

# Sirius Minerals PLC

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## Why Sirius Minerals' Woodsmith mine could come into production six months ahead of schedule

Sirius Minerals PLC (LON:SXX) could bring its Woodsmith polyhalite mine in North Yorkshire into production six months earlier than expected thanks to a high-tech piece of boring equipment.

Currently, the FTSE 250 group is guiding for the first production in the final quarter of 2021.

But City broker Shore Capital thinks that the use of shaft boring roadheaders (SBRs) - a vertical version of a tunnel boring machine - could bring that date forward to May 2021.

**READ:** Sirius Minerals tipped to more than double  
SBRs are used to drill deep mine shafts and the first one to be used at Woodsmith is currently being assembled at Herrenknecht's factory in Schwanau, southwest Germany.

Herrenknecht has already made SBRs for BHP Group PLC's (LON:BHP) Jansen potash project in Canada and for the Nezhinsky potash mine in Belarus.

As such, Sirius is getting third-generation machines which could knock months off the construction timetable, according to Shore Cap analysts.

Assembly is well underway of our first 350 tonne Herrenknecht Shaft Boring Roadheader (SBR). The 60 metre high, 6.5 metre wide excavator will sink the main mineshafts at Woodsmith Mine.

Read how it works here: <https://t.co/6OWIH320jS#mining#construction#engineering> [pic.twitter.com/rm0oTQfxQQ](https://pic.twitter.com/rm0oTQfxQQ)

— Sirius Minerals (@siriusminerals) March 22, 2019

"With third-generation SBRs, Sirius sees 'real opportunities' to unlock potential savings in its construction schedule, potentially delivering first polyhalite as early as May 2021 (i.e. up to six months earlier than the base schedule's Q4 2021)," read a note to clients on Monday.

"The reason is that shaft sinking would be significantly faster on these optimised machines: cutting, mucking and shaft lining can be conducted concurrently, whereas these activities need to be carried out sequentially when employing conventional drill-and-blast techniques."

SBRs twice as fast as usual D&B techniques

Shore Cap points to Deilmann-Haniel, which is using the SBRs at Nezhinsky, as a good example of how much time the equipment can save.

"We note that Deilmann-Haniel, which is also using SBRs to construct two 750m-deep shafts at Slavkaliy's Nezhinsky project, is expecting to average 3 metres per day, almost double the rate it benchmarked with conventional D&B."

**Price:** 5.515

**Market Cap:** £3.87 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](http://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.*

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Sirius shares rose 0.6% to 19.8p on Monday morning. Shore Cap expects to see a "major re-rating" once the US\$3.5bn stage 2 financing completes, which could happen in a matter of weeks.

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