

Gina Rinehart makes \$400 million UK fertiliser investment



Billionaire Gina Rinehart, pictured with Hancock executive director Tad Watroba. **Supplied**

By John Stensholt, James Thomson
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Billionaire Gina Rinehart has made a \$US300 million (\$395 million) play in the fertiliser industry, buying into London Listed Sirius Materials in a deal that will include the construction of a mine in Yorkshire.

Mrs Rinehart's deal will see her Hancock Prospecting buy \$US50 million of Sirius shares, a 5 per cent royalty stream of the first 14 megatonnes of fertiliser produced by the mine annually and the right to purchase up to 20,000 tonnes of product each year for use on her expanding Australian agricultural holdings.

Sirius is developing the North Yorkshire Polyhalite Project in the UK. Polyhalite is a naturally occurring mineral containing four of the several nutrients key to plant growth, including potassium and sulphur.

"This project delivers a new and natural product which is relevant to Hancock's focus on agriculture and after years of field tests and across many crop types, demonstrated improved yields," Mrs Rinehart said in a statement.

"Sirius has a large, high quality mineral resource and is located in a stable jurisdiction with a competitive tax rate".

"The project and has the potential to become one of the world's leading producers of multi-nutrient fertiliser, and could have a life of 100 years – this fits with my approach of investing in strategic areas for the long term."

The project involves the construction of a mine, a 37 kilometre underground conveyor system, and materials handling and port facilities. The first phase of the project will involve the development of 10 million tonnes of annual capacity, with potential to quickly increase to 13 million tonnes and, subject to further approvals, 20 million tonnes per annum.

Sirius is run by Australian entrepreneur and former BRW Young Rich List member Chris Fraser, who was an accountant at KPMG before making a move to investment banking with Rothschild and then Citigroup, where he acted as lead adviser on a \$2 billion capital financing deal for Fortescue Metals Group. He then went into mining himself with Sirius.