

Mining giant Anglo American takes £1.4bn impairment on North Yorkshire fertiliser project

Global mining firm Anglo American plans to spend millions more on its fertiliser mining project in North Yorkshire after extending the project's scale.

The £29bn (\$35bn) revenue company said it now expects to deliver its first fertiliser product from the site near Whitby in 2027. In an update accompanying global results for the firm, Anglo American said it had made significant changes to the scope and design of the project to optimise the value of what is thought to be the world's largest deposit of polyhalite – a natural fertiliser – underneath the North York Moors National Park.

About £829m (\$1bn) spending is expected on the project each year under the new plan, which also increases the capacity of the mine shafts, to make way for higher production volumes. As a result of the changes – which Anglo says are for the long term benefit of the mine – a £1.4bn (\$1.7bn) impairment has been reported in the firm's latest results.

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Over the past year Anglo has been preparing the mine's shafts including a service shaft which is now more than 360m deep. Last month the sinking of a production shaft started 120m below the service.

Three intermediate shafts will provide ventilation and access to the project's massive mineral transport system tunnel which

will eventually take polyhalite from the mine site near Sneatonthorpe to a processing facility on Teesside. Anglo said that following a planned maintenance pause in the middle of last year, the tunnel boring machine digging the 37km tunnel – what will be the longest in the UK – is now more than half way through.

Meanwhile Anglo is developing the global market for polyhalite, which it will sell as a product called POLY4. It has already worked with some 1,500 commercial scale farmers to provide demonstrators with hundreds more planned. The low carbon fertiliser, which occurs naturally, is being marketed as a means for farmers to increase yields, improve crop quality and enhance soil health.

The firm says POLY4 enhances soil health by making it more resilient to compaction, erosion and run-off, as well as providing crops with a range of nutrients in an efficient way. It is said the fertiliser has a carbon footprint up to 85% lower than other products on the market.

In the stock exchange update, the firm said: “Significant changes have been made to the scope, design and approach to execution of the project. These changes will allow future optionality for a larger operating footprint, to be delivered in a phased approach in step with market development, and optimise the value of the asset for the long term.

“These changes are expected to result in an extended project and ramp up schedule, with first product to market expected to be available in 2027, and higher capital expenditure than envisaged at the time of acquisition. The critical path construction activities of shaft sinking and tunnel boring continue to progress well and, as we continue to develop the revised plan, additional studies will focus on optimisation of the mine development, materials transport and handling facilities, to support the phased approach.”

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