

PRESS RELEASE

IFFCO signed take/supply or pay supply agreement with UK based Sirius for supply of POLY4, a multi-nutrient fertilizer in India

- *IFFCO will bring a new Multi Plant Nutrient for Indian Farmers*
- *Terms are for 11 years ramping up to 1 Mtpa in year eight, with a mutual agreement option for an additional 250,000 tonnes*
- *Total peak aggregate volumes now under contract 11.7Mtpa (13.4Mtpa including customer volume options)*

12th June, 2019; New Delhi - Sirius Minerals Plc has signed a take-or-pay supply agreement with world's largest processed fertilisers cooperative Indian Farmers Fertilisers Cooperative Limited IFFCO for the supply of POLY4 in India. Volumes will ramp up to one million tonnes per annum ("Mtpa") in year eight, with an option subject to mutual agreement of the parties to increase this to 1.25 Mtpa.

India is one of the top three fertilizer markets in the world with a total nutrient consumption of around 30 Mtpa. The demand for fertilizers in India has been growing steadily due to increasing demand for food as the country's population increases. With the need to increase productivity per hectare, multi-nutrient products like POLY4 are well suited to Indian agriculture and soils.

The Agreement is for the exclusive supply and distribution of POLY4 throughout India and is on a take/supply-or-pay basis. Volumes ramp up to 1 Mtpa in year eight of the 11 year term, with the option for an additional 250,000 tonnes by mutual agreement, and pricing is based on nutrient linked formula on a CIF India basis. IFFCO has a break clause after year eight and there is a 10-year extension option subject to mutual agreement of the two parties.

Chris Fraser, Managing Director and CEO of Sirius, comments:

“We are delighted to be embarking a long-term partnership with IFFCO, an organisation with a wide reach and a proud history in India and a substantial profile in the global fertilizer market. POLY4 can undoubtedly have a hugely positive impact on Indian agriculture, both in terms of yields and sustainability and we look forward to working with IFFCO to deliver these benefits for Indian farmers for many years to come.”

Dr U S Awasthi, Managing Director & Chief Executive Officer of IFFCO, comments: “POLY4 offers a unique opportunity for IFFCO to help deliver our vision of increasing farmer’s incomes by increasing crop productivity and the balanced use of energy efficient fertilizers. The multi-nutrient characteristics of POLY4 are well suited to Indian soils and, having seen the ongoing crop science work and results, I know that this partnership between Sirius and IFFCO will have an important role to play for farmers for many years to come. This is actually in line with IFFCO’s ongoing initiative of balanced nutrition management for soil. A good quality soil will actually help our farmers to increase their yield. This will certainly help in PM’s initiative of doubling the farmers’ income by 2022”. He further added that It will benefit our farmers by increasing their profits in a sustainable way through improved yield and reduced costs.

Indian government is promoting balanced fertilisation with emphasis on micronutrients. The Poly4 product with four essential macronutrients and micronutrient like Boron will help in addressing the nutrient deficiency of soil and cost to the exchequer. The product is Organic certified in Europe with lower environmental impact.

Volume commitments ramp up after Sirius’ first commercial production begins. The initial terms include provisions for volume flexibility where, subject to certain conditions, IFFCO may roll forward a proportion of the minimum quantities between contract years. Similarly, subject to the agreement of the Company, IFFCO may also elect to increase ramp up volumes.

The Agreement provides for a steering committee that will be established to assist both parties in working together to implement the in-country marketing plan for sales of POLY4, including liaising in relation to research and development.

IFFCO is looking forward for its trials on cash crops majorly Orange, Apple, Grapes, Saffron Ginger, Tea & Coffee. The list will include more crops.

IFFCO is one of the largest co-operative societies in the world with over 36,000 member cooperatives and access to over 55 million Indian farmers. Its primary business is the manufacturing and marketing of fertilizers and is in the top 100 of India's Fortune 500 group of companies.

About IFFCO-

IFFCO is one of the world's largest cooperative societies and is wholly owned by Indian cooperatives. Founded in 1967 with just 57 cooperatives, today it is an amalgamation of over 36,000 cooperatives, with diversified business interests ranging from general insurance to rural telecom. Its core business remains the manufacture, sale and distribution of fertilizers and it therefore has access to the extensive infrastructure needed to deliver that.

IFFCO has five fertilizer manufacturing facilities across India and three overseas units in Oman, Jordan and Senegal. Every third bag of phosphate fertilizers' and every fifth bag of nitrogen fertilizer marketed in India is handled by IFFCO. It has an extensive marketing network consisting of over 36,000 cooperative societies, 163 R&D Farmer Service Centres and over 82,000 retail outlets. It has presence in 30 states of India, with over 400 sales agronomists in the field and member societies forming the backbone of the Indian rural economy. During 2018-19, IFFCO produced 8.14 million tonnes of fertilizer (urea and complex blends) and sold approximately 11.55 million tonnes to farmers.

IFFCO also has diversified its interests beyond fertilizers in sectors like general insurance, agrochemicals, rural mobile telephony, food processing, organics, farm forestry and international trading. It also runs various farmer development programmes, where more than 10,000 farmers training programs were conducted across the country & farmers were trained annually in appropriate farm technologies for efficient soil management and balanced fertilization practices. Over 1 million farmers were trained in 10,000 programs. IFFCO also provide free Soil testing services to farmers and it undertakes special projects for soil rejuvenation and water resource development, livelihood generation, farm mechanization and capacity development.

About Sirius Minerals Plc-

Sirius Minerals Plc is focused on bringing large scale volumes of POLY4 to the global agriculture industry. POLY4 is the Company's trademarked name for its unique multi-nutrient fertilizer to be produced from the world's largest and highest grade polyhalite deposit located in North Yorkshire, United Kingdom, which can be used to increase balanced fertilization around the world. Sirius Minerals' shares are traded on the Premium List of the London Stock Exchange. Its shares are also traded in the United States on the OTCQX through a sponsored ADR facility. Further information on the Company can be found at: www.siriusminerals.com.