



SIRIUS MINERALS PLC

INTERIM UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended

30 September 2011

CHAIRMAN'S STATEMENT

Dear Fellow Shareholder,

It's only been a short time since I wrote to you in the Company's 2011 Annual Report, explaining the rationale for the initial focus on the York Potash Project in our quest to become the New Potash Powerhouse. That strategy has paid off handsomely to date.

York Potash Drilling Progress

Sirius has just drilled the first new surface potash borehole for almost 35 years in North Yorkshire. Whilst this first hole adds to a very large database of historical exploration and analysis that has been conducted on the York Potash Project, it was pleasing to have delivered one of the world's single thickest potash intersections ever reported. We announced that we had intersected 81.8 metres (true thickness) of total potash mineralisation across three seams with the hole being terminated while still in polyhalite mineralisation at 1,534 metres below sea level.

Based on the geological analysis and visual inspection of the cores, the hole intersected the Sneaton and Boulby potassium chloride seams and the Fordon polyhalite (potassium sulphate) seam and all three were successfully cored. Whilst detailed laboratory analysis has not yet been completed, initial indications are that within 65 metres of Fordon evaporites two zones contain a total of 19 metres (true thickness) of massive higher grade polyhalite. The results of the geophysical wireline logging tests on the hole gave average gamma readings across the whole of these massive polyhalite beds attributable to potassium that equates to polyhalite grades in excess of 80%. In addition, within these thick massive polyhalite zones there were certain zones of significantly higher than average grades apparent.

It is important to recognise that our exploration target of between 3.3 and 6.0 billion tonnes of polyhalite is based on an average thickness of just 5m of 67% to 94% polyhalite (19% to 27% K_2SO_4).

The drilling programme is now being accelerated on the back of these very encouraging initial results, and we look forward to bringing you the results as they become apparent. We remain confident of being able to announce our first resource figures during the first quarter of 2012.

Expanding Management Team

Your Company is making good progress on further strengthening its executive management under the leadership of Chris Fraser. I am particularly pleased to welcome Graham Clarke as our new Operations Director. Mr Clarke was, until his decision to join Sirius, the Managing Director of Cleveland Potash Limited, which operates the Boulby Mine in North Yorkshire, the UK's only potash mine and the only operational polyhalite mine in the world today. He has spent his entire 26 year career at Boulby and brings with him not only invaluable experience to successfully commission and oversee a new polyhalite mine, but importantly a keen sense of the local area and communities.

UK Government Grant

As part of its funding strategy to stimulate economic growth, the UK Government, through the Department of Business Innovation and Skills has included Sirius in a funding initiative from the Regional Growth Fund to develop a world-leading Geosciences Centre in North Yorkshire. Sirius has been awarded up to £2.8 million, subject to the satisfactory completion of due diligence.

The aim of the Centre will be to accelerate the latest technological advances in mineral exploration, extraction and geosciences. Sirius will look to partner and collaborate with several UK and international universities and research organisations to build a "living laboratory" around the York Potash Project. The Centre will allow current and future geoscientists to develop new skills and receive training on cutting-edge, innovative technologies. The long-term vision for the Centre is to establish the facility as an independent developer of advanced geoscience technologies and services for the global mining industry.

We welcome the support from the UK Government which underlines the growing stature of Sirius Minerals and the York Potash Project. The planned development by Sirius of this world-leading Geosciences Centre reinforces to the local

community in North Yorkshire our commitment to the area and our intention to provide significant long term employment opportunities.

Corporate Advisers

The Company has also demonstrated its growing maturity within the investment community with Macquarie Capital accepting the role of Nomad and both Liberum and Macquarie Capital becoming joint brokers to Sirius. Both organisations have initiated research coverage, which is being read by a wide institutional audience.

Financial Results

During the six month period to 30 September 2011 the Company made a consolidated loss of £2.3 million, compared with a loss of £1.0 million last year. Cash resources as at the end of the period were £14.9 million and the Company's net assets were £108.9 million.

In conclusion, Sirius continues to progress rapidly the York Potash Project whilst also ensuring that its other projects and new opportunities are further developed in the background. The future of your Company has never looked better, and we thank you for your continued valuable support.

Yours sincerely,

Chris Catlow

Chairman

INTERIM UNAUDITED RESULTS FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2011

CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited six month period ended 30 September 2011 £000s	Unaudited six month period ended 30 September 2010 £000s	Audited year ended 31 March 2011 £000s
Continuing operations:				
Revenue		-	-	-
Administrative expenses		(2,374)	(1,009)	(7,713)
Exceptional administrative expenses				
Impairment charge		-	-	(732)
Acquisition costs		-	(16)	(48)
Share based payments – share options		(661)	(335)	(4,768)
Exploration costs expensed		-	-	(497)
Other administrative costs		(1,713)	(658)	(1,668)
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Total administrative expenses		(2,374)	(1,009)	(7,713)
		<hr/>	<hr/>	<hr/>
Operating loss		(2,374)	(1,009)	(7,713)
Finance income		89	23	45
Finance costs		-	-	-
		<hr/>	<hr/>	<hr/>
Loss before taxation		(2,285)	(986)	(7,668)
Taxation		-	-	578
		<hr/>	<hr/>	<hr/>
Loss for the period		(2,285)	(986)	(7,090)
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Loss per share:				
Basic and diluted loss	2	(0.2p)	(0.1p)	(1.0p)
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INTERIM UNAUDITED RESULTS FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six month period ended 30 September 2011 £000s	Unaudited six month period ended 30 September 2010 £000s	Audited year ended 31 March 2011 £000s
Loss for the period	(2,285)	(986)	(7,090)
Other comprehensive (loss)/income Exchange differences on translating foreign operations	(1,210)	(881)	1,161
Other comprehensive (loss)/ income for the period, net of tax	(1,210)	(881)	1,161
Total comprehensive loss for the period	(3,495)	(1,867)	(5,929)

INTERIM UNAUDITED RESULTS AS AT 30 SEPTEMBER 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 September 2011 £000s	Unaudited 30 September 2010 £000s	Audited 31 March 2011 £000s
ASSETS	Notes			
Non-current assets				
Property, plant and equipment		198	1	36
Intangible assets	3	93,214	54,069	91,197
		93,412	54,070	91,233
Current assets				
Other receivables		593	269	307
Cash and cash equivalents		14,908	3,121	21,010
Available-for-sale financial assets		-	729	-
		15,501	4,119	21,317
TOTAL ASSETS		108,913	58,189	112,550
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	4	2,581	1,789	2,581
Share premium account		95,658	50,833	95,658
Share based payment reserve		7,004	1,874	6,343
Retained earnings		(12,985)	(4,560)	(10,700)
Foreign exchange reserve		5,523	4,691	6,733
Total equity		97,781	54,627	100,615
Non-current liabilities				
Deferred tax liability		9,597	3,233	9,701
Current liabilities				
Trade and other payables		1,535	329	2,234
Total liabilities		11,132	3,562	11,935
TOTAL EQUITY AND LIABILITIES		108,913	58,189	112,550

INTERIM UNAUDITED RESULTS FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Share based payments reserve	Retained earnings	Foreign exchange reserve	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s
At 1 April 2010	1,658	47,959	1,575	(3,610)	5,572	53,154
Loss for the period	-	-	-	(986)	-	(986)
Foreign exchange differences on translation of foreign operations	-	-	-	-	(881)	(881)
Total comprehensive income for the period	-	-	-	(986)	(881)	(1,867)
Share capital issued in the period	131	2,965	-	-	-	3,096
Share issue costs	-	(91)	-	-	-	(91)
Share based payments	-	-	335	-	-	335
Exercised options	-	-	(36)	36	-	-
At 30 September 2010	1,789	50,833	1,874	(4,560)	4,691	54,627
Loss for the period	-	-	-	(6,140)	-	(6,140)
Foreign exchange differences on translation of foreign operations	-	-	-	-	2,042	2,042
Total comprehensive income for the period	-	-	-	(6,140)	2,042	(4,098)
Share capital issued in the period	792	45,661	-	-	-	46,453
Share issue costs	-	(836)	-	-	-	(836)
Share based payments	-	-	4,474	-	-	4,474
Exercised options	-	-	(5)	-	-	(5)
At 31 March 2011	2,581	95,658	6,343	(10,700)	6,733	100,615

INTERIM UNAUDITED RESULTS FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital	Share premium account	Share based payments reserve	Retained earnings	Foreign exchange reserve	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s
At 31 March 2011	2,581	95,658	6,343	(10,700)	6,733	100,615
Loss for the period	-	-	-	(2,285)	-	(2,285)
Foreign exchange differences on translation of foreign operations	-	-	-	-	(1,210)	(1,210)
Total comprehensive income for the period	-	-	-	(2,285)	(1,210)	(3,495)
Share capital issued in the period	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Share based payments	-	-	661	-	-	661
Exercised options	-	-	-	-	-	-
At 30 September 2011	2,581	95,658	7,004	(12,985)	5,523	97,781

The share premium account is used to record the excess proceeds over nominal value on the issue of shares.

The share based payment reserve is used to record the share based payment charges incurred by the Group.

The foreign exchange reserve records exchange differences which arise on translation of foreign operations with a functional currency other than Sterling.

INTERIM UNAUDITED RESULTS FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2011

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Unaudited six month period ended 30 September 2011 £000s	Unaudited six month period ended 30 September 2010 £000s	Audited year ended 31 March 2011 £000s
Cash outflow from operating activities	5	(2,684)	(764)	(622)
Cash flow from investing activities				
Purchase of intangible assets		(3,404)	(634)	(3,148)
Purchase of plant and equipment		(177)	-	(37)
Cash acquired on acquisition of subsidiary		-	-	(372)
Net cash generated used in investing activities		(3,581)	(634)	(3,557)
Cash flow from financing activities				
Net proceeds from issue of shares		-	2,739	24,342
Share issue costs		-	-	(927)
Finance income		89	23	45
Net cash generated from financing activities		89	2,762	23,460
Net (decrease)/increase in cash and cash equivalents		(6,176)	1,364	(19,281)
Cash and cash equivalents at beginning of the period		21,010	1,782	1,782
Effect of foreign exchange rate changes		74	(25)	(53)
Cash and cash equivalents at end of the period		14,908	3,121	21,010

NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

1. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable to the Group as at 31 March 2012.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2011.

Non-statutory accounts

These consolidated interim financial statements have not been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The financial information set out in this interim report does not comprise the Group's statutory accounts.

The statutory accounts for the year ended 31 March 2011 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the six months ended 30 September 2011 and 30 September 2010 is unaudited.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

2. Loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Given the Group's loss for the six month period ended 30 September 2011 and 2010 and the year ended 31 March 2011, share options are not taken into account when determining the weighted average number of ordinary shares in issue during the period and therefore the basic and diluted earnings per share are the same.

	Unaudited six month period ended 30 September 2011 £000s	Unaudited six month period ended 30 September 2010 £000s	Audited year ended 31 March 2011 £000s
<i>Loss</i>			
Loss for the purpose of basic earnings per share being net loss attributable to equity shareholders of the parent	(2,285)	(986)	(7,090)
Loss for the purpose of diluted earnings per share	(2,285)	(986)	(7,090)
<i>Number of shares</i>	Number	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,032,578	667,525	733,827
<i>Earnings per share</i>			
If the Company's share options were taken into consideration in respect of the Company's weighted average number of ordinary shares for the purposes of diluted earnings per share, it would be as follows:			
<i>Number of shares</i>	Number	Number	Number
Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,092,078	667,525	790,939
<i>Loss per share</i>			
Basic and diluted loss per share	(0.2p)	(0.1p)	(1.0p)

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

3. Intangible fixed assets	Exploration costs and rights £000s	Goodwill £000s	Software £000s	Total £000s
Cost				
At 1 April 2010	52,446	2,528	-	54,974
Additions	634	-	-	634
Foreign exchange movement	(715)	(142)	-	(857)
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At 30 September 2010	52,365	2,386	-	54,751
Additions	2,514	-	-	2,514
Additions acquired on acquisition of subsidiary	25,552	6,644	-	32,196
Foreign exchange movement	2,317	104	-	2,421
Transfer to available-for-sale financial assets	-	-	-	-
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At 31 March 2011	82,748	9,134	-	91,882
Additions	3,397	-	7	3,404
Foreign exchange movement	(1,301)	(85)	-	(1,386)
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At 30 September 2011	84,844	9,049	7	93,900
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Provision for permanent diminution in value				
At 1 April 2010 and 30 September 2010	(682)	-	-	(682)
Impairment	(3)	-	-	(3)
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At 31 March 2011	(685)	-	-	(685)
Amortisation	-	-	(1)	(1)
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At 30 September 2011	(685)	-	(1)	(686)
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Net book value				
30 September 2011	84,159	9,049	6	93,214
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31 March 2011	82,063	9,134	-	91,197
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30 September 2010	51,683	2,386	-	54,069
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NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

4. Share capital

	Unaudited six month period ended 30 September 2011 £000s	Unaudited six month period ended 30 September 2010 £000s	Audited year ended 31 March 2011 £000s
Allotted, called up and fully paid			
1,032,578,000 (30 September 2010: 715,607,000 and 31 March 2011: 1,032,578,000) ordinary shares of 0.25p each	2,581	1,789	2,581

5. Cash outflows from operating activities

	Unaudited six month period ended 30 September 2011 £000s	Unaudited six month period ended 30 September 2010 £000s	Audited year ended 31 March 2011 £000s
Loss before tax	(2,285)	(986)	(7,668)
Share based payments	661	335	4,851
Depreciation	13	-	2
Finance (income)/expense	(89)	(23)	(45)
Amortisation/impairment	1	-	732
Operating cash flow before changes in working capital	(1,699)	(674)	(2,128)
Increase in receivables	(286)	(30)	(167)
(Decrease)/increase in payables	(699)	(60)	1,673
Net cash outflow from operating activities	(2,684)	(764)	(622)

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION (continued)

6. Events after the reporting period

On 1 November 2011, the Company announced that it had provisionally been awarded up to £2.8 million from the Government's Regional Growth Fund to develop a world-leading geosciences centre, subject to the satisfactory completion of due diligence.

DIRECTORS AND ADVISORS

Directors

CJ Catlow (Non-Executive Chairman)
CN Fraser (Managing Director and CEO)
AM Lindsay (Finance Director and CFO)
R O'D Poulden (Non-Executive Deputy Chairman)
Prof MR Mainelli (Non-Executive Director)
RJ Scrimshaw (Non-Executive Director)
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