

Sirius Minerals PLC

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Sirius Minerals confirms US\$3.8bn stage 2 financing on track to complete by end of September

The financing and construction of Sirius Minerals PLC's (LON:SXX) huge Woodsmith fertiliser mine in North Yorkshire is progressing to plan.

Back in May, the FTSE 250 group raised US\$825m from investors as part of a wider US\$3.8bn stage 2 financing that would fund the project through to completion.

READ: Sirius lands major supply deal with Indian farmers co-op

The rest of the money - comprising a US\$500m bond which in turn would unlock a US\$2.5bn revolving credit facility from JP Morgan - remains on track to complete before the end of September, Sirius confirmed today.

The three main components that need to be in place ahead of the launching of the bond are: finalising the bond offering document, completion of the revolving credit facility paperwork, and finally, the receipt of a public rating from the rating agencies.

On brink of 'major re-rating'

According to City broker Liberum, Sirius bosses are hopeful of getting these bits finished in time to allow them to kick off the roadshow - where they promote the bond to institutional investors - ahead of the August holidays, although that is dependent on third parties.

"Completion of the US\$500m bond would unlock the US\$2.5bn revolver from JPM and largely eliminate financing risk, a significant component of its 78% discount to net present value (68p)," explained analyst Richard Franks.

Shore Capital agreed, saying in a note to clients: "We expect the coming Senior Debt Event to catalyse a major re-rating of the shares, as it is in our view effectively the key to unlocking Sirius's vast value potential."

Construction 'running on time and on budget'

On the ground, construction of the mine is "advancing well", with the company on course to achieve first polyhalite in 2021.

As well as being on time, construction is also running to budget, Sirius said.

"The successful raising of US\$825m of funding during the quarter marked the completion of the first part of our stage 2 financing," said chief executive Chris Fraser.

"We are making good progress with the remaining components of our stage 2 financing package, which we expect to complete by the end of September this year in line with guidance, and which will enable us to bring our multi-nutrient POLY4 product to our customers to meet the expanding needs of the global agriculture industry."

Shares were down 1.2% to 14.8p in afternoon trading.

Price: £0.04

Market Cap: £309.4 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

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.

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--Adds share price--

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