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2018 half year results & Q3 progress update
September 2018



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FINANCIAL REVIEW – INCOME STATEMENT

- Reduction in operating loss due to a reduction in certain one-off charges that occurred in H1 2017
- Total loss of £95.3m driven by fair value re-measurement of derivative instruments
- As the share price increases the convertible bonds and royalty financing derivative liabilities increase in value
 - The share price increased 41% across the period
- The Company incurs a non-cash loss when the derivative instruments are revalued (or a gain if the share price goes down)
- Derivative liabilities are reclassified to equity as convertible bonds are converted/royalty financing is drawn

£m	H1 2018	H1 2017
Operating loss	(10.8)	(14.7)
Net interest income/(expense)	0.8	(1.8)
Fair value loss on derivative instruments	(87.2)	(133.3)
<i>Attributable to convertible note</i>	(69.4)	(111.9)
<i>Attributable to royalty financing</i>	(17.8)	(21.4)
Foreign exchange gains/(losses) on net debt	0.9	(1.5)
Taxation	1.0	-
Loss for the financial period	(95.3)	(151.3)
<i>Share price increase</i>	41%	58%

FINANCIAL REVIEW – CAPITAL DEPLOYED

- £148m deployed developing and financing the Project
- Total capex of £125.7m
- Additional financial commitments (£74m) not reflected in the accounts include;
 - shaft boring roadheader
 - tunnel boring machine
 - other supplier procurement commitments
- Local authority security requirements include a combination of reinstatement security for construction works and S106 commitments

£m	H1 2018	H1 2017
Operating costs	(10.8)	(14.7)
Capital expenditure	(125.7)	(28.3)
Capital expenditure timing adjustments ¹	1.2	(20.0)
Local authorities' security requirements	(1.1)	(34.7)
Financing costs	(11.4)	(23.4)
Total use of funds	(147.8)	(121.1)

Notes: 1) H1 2018 includes capital expenditure incurred in prior year of £19.9m and incurred but unpaid capital expenditure of £(18.7)m. H1 2017 includes incurred but unpaid capital expenditure of £(20.0)m.

FINANCIAL REVIEW – TOTAL FUNDS

- Total funds of £323m split between £264m available and £60m restricted
- Restricted cash includes local authority requirements and convertible bond escrow
- As a result of the convertible loans incentivisation scheme in April 2018, 226m ordinary shares were issued

Post balance sheet date

- Stage 1 royalty funding of US\$250m received post period end

£m	Available cash	Restricted cash	Total funds
Opening balance	394.0	74.5	468.5
Operating costs	(10.8)	-	(10.8)
Capital expenditure (paid only)	(125.7)	-	(125.7)
Local authorities' commitments	(1.1)	1.1	-
Redemptions of restricted cash	4.4	(4.4)	-
Net financing costs	1.7	(11.4)	(9.7)
Working capital and other	(0.5)	-	(0.5)
FX revaluation	1.7	(0.1)	1.6
Closing balance	263.7	59.7	323.4

WOODSMITH MINE SERVICE SHAFT

2018 Milestone: Complete main service shaft foreshaft construction and excavation

- D-wall installation complete
- Capping beam installation 90% complete
- Winder house basement excavated to depth
- Main foreshaft excavation expected to be completed Q4 2018

Winder house basement

D-wall

Capping beam

WOODSMITH MINE PRODUCTION SHAFT

Outer D-wall

D-walling rig

Inner D-wall

2018 Milestone: Complete installation of the main production shaft foreshaft and commence excavation

- Outer D-wall and inner D-wall currently being installed
- All D-walling to be completed and Bauer demobilised from site in the coming months
- Excavation to commence Q4 2018

WOODSMITH MINE MTS ACCESS SHAFT

2018 Milestone: Commence mineral transport system (MTS) access shaft construction at Woodsmith Mine site

- Mineral transport system ("MTS") access shaft working platform established
- Vertical sinking machine ("VSM") guide collar and cutting edge installed
- VSM on site and ready for operations to commence



LOCKWOOD BECK INTERMEDIATE ACCESS SHAFT

Intermediate
access shaft

Offices/welfare

**2018 Milestone: Commence
shaft sinking at Lockwood
Beck intermediate shaft site**

- Site preparation complete
- All power and utilities connected
- Foreshaft piling complete

WILTON

Concrete segment storage area

Concrete segment factory foundation

Piling rig

TBM launch ramp

MTS Portal

2018 Milestone: Largely complete construction of MTS portal at Wilton

- Mineral transport system ("MTS") portal under construction and excavation due to commence Q4 2018
- Tunnel boring machine ("TBM") launch ramp under construction for TBM delivery
- MTS concrete segment factory construction underway
- Materials Handling Facility ("MHF") site clearance underway

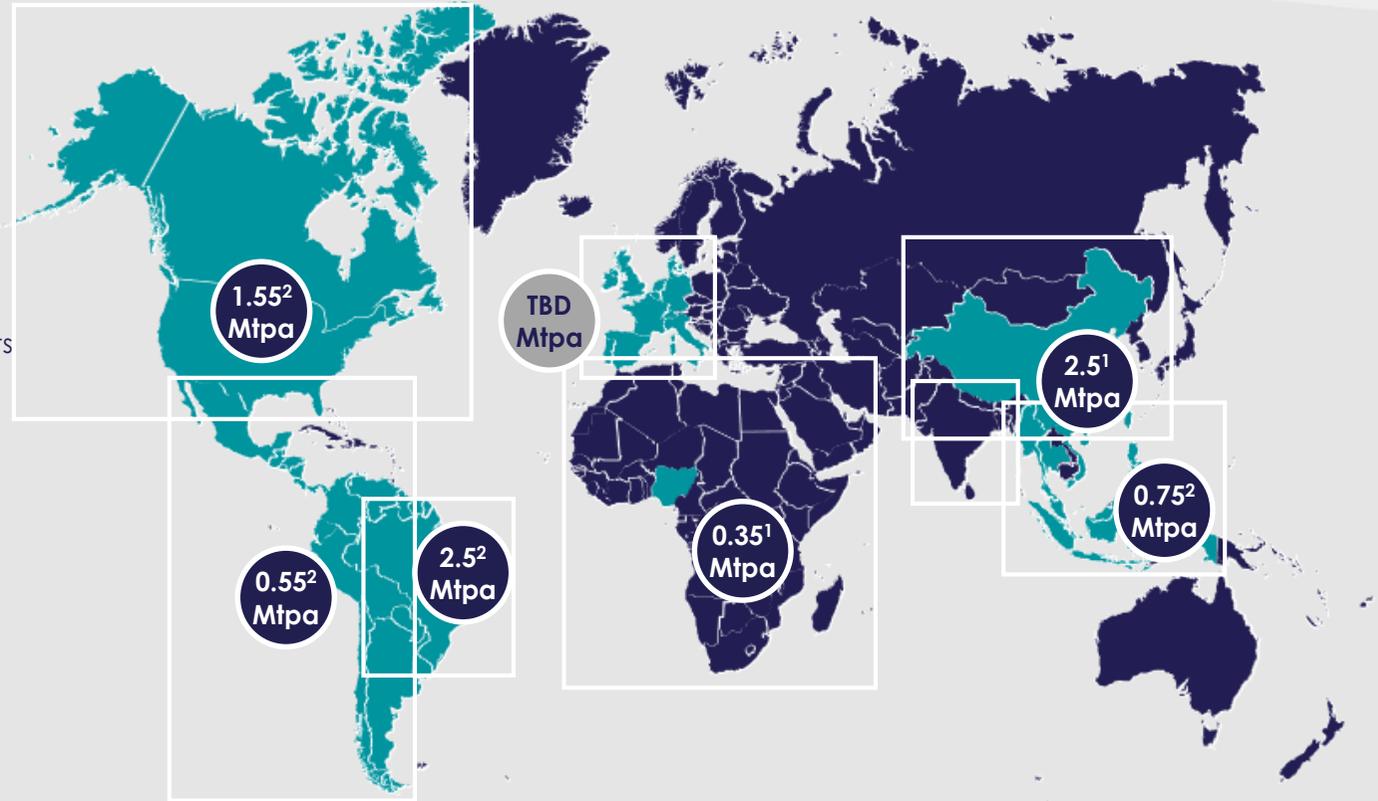
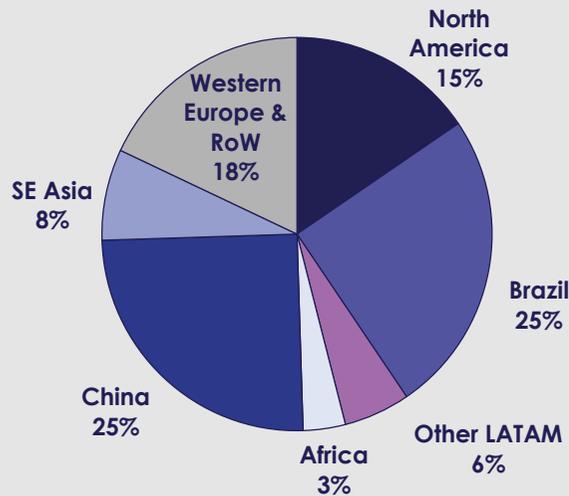
PROCUREMENT STATUS

Project Area	Shafts	MTS	MHF	Port facilities
Scope	Mine shaft development (shaft sinking and mine development)	Tunnel development (three TBM drives, caverns and Wilton portal) Tunnel fit-out (conveyor & 66kV cable installation)	Materials handling facility	Wharf, outload circuit, and product storage
Main Contractor	 DMC MINING SERVICES KGHM Group	 STRABAG	 JACOBS®	TBA
Contract type	Target price design & construct	Fixed unit rates design & construct EPC	Target price EPC	TBA
Ancillary contracts	<ul style="list-style-type: none"> • Woodsmith Mine site preparation and enabling works • Foreshaft development • Ventilation and mining equipment 	<ul style="list-style-type: none"> • Lockwood Beck site preparation and enabling works • Foreshaft development 	<ul style="list-style-type: none"> • Wilton site enabling works (STRABAG) • Utilities and connections 	<ul style="list-style-type: none"> • Site enabling works • Equipment supply and design • RBT materials handling agreement
Status	<ul style="list-style-type: none"> • Awarded Feb 2018 • Site preparation complete • Foreshaft development well progressed 	<ul style="list-style-type: none"> • Drive 1 awarded Mar 2018 • Drive 2 & 3 awarded Sep 2018 • Fit out quotes provided – T&Cs under negotiation • Site preparation and portal construction underway 	<ul style="list-style-type: none"> • Awarded Sep 2018 	<ul style="list-style-type: none"> • Materials handling agreement signed Jul 2018 • Port procurement substantially complete

GLOBAL PRODUCT DISTRIBUTION PLATFORM

Year to date take-or-pay agreements

- 2.5 Mtpa peak volume agreement with Cibra into Brazil and South America³
- 1.95 Mtpa peak volume agreements with two Chinese offtake partners
- 0.35 Mtpa peak volume agreement with ITL Trading into Nigeria
- 8.2 Mtpa¹ total take-or-pay supply agreements in place



Selection of Commercial Partners:



Notes: 1) 8.2 Mtpa as measured by taking the aggregate of the respective peak take-or-pay volumes under each agreement 2) Measured by taking the peak take-or-pay volume under the respective agreements. 3) Completion of the arrangements is subject to the satisfaction of certain conditions precedent and are expected to take place in the coming weeks.

2018 DEVELOPMENT MILESTONES - CONSTRUCTION



Complete main service shaft foreshaft construction and excavation



Complete the installation of the main production shaft foreshaft and commence foreshaft excavation



Commence MTS access shaft construction at the Woodsmith Mine site



Largely complete construction of MTS portal at Wilton



Commence shaft sinking at Lockwood Beck intermediate shaft site



Commence early works for the Materials Handling Facility



Finalise Harbour Facility strategy and complete procurement

2018 DEVELOPMENT MILESTONES – SALES & MARKETING, CORPORATE & COMMERCIAL



Expand global agronomic programme and establish 80 new trials



Execute 2 Mtpa incremental offtake agreements



Substantially complete project procurement



Draw down the stage 1 financing royalty instrument



Execute stage 2 financing

REVISED CAPITAL ESTIMATE

- On 6 Sep, the Company announced that the stage 2 capital funding requirement is expected to increase by US\$400m to US\$600m
- Sirius engaged a third party consultant to assist in the preparation of a revised capital cost estimate and risk assessment on the basis of signed contracts, tenders or quotations
- The final capital estimate is subject to lenders due diligence of final procurement contracts including an assessment of the adequacy of the capital contingency.

Capital Costs (US\$m)	Nov 2016 ¹	Sep 2018 ²	Change	Comment
Mine development	1,238	1,079	(159)	• MTS Caverns to be completed by MTS tunnelling contractor
MTS	858	1,461	603	• Scope includes caverns • Revised capital costs to reflect fixed rates and risk transfer to the tunneling contractor
MHF and Port	641	538	(103)	• Overland conveyor deferred until commencement of operations
Other infrastructure and facilities	121	258	137	• Sep 2018 estimate includes general site infrastructure previously included in other areas (including construction power)
Owners costs	280	371	91	• Revised to reflect changes to implementation plan
Contingency, escalation and allowances ³	536	463	(73)	• Re-calculation based on progress and design work undertaken to date
Total	3,673	4,169	496	

Notes: 1) Nov-16 capital costs represent the total capital costs anticipated at the time of the Stage 1 financing and include US\$125m associated with mobile mining equipment expected to be leased. 2) Sep-18 capital costs represent the stage 2 re-estimate. Estimates are presented in USD translated from the underlying currency estimates at June 2018 exchange rates. 3) Includes contingency, escalation, and separate allowances for capital spares and freight. Nov 2016 includes escalation and allowances of US\$127m, September 2018 includes escalation and allowances of US\$130m

STAGE 2 FINANCING STATUS

Senior Debt	<ul style="list-style-type: none"> ✓ All key stakeholders remain engaged in the process ✓ Bank responses support ~US\$1.5bn commercial tranche, subject to ongoing due diligence and revised financing plan ✓ US\$3bn senior debt the appropriate level for the Project and the Company will not seek to increase this amount
Status	<ul style="list-style-type: none"> • Project procurement substantially complete for major packages and capital costs defined • Lenders technical due diligence ongoing, including review of capital contingency • Commercial review of construction contracts ongoing
Areas of focus	<ul style="list-style-type: none"> • Technical construction risk and contingency • Construction risk allocation and transfer to construction counterparties • Contract interfaces and project implementation plan • Offtake counterparty credit quality • The Company is reviewing the most appropriate form of financing for the increased capital funding requirement



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QUESTIONS

