



7 August 2024

Tertiary Minerals plc ("Tertiary" or the "Company")

Mukai Project - Agreement for Joint Venture

The Company is pleased to advise that its newly incorporated Zambian subsidiary, Copernicus Minerals Limited ("Copernicus"), has signed a binding letter of agreement ("BLA") with First Quantum Minerals Limited ("First Quantum") on the Mukai Copper Project in Zambia.

Copernicus is 90% owned by Tertiary Minerals (Zambia) Limited which is 96% owned by Tertiary Minerals plc.

Key Terms

- The BLA grants First Quantum an initial exploration due diligence period of 24 months during which First Quantum is committed to fund a minimum US\$1.5 million of exploration expenditure, including US\$0.5 million in Year 1 (Phase 1).
- First Quantum may then enter into an earn-in and joint venture agreements to earn:
 - an initial 51% joint venture interest in the Mukai Exploration Licence ("the Licence") by demonstrating a Mineral Resource containing at least 80,000 tonnes of contained copper metal within a further 24 months (Phase 2); and
 - a further 29% joint venture interest (total 80%) by completing a Mining Study and delivering a Notice of Intent to Mine within a third 24-month period (Phase 3).
- First Quantum must continue sole funding the project until receipt of regulatory and governmental permits for the commencement of construction of a mining project. At that point, Copernicus may either participate at a 20% contributing equity level or dilute down towards a minimum of 10% at which point the participating interest automatically converts to a 1.5% Net Smelter Return Royalty (NSR).
- Should First Quantum continue through all phases of the project, they will make progressive payments to Copernicus totalling up to US\$2 million over the three 24-month phases of the BLA and subsequent agreements.
- The BLA is subject to various conditions precedent including renewal and transfer of the licences from Mwashia Resources Limited to Copernicus which is currently in progress (see news release dated 6 June 2024).

More detailed information on the BLA is set out below.

The Licence lies adjacent to First Quantum's Trident Project which comprises various mining licences encompassing the producing Sentinel Copper Mine and the recently developed Enterprise Nickel Mine. The Sentinel processing plant has a processing capacity of 55 million tonnes of copper ore per year.

The objective of the joint venture is to identify copper (and/or nickel deposits) that can be rapidly developed as additional feed for the Trident plants.

Patrick Cheetham, Executive Chairman of Tertiary Minerals plc said:

"First Quantum is strongly motivated to find additional ore feed for Sentinel and, at Mukai, we have defined a priority soil anomaly along strike from copper mineralisation already drilled by First Quantum on its adjacent Tirosa Prospect"

on its adjacent Trident Project.

"If exploration is successful, we stand to benefit from First Quantum's US\$2.1 billion investment in the Trident operations and the joint venture earn-in terms have been tied to specific mineral resource and mining decision milestones, rather than specific exploration expenditures. The bar is set high, consistent with the large size of the Sentinel mining operation and the agreed terms require First Quantum to define a copper resource with an in-ground value of over US\$700 million at today's copper price, before it earns any interest in the project.

"Evaluating the potential at Mukai is important for the parties and for Zambia given its proximity to the infrastructure already established at Trident. First Quantum is the natural partner for this undertaking given their unrivalled track record of recognising opportunities, defining resources, and developing projects quickly and cost effectively."

A map of a project Description automatically generated

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Market Abuse Regulation

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

Detailed Information

Background

The Mukai Copper Project is comprised of Exploration Licence 27066-HQ-LEL (the "Licence"). The Licence is held by the Company's local partner, Mwashia Resources Limited ("Mwashia"), and is currently being renewed and transferred to Copernicus Minerals Limited ("Copernicus"). Further details are given in the Company's news release of 6 June 2024.

Tertiary has had a technical cooperation and data sharing cooperation agreement with First Quantum since 12 September 2022. This has helped guide the Company's exploration at Mukai and has resulted in the identification of a substantial soil anomaly on the Licence as described in the Company's news release of 12 September 2023.

This soil anomaly occurs along strike from copper mineralisation that has been identified in past drill programmes at First Quantum's Tirosa Prospect, on First Quantum's adjoining Trident Project, which

encompasses the Sentinel Copper and Enterprise Nickel mines.

The Sentinel Mine was developed from 2016 with a total investment of over US\$2.1 billion and is expected to produce around 235,000 tonnes of copper metal this year. The Enterprise Nickel mine is newly opened and expects to produce around 20,000 tonnes of nickel in 2024. Both deposits are sediment-hosted and occur in sedimentary basins formed on and around the Kabompo Dome.

A similarly located basin hosts the Tirosa Prospect and continues into the Licence.

Key Terms of the Binding Letter Agreement

1. The BLA establishes an initial exploration due diligence period of 24 months (Phase 1) during which First Quantum is committed to fund a minimum of US\$1.5million in this period including US\$500,000 in the first year.
2. If Phase 1 exploration is successful, First Quantum may enter into an earn-in agreement with Copernicus and earn an initial 51% interest in the Licence by demonstrating a Mineral Resource¹ containing at least 80,000 tonnes of contained copper metal (current in-ground value over US\$700 million) within 24 months of the Transfer Date defined below (Phase 2).
3. On First Quantum electing to proceed to Phase 2, Copernicus will set up a 100% owned special purpose vehicle ("SPV") and the Licence will be transferred to that SPV. The date the Licence is transferred to the SPV will be the "Transfer Date". Any equity to be acquired by First Quantum in the Licence will be acquired via a shareholding in the SPV.
4. If a Mineral Resource of the minimum size is defined during Phase 2, then First Quantum and Copernicus will enter into a Joint Venture/Shareholder's Agreement ("JVA") whereby First Quantum can earn an additional 29% interest (total 80%) in the SPV by completing a Mining Study and delivering a Notice of Intent to Mine within 24 months of the signing of the JVA (Phase 3).
5. First Quantum may elect to extend Phase 3 by 24 months on making the payment set out below.
6. First Quantum must continue sole funding the project up to receipt of regulatory and governmental permits for commencement of construction of a mining project. At that point Copernicus may either participate at a 20% contributing equity level or dilute through to a 10% level at which point the participating interest automatically converts to a 1.5% Net Smelter Return Royalty (NSR).
7. The BLA is subject to the following conditions precedent:
 - the renewal and completion of transfer of the Licence to Copernicus.
 - receipt of any government approvals that may be required.
 - First Quantum completing within 30 days of signing the BLA a satisfactory review of the Company registration documents and good standing of all signatories to the BLA.
8. First Quantum must make the following payments to Copernicus:
 - US\$20,000 within 30 days of signing the BLA.
 - US\$30,000 on satisfaction of the conditions precedent.
 - US\$150,000 within 30 days of the Transfer Date .
 - US\$300,000 within 30 days of making the election to proceed to Phase 3.
 - US\$500,000 within 30 days of delivery of a Notice of Intent to Mine.
 - US\$1,000,000 if requesting to extend Phase 3 beyond 24 months.
9. If First Quantum does not elect at the end of Phase 2 to continue with Phase 3, or fails to deliver a Notice of Intent to Mine by the end of Phase 3, then 100% ownership of the Licence will revert back to Copernicus.
10. A technical committee of two representatives from each of First Quantum and Copernicus will oversee operations during Phases 1-3 and technical planning will be a collaborative effort. First Quantum will, however, have the final approval on all budgets and technical programs and expenditures whilst sole-funding.

About First Quantum Minerals

First Quantum is a global copper company. First Quantum produces copper in the form of concentrate, cathode and anode, and has inventories of nickel, gold and cobalt. It operates long-life mines in several countries and employs approximately 20 000 people world-wide. It is the largest producer of copper in

countries and employs approximately 20,000 people world wide. It is the largest producer of copper in Zambia with total production of 330,863 tonnes of copper in 2023.

Notes:

1. *The Letter Agreement specifies that the Mineral Resource must be compliant with the definition contained in either the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources & Mineral Reserves adopted by CIM Council on May 19, 2014, or by another current Committee for Mineral Reserves International Reporting Standards (CRIRSCO) template compliant code. Notably this requires that the Mineral Resource must have the prospect for eventual economic extraction.*

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