

UPDATE

News from Sirius Minerals

ISSUE TEN **JANUARY 2018**

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WELCOME

WELCOME TO OUR TENTH UPDATE NEWSLETTER AND A HAPPY NEW YEAR.

2017 has been a transformative year, with excellent progress being made with the Project.

Following the completion of highways improvements in and around Whitby, it has been exciting to see construction start at the newly named 'Woodsmith Mine' where we've now begun work on the shafts.

The Sirius team continues to grow and now stands at 140, including many people from the local area, working from our new head office at Resolution House in Scarborough.

Another major milestone has been our admission to the FTSE 250 on the main market of the London Stock Exchange.

We are looking forward to the year ahead, as construction continues and the Company seeks to secure Stage 2 financing.

As always, we encourage you to get in touch if you have any questions, suggestions or would like any additional information.

FOUNDATION AWARDS FUNDING

Having made our initial payment of £2 million to the Sirius Minerals Foundation, we are proud that, in December, the Foundation awarded 75 projects a total of £300,000.

The activities funded include improving community facilities and restoration works, new equipment, supporting families and vulnerable people, environmental enhancements, and education and training across the Project area, including Whitby, the Esk Valley, East Cleveland and Scarborough.



SUPPORTING GLOBAL AGRICULTURE

Our global crop study programme, which includes trials in North Yorkshire, continues to show the benefits of polyhalite and we are working to promote sustainable agricultural practices across the world.

April marked the start of our 200th crop trial, and in October we secured our first offtake agreement in South East Asia.

The world's largest polyhalite resource is located right here, on the North Yorkshire Coast, and can make a significant contribution to global food security, which is one of the most important challenges facing the world today.



PROJECT PROGRESS

SINCE HIGHWAYS WORKS STARTED IN JANUARY, GREAT PROGRESS HAS BEEN MADE WITH WORK WELL ON TRACK TO MEET THE TARGET OF PRODUCING FIRST POLYHALITE IN 2021.

In February Woodsmith Mine was named in recognition of two of the original geologists that worked on the Project, Peter Woods from Danby and Dr Frederick Smith from County Durham.

Highways works to improve access to the mine site and increase pedestrian safety in Whitby were completed in April 2017.

Work at the Woodsmith site has focused on getting the site ready for sinking the shafts. Site preparation works are now largely complete, including internal roadways, screening, drainage management, site offices, shaft platforms and concrete batching plant. Work has now started on the shafts.



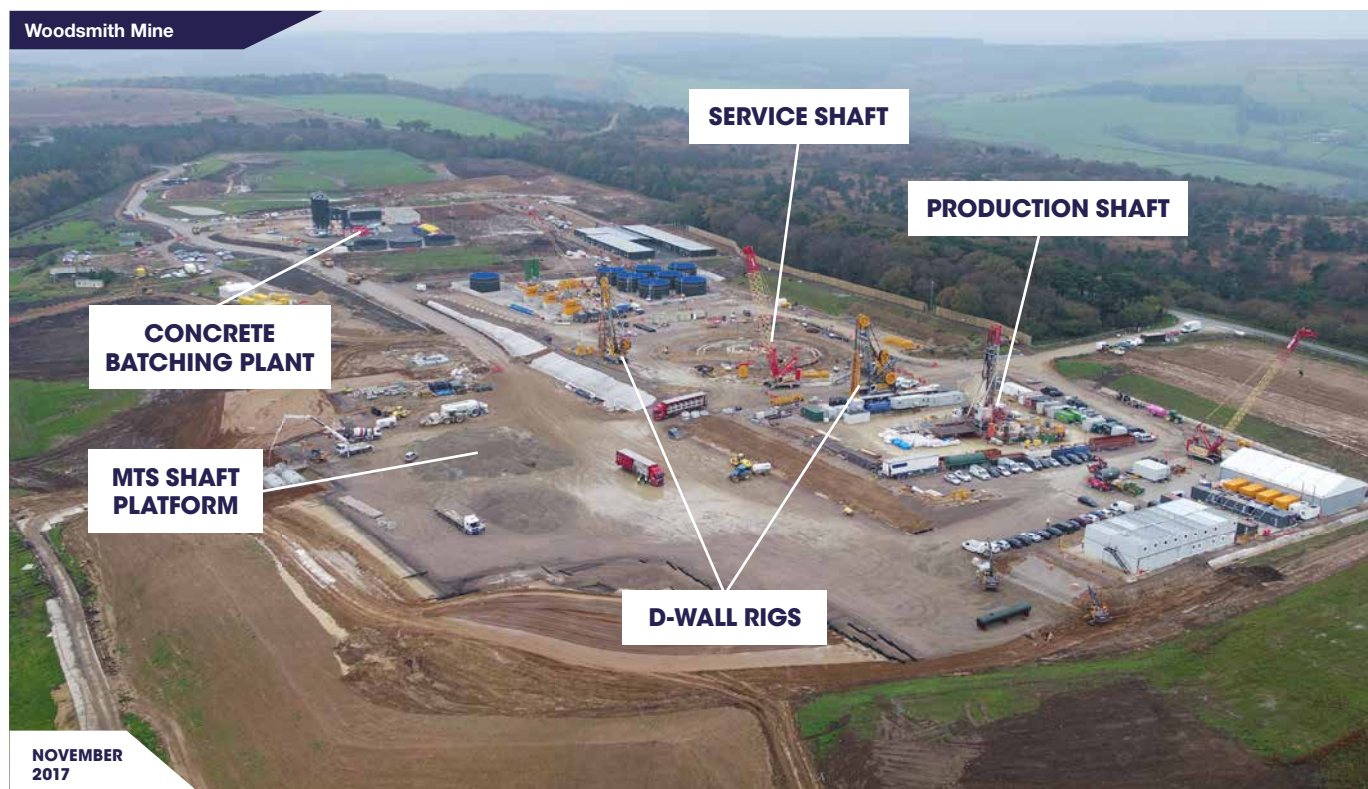
Peter Woods and Dr Frederick Smith



Pedestrian crossing on Helredale Road



New turning and entrance to Woodsmith Mine



Woodsmith Mine

CONCRETE
BATCHING PLANT

MTS SHAFT
PLATFORM

SERVICE SHAFT

PRODUCTION SHAFT

D-WALL RIGS

NOVEMBER
2017

THE YEAR AHEAD

BUILDING ON THE GOOD PROGRESS MADE LAST YEAR, CONSTRUCTION IN 2018 WILL FOCUS ON SINKING THE SHAFTS AT WOODSMITH AND PREPARATION WORKS FOR THE MINERAL TRANSPORT SYSTEM.

WOODSMITH MINE

Work on the shafts will continue throughout 2018 with the construction of diaphragm walls to a depth of -120m at each of the three shafts (production, service and MTS shafts).

A diaphragm wall is a reinforced concrete wall that is sunk underground, providing stability and an impenetrable barrier to water. D-walling is the name given to the process of constructing diaphragm walls. Bauer Technologies, part of the Bauer Group, is the specialist contractor that has been selected to undertake these works.

D-walling and the excavation down to -120 metres will continue throughout most of 2018.



The Bauer Woodsmith team

MINERAL TRANSPORT SYSTEM

Site preparation works at Lockwood Beck, the location of the intermediate shaft for the mineral transport system (MTS), have been largely completed. Construction of the shaft, from which a tunnel boring machine (TBM) will be launched, will start later this year.

Work has started at the Wilton International site, the northern end of the MTS, and during 2018 will involve the construction of a below ground portal from which a TBM will be launched.



Lockwood Beck site

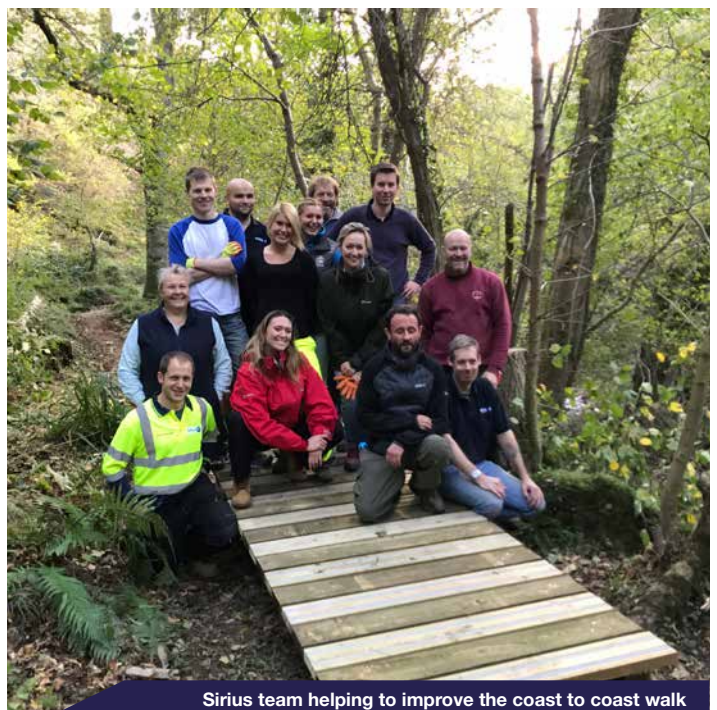
SAFEGUARDING THE ENVIRONMENT

WE HAVE IMPLEMENTED A NUMBER OF ENVIRONMENTAL SCHEMES AND FUNDED PROJECTS TO ENHANCE THE LOCAL AREA.

During 2017, 2,000 square metres of woodland habitat was retained on our sites through changes to our project design, along with the creation of a new permanent wetland habitat. Areas of the Woodsmith Mine site were seeded with a rare wildflower seed mix obtained from Kingston Garth, Fylingthorpe, to encourage endangered plant species and wildlife to thrive. A number of bat boxes were also erected around the sites, in accordance with the project's European Protected Species Licence.

We have now contributed funding of £2.4 million as part of our planning commitments. Projects funded include improvements to Old St. Stephens Church in Fylingthorpe, upgrading the Coast to Coast Walk, and path restoration at Boggle Hole and Lyke Wake Walk. The funding is also being used to promote the local area to visitors.

Visit our new website – siriusminerals.com – to keep up to date with the Project.



Sirius team helping to improve the coast to coast walk

EDUCATION OUTREACH

In 2017 we took part in 35 education events and activities with primary and secondary school students, including careers events and presentations to raise awareness of the world of work and the skills and qualities that businesses require.

In addition to the activities and opportunities delivered directly by Sirius, we are funding a £1 million programme in Tees Valley and North Yorkshire to support the STEM curriculum and promote STEM careers, and 2017 marked our sixth year of sponsorship at Scarborough Engineering Week.



LIAISON GROUP FORUM

Our commitment to the local community continues to expand. Over the last year we have held three well-attended Liaison Group Forums, which will continue on a quarterly basis during 2018.

We have also arranged four public drop-in events, attended 20 Parish and town council meetings, and given presentations to local interest groups.

Details of the next Liaison Group Forum are available on the Sirius Minerals website.

WORK WITH US

Over the next few weeks, we will be changing the way that we recruit our employees. Jobs will continue to be advertised on our website but must be applied for via our new recruitment database.

For further information on the types of roles available don't hesitate to get in touch with us.



KEEP IN TOUCH

We can be contacted directly to answer questions and respond to concerns.

Tel: 24-hour community helpline on 0845 543 8964

Email: info@siriusminerals.com

LOCAL EXHIBITION

Look out for our new exhibition, showcasing the Project and the Woodsmith Mine site, which is to be held at Whitby Museum from mid-February onwards.

This will include exhibitions on the history, mineral deposit, geology and exploration, as well as information on the construction, mining process and project development.



JUNIOR ROAD SAFETY EVENT

In 2017, the new Company headquarters – Resolution House – hosted a junior road safety launch event on behalf of North Yorkshire Fire and Rescue Service, North Yorkshire Police and 95 Alive, the North Yorkshire road safety partnership.

This was attended by children from schools across Whitby, Scarborough and Ryedale.



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