

Sheffield surges after key native title ruling

■ Stuart McKinnon

Shares in Sheffield Resources surged to a four-year high after the aspiring mineral sands miner won a key native title ruling that paves the way for a mining lease for its Thunderbird project in the Kimberley.

The \$347 million project had been under a cloud because of a long-running dispute with traditional owners over whether Sheffield had negotiated a native title agreement in good faith.

The dispute, which was the subject of two Federal Court appeals, was resolved in Sheffield's favour this week when the National Native Title Tribunal determined Sheffield had acted in good faith in negotiations with the Mt Jowlaenga Polygon 2 claimant group.

The judgment means the Full Federal Court can lift a stay on the determination made by the tribunal last year and the WA Department of Mines, Industry Regulation and Safety can finalise the grant of a mining lease.

However, the lease is still subject to a 28-day appeal period.

Sheffield also needs Federal environmental approval and to finalise debt and equity funding for the project, which could include a joint venture partner.

The Thunderbird project between Broome and Derby is expected to generate 220 jobs in construction and 280 local jobs in production over a 42-year minelife. It is tipped to deliver \$700 million in State royalties and payroll tax.



Sheffield Resources managing director Bruce McFadzean. Picture: Simon Santi

Sheffield has committed to an Aboriginal employment rate of 40 per cent by year eight of the mine's operation and to deliver \$100 million in royalties to traditional owners over the life of the mine.

First production from Thunderbird is expected by late 2020 or early 2021.

Last week, Sheffield said it had reached common ground on

key terms of a co-existence agreement with the Mt Jowlaenga group as part of a process parallel and separate to the tribunal ruling.

Sheffield is hopeful it can conclude a native title agreement with traditional owners before the end of the year.

Managing director Bruce McFadzean said Sheffield had tried to lead the way in terms of

its social licence to operate in the Kimberley and he hoped the company could help get rid of the region's tag as a no-go zone for resources companies.

RBC Capital Markets analyst Paul Hissey said Thunderbird was well positioned in the mineral sands industry.

Sheffield shares closed up 8.5¢, or 9.4 per cent, at 99¢ after touching an earlier high of \$1.05.