

Tertiary Minerals PLC

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Tertiary Minerals agreement with Possehl looks the real deal

AIM-listed Tertiary Minerals PLC (LON:TYM) is the UK's only public traded fluorspar company.

And it looks set to hold onto that position for the foreseeable future after global commodities group Possehl agreed to help to develop its three main assets.

Germany-based, Possehl is part of Cremer, a commodities business with annual turnover of more than €3bn.

The fledgling agreement between the two companies will see Possehl take at least 70% of commercial grade acid-spar produced at Storuman in Sweden; Lassedalen in Norway; and MB in Nevada.

Possehl will provide funds to develop the deposits and for any acquisitions Tertiary may make to bulk them up.

Tertiary will also receive logistics and infrastructure support from the German group while the projects are developed.

Fluorspar has multiple applications
Tertiary has more than 13mln tonnes of contained fluorspar defined across its assets.

Fluorspar is the mineral form of calcium fluoride - CaF₂ - and has many applications.

When mined, it is separated into two main grades - acidspar is at least 97% calcium fluoride, while metspar (metallurgical spar) is a much lower purity - at between 60% and 85%.

The latter is used for iron smelting, and to manufacture glass, steel, enamels and aluminium products, while acidspar is generally converted to hydrofluoric acid, by combining it with sulphuric acid.

Fluorocarbons and fridges

This can then be made into other things like fluorocarbons, which are used in Teflon (the stuff your frying pan is coated with), fridges, freezers and air conditioning units.

It is perhaps worth noting that new environmentally friendly refrigerants, required by regulation, contain more fluorine than the older ozone depleting ones.

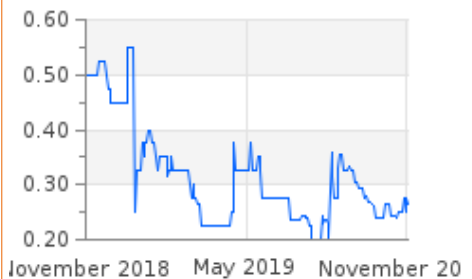
Global demand for fluorspar is between 6 and 6.5mln tonnes a year, according to Tertiary, with acidspar, the most in demand of the two - at around 3.8mln tonnes a year.

China produces more than half of all fluorspar production but exports have continued to decline as the People's

Price: 0.265

Market Cap: £1.17 m

1 Year Share Price Graph



Share Information

Code: TYM

Listing: AIM

52 week High Low
0.59 0.184

Sector: Mining

Website: www.tertiaryminerals.com

Company Synopsis:

Tertiary Minerals PLC (ticker symbol 'TYM') is an AIM-traded mineral exploration and development company building a significant strategic position in the fluorspar sector. Fluorspar is an essential raw material in the chemical, steel and aluminium industries with no large scale commercial alternative, or recycling available.

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Republic has developed and needs to use its own source.

It's classed as a 'critical' raw material by the European Commission.

Outside of China, Western Europe, Canada and the USA (which imports 100% of what it needs) are the largest acid-spar consumers, importing more than 900,000 tonnes a year.

Tertiary is well-placed to capitalise on this opportunity

At MB, which covers 2,800 acres, and 146 claims, near the US Highway 50, there are 6.1mln tonnes at 10.8% fluorspar in the higher confidence indicated category and 80.3 million tonnes of inferred, grading 10.7%, at a 9% cut-off.

Storuman has a total JORC resource of nearly 28 mln tonnes at 10.21%.

Norway still ongoing

Lassedalen, although on the sidelines, and effectively on care and maintenance for some times as the firm focuses on the US and Sweden, has a 4mln tonne resources (grading 25% fluorspar) and a scoping study previously has shown enough for nearly seven years of mining.

Possehl based in Lubeck

Possehl, meanwhile, is headquartered in Lübeck, employs 1,800 people and shipped over 10.4mln tonnes of commodities in 2016.

The memorandum will be effective until one of Tertiary's projects has been in production for a year or a formal offtake agreement is signed.

Richard Clemmey, Tertiary's managing director, said he was delighted with the agreement.

READ: Tertiary Minerals looks to build bulk in industrial minerals

"The relationship represents a critical building block in our quest to becoming a leading supplier of fluorspar to the global markets.

"Not only does this provide the company with the opportunity, and competitive advantage, to secure long-term sales contracts with key fluorspar end users but also access to pre-financing."

Michael Fanger from Possehl added: "We have enjoyed a great working relationship with Richard over the years on various mining operations and we are excited to work with the Tertiary management team on their fluorspar operations".

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