

Sirius Minerals PLC

13:37 27 Sep 2018

Sirius Minerals says a number of financing alternatives are on the table as mine build continues

Sirius Minerals PLC (LON:SXX) is burning through over £800,000 a day as it develops the giant Woodsmith potash mine in North Yorkshire with the cash spent on the project in the six months to June 30 totalling £148mIn.

It left the company with £323mIn in cash and equivalents at the period-end. Recently Sirius tied up royalty funding of a further £190mIn (US\$250mIn), which provides it with breathing space to find the second, debt-funded round of investment.

Sirius is now seeking £2.6-£2.7bn (US\$3.4-US\$3.6bn) from lenders, which has been revised up £300-£460mIn.

"A number of financing alternatives to fund the increased capital requirement are under active consideration," the company said.

The expenditure involved makes Woodsmith, which is being dug to a depth of over a mile and which will include a 23-mile tunnel to an export terminal on the River Tees, one of the most ambitious civil engineering projects undertaken by the private sector in the UK in recent years.

To date diaphragm walling on the service, the shaft has been completed, while the excavation of the service shaft foreshaft is now underway and is expected to be completed in the fourth quarter.

Still on track

The plans is to ship the first POLY4 fertiliser in 2021.

The product has required a significant marketing effort to generate orders to ensure Woodsmith is financially viable.

Recently Sirius signed its largest supply agreement to date - for 2.5mIn tonnes per year - for key markets in South America.

This has taken total contract volumes to 8.2mIn tonnes a year.

"The announcement of our largest supply agreement to date with Cibra, Brazil's sixth largest fertilizer distributor, has enabled us to exceed the target peak aggregate POLY4 take-or-pay volumes intended to support stage-two financing and further agreements are expected to be completed soon," said managing director Chris Fraser.

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.

Price: 5.45

Market Cap: £382.6 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

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

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.