

## ShareSoc SSSG Survey Analysis

313 Sirius shareholders who joined the ShareSoc Sirius Shareholders Group (SSSG) completed a questionnaire (in Jan-March 2020) about their investment in Sirius. The results are summarised in this article.

### 1. Introduction and Background:

- Any major infrastructure project like Sirius will undertake community relations (including briefings and consultations in the run up to planning applications and then information to keep the local community informed) that it will traditionally see as quite separate from investor relations. The communications will generally be about the project rather than the company. Information about the company will be limited to information relevant to the project (eg. track record, technical skills).
- Community relations will aim to present a positive story to win over local people as citizens. The communications will be partial (eg. it would be unusual to include information about financing risks) and will aim to present the project (and the company to the degree relevant) in a good light to citizens and policy makers.
- It is a question of law as to whether such communications are or are not financial promotions about the company.
- Usually, however, a major infrastructure project would form only one part of a listed company's portfolio of projects and, in itself, would not be so highly material to the future of the company.

### 2. In this instance:

- We are talking, for practical purposes, about a "one project" company.
- There is some evidence that the CEO was aware that a large number of local people had invested in the company and might interpret community communications as investor communications.
- We have located no evidence from this survey, to date, that the company took precautions to stop local investors misinterpreting community communications as investor communications on which they could rely.
- Further discussion with some respondents would, we think, be needed to establish whether the company might ever have given the impression that it encouraged such misinterpretation.

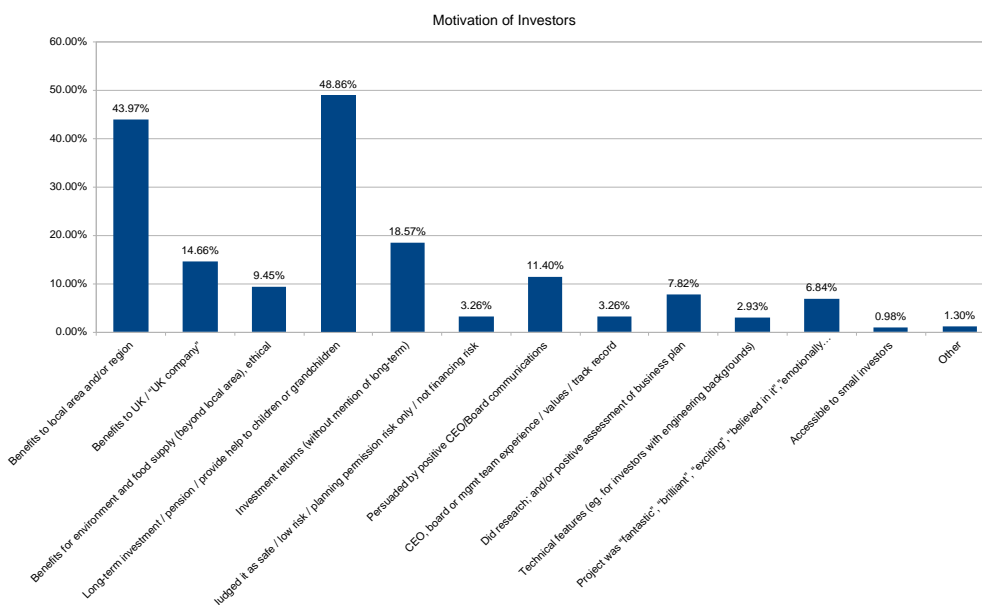
### 3. Several survey respondents commented that Sirius had been the "most viewed" share on the HL website at one time. It was not clear whether HL had highlighted Sirius as an opportunity more generally.

### 4. The buzz locally around the project comes out clearly from the responses:

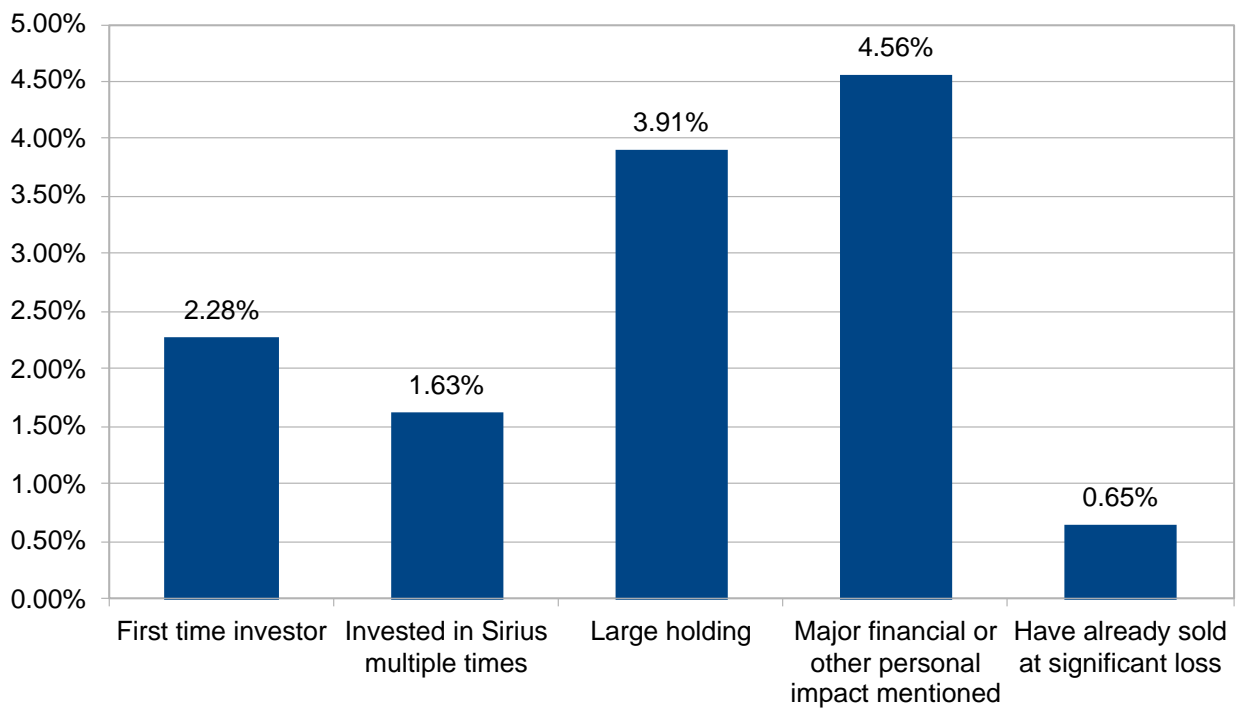
- Over 30% of respondents first heard of Sirius from friends, colleagues or family
- Nearly 15% said it was from local word of mouth or the visibility of the site
- Nearly 10% mention finding out from Sirius public consultations, corporate marketing videos, press interviews with the CEO, etc.

- Over 40% invested partly or mainly for the benefits to the local area.
  - Over 5% used quite “emotional” words to describe their assessment of the company or project: brilliant, exciting, emotionally attached, fond of it, proud to be helping to make the project happen.
  - Over 10% say they were persuaded by positive CEO / board / management communications.
5. A large proportion of investors clearly saw it as an “ethical investment”. They invested for the local, national and/or environmental/social benefits as well as for financial returns. Nearly 3% commented on their support for it as a civil engineering/ mining project, often highlighting their own engineering background.
  6. Over 3% believed it was “safe” or was less risky after planning permission was secured, or that the primary risk was planning permission not financing, etc.
  7. Nearly half of investors mentioned investing for the long-term, for their pension (sometimes as a large proportion of their pension), or to help family, or leave a legacy to them. This was about their own future and that of future generations of their family. While a smaller proportion of investors don’t mention the long-term when talking about returns, there is no evidence that any significant number were active traders in the shares as opposed to “buy and hold” investors.
  8. While it is sometimes difficult to work out how much or what proportion of their portfolio was invested in Sirius (and we plan to ask about % of portfolio later), there seems to be clear evidence of a lack of diversification for some investors. There is also evidence that some others held Sirius in a more diversified portfolio. For over 2% of investors (more than one in 50), Sirius was the first share they had ever bought. Nearly 5% mentioned that they would incur or had incurred a life-changing loss.

## Charts:



### Investor Features



### How the Investor first heard of Sirius Minerals

