

Sirius Minerals PLC

09:57 02 May 2019

Sirius Minerals is now at a 'critical juncture' as financing efforts continue

Sirius Minerals PLC (LON:SXX) is said to be at the critical juncture in its development as it zeros in on project financing designed to take the company through to production and revenue generation.

The UK firm yesterday confirmed it had raised the first US\$425m of a US\$3.8bn total funding package via a share sale.

It is now raising more equity with an open offer to existing shareholders - who are entitled to buy one share for every twenty-two shares they own - and separately it will raise US\$400m through a corporate bond issue.

READ: Can Sirius Minerals beat Brexit to deliver funding for its Yorkshire mine?

Later, in the summer, the company intends to secure US\$3bn of purely debt based financing, first with a US\$500m senior bond issue followed by a revolving credit facility.

Significantly, the phased funding package has a number of contingent elements so the completion of each comes with a certain amount of de-risking for the company and the project.

"Consequently, in our view, the next few weeks represent THE critical juncture for the Stage 2 financing," said Yuen Low, analyst at house broker Shore Capital.

"Successfully securing the Stage 2 financing is effectively the key to unlocking Sirius's vast potential, and we expect should catalyse a major re-rating of the shares.

"Beyond that, while Sirius would still be some years from becoming cash generative, an investment in the company should become progressively de-risked and enjoy significant value uplift as it advances towards production, we believe."

Share placing priced at bottom of range

Earlier this week, Sirius launched a US\$400m share placing as part of a US\$3.8bn project funding plan, and, it said the equity sale would price between 15p and 18p, and, on Wednesday, it revealed that the shares would be sold at 15p.

Whilst it was priced at the bottom of range, there evidently was strong demand for the new shares as Sirius revealed that the placing was oversubscribed and it raised an additional US\$25m.

"I am pleased that we have had such a positive response to the launch of our Stage 2 financing solution which is key to unlocking the vast and long-term potential of our project," said Chris Fraser, Sirius chief executive.

"The order books were oversubscribed, providing scope for a modest increase in the funds raised, further strengthening our financial position as we turn our attention toward securing the next phase of our Stage 2 financing requirements."

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

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

In total, the company is selling 1.96bn new shares, which equates to 28% of the enlarged company.

Open offer shares will also be priced at 15p each.

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.