

Sirius Minerals PLC

07:00 10 Sep 2016

Sirius Minerals seen as a compelling candidate for responsible investment

Sirius Minerals PLC (LON:SXX) is a compelling candidate for 'responsible investment', according to Shore Capital analyst Yuen Low, who says the group's UK mining project has best in class characteristics and ticks all environmental, social and governance boxes.

In an 18 page note, Low highlights that the sustainability credentials of Sirius's North Yorkshire Polyhalite project often go underemphasised.

The polyhalite fertiliser product, which the mine will produce in abundance, is better for the environment than rival products, he explains.

"In our view, polyhalite is a superior potash-based multinutrient feedstock for fertiliser blends and compounds.

"Aside from crop yield enhancement arising from nutrient synergies and low chloride content, its lower salinity, lack of effect on pH and soil conditioning properties make it ideal for sustainable land management, we believe.

"Additionally, polyhalite production is highly efficient: less waste is generated, and less water and electricity consumed, than in most (if not all) potash operations of comparable scale."

And once the construction phase is over the mine will essentially disappear into the North Yorkshire landscape, Low added.

Low added: "Given its favourable qualities, we believe that Sirius's polyhalite could contribute meaningfully to the challenge that is ensuring global food security.

"In so doing, it would improve farm incomes, with flowthrough benefits to other sections of society and to other economic sectors. Sirius would contribute positively to the UK in terms of growth, fiscal contributions and reductions in the trade deficit.

"Perhaps most importantly, Sirius would provide much-needed investment and employment to England's northeast, the country's least well-off region."

Focusing back on the less altruistic elements of the project, the stock market analyst also highlighted what he sees as the investment merits of Sirius Minerals shares.

"We are currently expecting Stage 1 of Sirius's two-stage construction financing plan to be executed during the autumn of 2016. If all goes to plan, there would be no further need to raise equity thereafter," he said.

"Dilution would cease to be a concern, and we believe the resulting improved clarity on potential equity returns could trigger a significant re-rating.

Price: 3.55

Market Cap: £249.22 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: SXX

Listing: LSE

52 week High Low
8389 2.1

Sector: Potash & fertilisers

Website: www.siriusminerals.com

Company Synopsis:

Sirius Minerals is a UK based fertilizer development company focused on the development and operation of its polyhalite project in North Yorkshire.

action@proactiveinvestors.com

"While Sirius is currently at development stage and still some years from becoming a cash flow-generating company, an investment in Sirius will become progressively de-risked and should enjoy significant value uplift as it advances towards production, we believe."

With a 'buy' recommendation and a 75p price target, Shore Capital suggests almost 90% upside to the current Sirius Minerals share price of 39.40p.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.