carried out at the Paymaster, Mt Tobin or Lucky projects during the financial year, the Company's rights to explore these projects have been maintained through claim payments and further exploration is planned to follow up on previous exploration results.

In Zambia the Company has carried out exploration on the Jacks Project and has intersected copper mineralisation in drilling and further evaluation is required. The Company's Zambian subsidiary, Tertiary Minerals (Zambia) Limited, has earned a 90% interest in the Jacks licence which will now be transferred to a jointly owned company with 10% holder Mwashia Resources Ltd.

The Company holds options to acquire up to a 90% interest in four further licences in Zambia, namely Mukai, Mushima North, Lubuila, and Konkola West. Exploration is planned in each case and is awaiting approval of Environmental Project Briefs by the Zambian Environmental Management Agency. All licence payments have been made to maintain the licences in good standing.

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

Going concern

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

Share warrants, share options and share based payments

The estimates of costs recognised in connection with the fair value of share options and share warrants require that management selects an appropriate valuation model and make decisions on various inputs into the model, including the volatility of its own share price, the probable life of the warrants and options before exercise, and behavioural considerations of warrant holders.

(o) Reclamation costs

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

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

(p) Investments in subsidiaries

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

(q) Standards, amendments and interpretations not yet effective

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

2. Segmental analysis

The Chief Operating Decision Maker is the Board. The Board considers the business has one reporting 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.

2022	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Revenue	—	171,052	171,052
Pre-licence exploration costs	(80,843)	—	(80,843)
Impairment of deferred exploration asset	(699,484)	—	(699,484)
Share-based payments	—	(31,387)	(31,387)
Administration costs and other expenses	—	(535,288)	(535,288)
Operating Loss	(780,327)	(395,623)	(1,175,950)
Bank interest received	—	133	133
Loss before tax	(780,327)	(395,490)	(1,175,817)
Taxation	—	—	—
Loss for the year attributable to equity holders	(780,327)	(395,490)	(1,175,817)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Paymaster, USA	65,143	—	65,143
Brunton Pass, USA	116,290	—	116,290
Mt Tobin, USA	35,091	—	35,091
Lucky, USA	75,377	—	75,377
Jacks, Zambia	231,050	—	231,050
Konkola West, Zambia	2,489	—	2,489
Mushima North, Zambia	6,458	—	6,458
Lubwila, Zambia	8,624	—	8,624
Mukai, Zambia	2,385	—	2,385
	542,907	—	542,907
Property, plant & equipment	—	2,398	2,398
Other investments	—	24,150	24,150
	542,907	26,548	569,455
Current assets			
Receivables	201,779	70,888	272,667
Cash and cash equivalents	—	59,414	59,414
	201,779	130,302	332,081
Current liabilities			
Trade and other payables	(20,966)	(59,963)	(80,929)
Net current assets	180,813	70,339	251,152
Provision for liabilities and charges			
Reclamation liability	(15,158)	—	(15,158)
Net assets	708,562	96,887	805,449
Other data			
Deferred exploration additions	565,233	—	565,233
Exchange rate adjustments to deferred exploration costs	82,776	—	82,776
Exchange rate adjustments to royalty assets	668	—	668

Notes to the Financial Statements (continued)

2. Segmental analysis (continued)

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

3. Loss before income tax

	2022 £	2021 £
The operating loss is stated after charging		
Costs relating to leases expiring within 12 months	21,263	17,625
Depreciation – owned assets	1,661	1,691
Fees payable to the Group's Auditor for:		
The audit of the Group's annual accounts	8,885	6,151
The audit of the Group's subsidiaries, pursuant to legislation	5,923	3,872
Fees payable to the Group's Auditor and its associates for other services:		
Interim review of accounts	1,200	1,050
Corporation tax compliance fees	1,770	5,415

4. Directors' emoluments

Remuneration in respect of directors was as follows:

	Net cost to Group 2022 £	Income from recharge to Sunrise Resources plc 2022 £	Total 2022 £	Total 2021 £
P L Cheetham (salary)	46,916	76,079	122,995	118,979
P B Cullen (salary) (Resigned June 2022)	72,322	—	72,322	4,432
M G Armitage (salary)	19,110	—	19,110	12,466
D A R McAlister (salary)	19,110	—	19,110	18,486
	157,458	76,079	233,537	154,363

Patrick Cullen was appointed as Managing Director in September 2021 and resigned in June 2022. 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 £5,984 (2021: £4,791) or Employer's National Insurance contributions of £27,702 (2021: £17,910).

No bonuses were awarded for the year 2022.

Pension contributions made during the year on behalf of Directors amounted to £Nil (2021: £Nil).

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £239,521 (2021: £159,154).

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 £163,442 (2021: £98,705).

5. Staff costs

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

	Net cost to Group 2022 £	Income from recharge to Sunrise Resources plc 2022 £	Total 2022 £	Total 2021 £
Wages and salaries	230,703	129,395	360,098	286,073
Social security costs	22,092	17,124	39,216	30,435
Share-based payments	5,984	—	5,984	6,085
	258,779	146,519	405,298	322,593

Notes to the Financial Statements (continued)

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:

	2022 Number	2021 Number
Technical employees	3	2
Administration employees (including non-executive directors)	5	5
	8	7

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.

	2022	2021
Loss (£)	(1,175,817)	(406,963)
Weighted average ordinary shares in issue (No.)	1,428,608,504	1,064,955,671
Basic and diluted loss per ordinary share (pence)	(0.08)	(0.038)

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

7. Taxation

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2021: £Nil).

	2022 £	2021 £
Tax reconciliation		
Loss before income tax	(1,175,817)	(406,963)
Tax at 19% (2021: 19%)	(223,405)	(77,323)
Fixed asset timing differences	1,028	(1,226)
Expenditure not deductible for tax purposes	31,510	12,754
Pre-trading expenditure not deductible for tax purposes	32,799	40,978
Unrelieved tax losses carried forward	158,068	24,817
Tax charge/credit for year	—	—
Total losses carried forward for tax purposes	(12,493,824)	11,383,344

Factors that may affect future tax charges

The Group has total losses carried forward of £12,493,824 (2021: £11,383,344). This amount would be available (subject to a maximum of £5million per annum) to set against future taxable profits of the Company. The deferred tax asset has not been recognised as the future recovery is uncertain given the exploration status of the Group. The carried tax loss is adjusted each year for amounts that can no longer be carried forward.

8. Intangible assets

Group	Deferred exploration expenditure 2022 £	Royalty assets 2022 £	Total 2022 £	Deferred exploration expenditure 2021 £	Royalty assets 2021 £	Total 2021 £
Cost						
At start of year	6,218,473	357,829	6,576,302	5,991,387	359,584	6,350,971
Additions	565,233	—	565,233	219,057	—	219,057
Reclamation cost	(3,802)	—	(3,802)	15,994	—	15,994
Exchange adjustments	82,776	668	83,444	(7,965)	(1,755)	(9,721)
Transfer to assets held for sale	—	(358,497)	(358,497)	—	—	—
At 30 September	6,862,680	—	6,862,680	6,218,473	357,829	6,576,302
Impairment						
At start of year	(5,822,192)	—	(5,822,192)	(5,809,013)	—	(5,809,013)
Impairment losses during year	(497,581)	(201,903)	(699,484)	(13,179)	—	(13,179)
Transfer to assets held for sale	—	201,903	201,903	—	—	—
At 30 September	(6,319,773)	—	(6,319,773)	(5,822,192)	—	(5,822,192)
Net book value						
At 30 September	542,907	—	542,907	396,281	357,829	754,110
At start of year	396,281	357,829	754,110	182,374	359,584	541,958

The directors carried out an impairment review which, with reference to IFRS6.20(b), resulted in an impairment charge of £497,581, relating to the Tertiary Minerals US Inc. Pyramid 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.

During the year negotiations for the sale of royalty assets resulted in an agreement in August 2022 and completion on 7 October 2022. The royalty assets have been written down to their recoverable amount £156,594 and re-classified in the financial statements as assets held for sale under current assets (receivables), Note 11.

9. Property, plant & equipment

	Group fixtures and fittings 2022 £	Company fixtures and fittings 2022 £	Group fixtures and fittings 2021 £	Company fixtures and fittings 2021 £
Cost				
At start of year	51,465	36,707	49,189	34,431
Additions	107	107	2,276	2,276
Disposals	—	—	—	—
At 30 September	51,572	36,814	51,465	36,707
Depreciation				
At start of year	(47,513)	(32,755)	(45,820)	(31,061)
Charge for the year	(1,661)	(1,661)	(1,694)	(1,694)
Disposals	—	—	—	—
At 30 September	(49,174)	(34,416)	(47,513)	(32,755)
Net Book Value				
At 30 September	2,398	2,398	3,952	3,952
At start of year	3,952	3,952	3,369	3,369

Notes to the Financial Statements (continued)

10. Investments

Subsidiary undertakings

Company	Country of incorporation/registration	Type and percentage of shares held at 30 September 2022	Principal activity
Tertiary Gold Limited	England & Wales	100% of ordinary shares	Mineral exploration
Tertiary (Middle East) Limited	England & Wales	100% of ordinary shares	Mineral exploration
Tertiary Minerals US Inc.	Nevada, USA	100% of ordinary shares	Mineral exploration
Tertiary Minerals (Zambia) Limited (*formerly Luangwa Minerals Limited)	Zambia	96% of ordinary shares	Mineral exploration

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

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

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

Tertiary Minerals (Zambia) Limited

Tertiary Minerals (Zambia) Limited is a 96% controlled subsidiary of Tertiary Minerals plc. Deferred exploration assets held by subsidiary are £251,006. The subsidiary is fully financed by the Parent Company via intercompany loan, the loan amounted to £229,587 and loan interest of £2,584. The net liabilities amount to £32,491 and the loss for the year was £24,862.

	Company 2022 £	Company 2021 £
Investment in subsidiary undertakings		
Value at start of year	839,108	541,958
Additions	584,617	326,240
Movement in provision	(742,199)	(29,090)
At 30 September	681,526	839,108

Investments in share capital of subsidiary undertakings

The directors have reviewed the carrying value of the Company's investments in shares of subsidiary undertakings totalling £225,749, 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 and Zambia subsidiaries on intercompany loans with Parent Company.

A review of the recoverability of loans to subsidiary undertakings has been carried out. The review indicated potential credit losses arising in the year which have been provided for as follows: Tertiary Minerals US Inc provision of £543,526, Tertiary Gold Limited provision of £201,235 and release of provision in Tertiary (Middle East) Limited of £2,564. 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 2022	Principal activity
Sunrise Resources plc	England & Wales	0.57% of ordinary shares	Mineral exploration

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Investment designated at fair value through OCI				
Value at start of year	50,496	50,496	55,985	55,985
Additions	—	—	—	—
Disposal	—	—	—	—
Movement in valuation	(26,346)	(26,346)	(5,489)	(5,489)
At 30 September	24,150	24,150	50,496	50,496

The fair value of each investment is equal to the market value of its shares at 30 September 2022, 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 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Amounts owed by related undertakings	46,232	46,232	44,147	44,147
Other receivables	46,133	1,727	26,224	841
Royalty assets held for sale	156,594	—	—	—
Prepayments	23,708	16,826	10,653	7,534
At 30 September	272,667	64,785	81,024	52,522

The Group aged analysis of trade receivables is as follows:

	Not impaired £	30 days or less £	Over 30 days £	Total carrying amount £
2022 Trade receivables	46,232	46,232	—	46,232
2021 Trade receivables	44,147	44,147	—	44,147

12. Cash and cash equivalents

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Cash at bank and in hand	31,995	20,746	48,147	31,540
Short-term bank deposits	27,419	27,419	424,586	424,586
At 30 September	59,414	48,165	472,733	456,126

13. Trade and other payables

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade payables	12,149	11,503	17,186	9,692
Other taxes and social security costs	10,453	10,453	14,556	14,556
Accruals	57,491	22,284	43,714	26,543
Other payables	836	836	1,394	1,394
At 30 September	80,929	45,076	76,850	52,185

Notes to the Financial Statements (continued)

14. Share capital and reserves

	2022 No.	2022 £	2021 No.	2021 £
Ordinary shares – Allotted, called up and fully paid				
Balance at start of year	1,183,322,445	118,332	831,647,037	83,164
Shares issued in the year	352,941,176	35,294	351,675,408	35,168
Balance at 30 September	1,536,263,621	153,626	1,183,322,445	118,332

Share issues

During the year to 30 September 2022 the following share issues took place:

An issue of 294,117,647 0.01p Ordinary Shares at 0.17p per share, by way of placing, for a total consideration of £500,000 before expenses (19 January 2022).

An issue of 58,823,529 0.01p Ordinary Shares at 0.17p per share, by way of broker option, for a total consideration of £100,000 before expenses (21 January 2022).

During the year to 30 September 2021 a total of 351,675,408 0.01p ordinary shares were issued, at an average price of 0.25p, for a total consideration of £861,250 net of expenses.

The total amount of transaction fees debited to the Share Premium account in the year was £30,000 (2021: £22,500).

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 third parties and 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.

Fair value reserve

Fair value reserve represents the cumulative fair value changes of available-for-sale equity investment assets.

15. Warrants granted

Warrants not exercised at 30 September 2022

Issue date	Exercise price	Number	Exercisable	Expiry dates
31/01/2018	1.875p	1,000,000	Any time before expiry	31/01/2023
21/02/2019	0.50p	3,500,000	Any time before expiry	21/02/2024
21/02/2019	0.35p	5,000,000	Any time before expiry	21/02/2024
26/11/2019	0.336p	22,000,000	Any time before expiry	26/11/2023
27/02/2020	0.34p	8,100,000	Any time from 27/02/2021	27/02/2025
28/06/2021	0.34p	3,100,000	Any time from 28/06/2022	28/06/2026
28/06/2021	0.50p	3,000,000	Any time from 28/06/2022	28/06/2026
28/06/2021	1.00p	3,000,000	Any time from 28/06/2023	28/06/2026
28/06/2021	1.50p	3,000,000	Any time from 28/06/2024	28/06/2026
19/01/2022	0.34p	147,058,823	Any time before expiry	24/07/2023
19/01/2022	0.17p	14,705,882	Any time before expiry	24/01/2023
21/01/2022	0.34p	29,411,765	Any time before expiry	26/07/2023
21/01/2022	0.17p	2,941,176	Any time before expiry	26/01/2023
Total		245,817,646		

Warrants are issued for nil consideration and are exercisable as disclosed on the previous page. 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 147,058,823 warrants at an exercise price of 0.34p, as part of placing (19 January 2022).

A grant of 14,705,882 warrants at an exercise price of 0.17p, as part of a fundraising, to Peterhouse Capital Limited (19 January 2022).

A grant of 29,411,765 warrants at an exercise price of 0.34p, as part of broker option (21 January 2022).

A grant of 2,941,176 warrants at an exercise price of 0.17p, as part of a fundraising, to Peterhouse Capital Limited (21 January 2022).

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:

	2022	Weighted average exercise price Pence	2021	Weighted average exercise price Pence
	Number of share warrants and share options		Number of share warrants and share options	
Outstanding at start of year	61,353,846	0.47	46,600,000	0.415
Granted during the year	194,117,646	0.325	20,753,846	0.593
Exercised during the year	—	—	(5,000,000)	0.275
Forfeited during the year	—	—	—	—
Expired during the year	(9,653,846)	0.339	(1,000,000)	1.4
Outstanding at 30 September	245,817,646	0.36	61,353,846	0.47
Exercisable at 30 September	245,817,646	0.36	49,253,846	0.382

The warrants outstanding at 30 September 2022 had a weighted average exercise price of 0.36p (2021: 0.47p), a weighted average fair value of 0.03p (2021: 0.11p) and a weighted average remaining contractual life of 1.02 years (2021: 2.56 years).

In the year ended 30 September 2022, warrants were granted on 19 January 2022 and 21 January 2022. The aggregate of the estimated fair values of the warrants granted on these dates is £27,632. In the year ended 30 September 2021, warrants were granted on 26 January 2021 and 26 June 2021. The aggregate of the estimated fair values of the warrants granted on these dates is £17,252.

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

	2022	2021
Weighted average share price	0.17p	0.34p
Weighted average exercise price	0.325p	0.593p
Expected volatility	70.0%	72.0%
Expected life	1.45 years	2.75 years
Risk-free rate	0.76%	0.12%
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 £31,387 and £12,754 related to equity-settled share-based payment transactions in 2022 and 2021 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)

16. Leases

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

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

	2022 Land & buildings £	2021 Land & buildings £
Office accommodation:		
Within one year	16,200	15,863

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

Lease payments recognised in loss for the period amounted to £21,263 (2021: £17,625).

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 2022				At 30 September 2021	
	Shares number	Share warrants number	Warrants exercise price	Warrants expiry date	Shares number	Share warrants number
P L Cheetham*	21,465,000	2,000,000 2,000,000 3,000,000 3,000,000 3,000,000 4,411,765	0.500p 0.340p 0.500p 1.00p 1.50p 0.34p	21/02/2024 27/02/2025 28/06/2026 28/06/2026 28/06/2026 24/07/2023	12,641,471	13,000,000
P B Cullen (Resigned June 2022)	5,882,353	2,941,177	0.34p	24/07/2023	—	—
D A R McAlister	2,937,609	1,500,000 1,500,000 1,500,000	0.500p 0.340p 0.340p	21/02/2024 27/02/2025 28/06/2026	2,937,609	4,500,000
Dr M G Armitage	8,823,529	4,411,765	0.34p	24/07/2023	N/A	N/A

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

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings as at 30 September 2022.

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 £171,052 (2021: £165,058) to Sunrise Resources plc being shared overheads of £24,766 (2021: £19,700), costs refunded to Sunrise Resources plc of £233 (2021: £4,644), staff salary costs of £60,253 (2021: £72,540) and directors' salary costs of £86,266 (2021: £68,174), comprising P L Cheetham £86,266 (2021: £68,174). All salary costs include employer's National Insurance and Pension contributions.

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

At the reporting date an amount of £46,232 (2021: £44,147) 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 2022				At 30 September 2021	
	Shares number	Share warrants number	Warrants exercise price	Warrants expiry date	Shares number	Share warrants number
P L Cheetham*	247,532,996	30,000,000	0.195p	05/08/2025	234,293,916	30,000,000
D A R McAlister	550,000	—	—	—	550,000	—

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

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

Tertiary Minerals (Zambia) Limited is a 96% controlled subsidiary of Tertiary Minerals plc, incorporated on 28 June 2021. Tertiary Minerals (Zambia) Limited is fully financed by Tertiary Minerals plc via intercompany loan, the loan amounted to £229,587 and loan interest £2,584. D A R McAlister, a director of Tertiary Minerals plc, is also the director of Tertiary Minerals (Zambia) Limited.

18. Capital management

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

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

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

19. Financial instruments

At 30 September 2022, the Group's and Company's financial assets consisted of listed investments, trade receivables and cash and cash equivalents. At the same date, the Group and Company had financial liabilities of trade and other payables due within one year. There is no material difference between the carrying and fair values of the Group and Company's financial assets and liabilities.

The carrying amounts for each category of financial instruments held at 30 September 2022, as defined in IFRS 9, are as follows:

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Financial assets at amortised cost	308,373	96,124	543,745	501,753
Financial assets at fair value through other comprehensive income	24,150	24,150	50,496	50,496
Financial liabilities at amortised cost	86,470	34,623	78,288	37,628

Risk management

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

Liquidity risk

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

Notes to the Financial Statements (continued)

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	
	2022 £	2021 £	2022 £	2021 £
United Kingdom Sterling	45,044	457,601	42,291	455,731
United States Dollar	12,729	14,172	5,410	73
Other	1,641	960	464	322
	59,414	472,733	48,165	456,126

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 2022 would increase or decrease by £636 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. Provisions for liabilities and charges

Group	2022 £	2021 £
Reclamation provision		
At start of year	15,994	—
Additions	7,041	15,994
Reduction/reversal	(10,843)	—
Exchange adjustments	2,966	—
At 30 September	15,158	15,994

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

21. Events after the Year-End

The sale of Kaaresselkä and Kiekerömaa royalties agreed on 8 August 2022 was completed on 7 October 2022.

The consideration paid on closing of the formal sale and purchase agreement was CAD\$200,000 in cash and the issue to Tertiary of 83,333 common shares in Aurion.

Within these financial statements, the royalty assets have been impaired to recoverable amounts and re-stated as assets held for sale (Note 11).

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 Arundel House, 6 Temple Place, London WC2R 2PG on Thursday, 16 February 2023, at 10.00 a.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 2022.
2. To re-elect Mr P L Cheetham 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 £90,000 (consisting of 900,000,000 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 £90,000 (consisting of 900,000,000 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.

Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at a general meeting of the Company. Please refer to the Proxy Notes and Instructions on page 53.

By order of the Board.

Rod Venables
Company Secretary
8 December 2022

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 at 10.00 a.m. on Thursday, 16 February 2023 at Arundel House, 6 Temple Place, London WC2R 2PG.

The Directors consider that the proposed resolutions contained in the Notice of AGM are in the best interests of the Company and shareholders as a whole and unanimously recommend that you vote in favour of them, as they intend to do in respect of their own shareholdings.

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 2022 which can be found on pages 5 to 34.

Resolution 2

The Company's Articles of Association require that directors retire at least once every three years and offer themselves for re-election if they and the Board so wish. This year Mr P L Cheetham is retiring and the Board proposes that he be re-elected.

Mr Cheetham's biographical details can be found on page 19.

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 28 January 2022 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 2024.

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 exclude certain categories of shareholders in a rights issue where their inclusion would be impractical or illegal and also 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 2024.

Voting at the Annual General 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 the Annual General Meeting or to appoint someone else to vote on your behalf.

1. 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 14 February 2023**. 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.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 15 minutes prior to the commencement of the Meeting at **10.00 a.m. (UK time) on Thursday 16 February 2023** so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
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.
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. Shareholders can vote:
 - by logging on to www.signalshares.com and following the instructions to appoint one or more proxies and direct your votes.
 - by hard copy Form of Proxy. You may request a hard copy Form of Proxy directly from the Registrars, Link Group, 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.
 - by attending the meeting and voting in person.

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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by **10.00 a.m. on Tuesday 14 February 2023**.

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). 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 **10.00 a.m. on Tuesday 14 February 2023**. 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.

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

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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.

Company Information

Tertiary Minerals plc (AIM – EPIC: TYM)

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Auditor

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Nominated Adviser & Broker

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Joint Broker

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