
SHEFFIELD SIGNS MAIDEN BINDING ILMENITE OFFTAKE AGREEMENT

Sheffield Resources Limited (“Sheffield”, “the Company”) (ASX: SFX) is pleased to advise that it has secured a maiden binding ilmenite offtake agreement (Agreement) for the future sale of low temperature roast (LTR) ilmenite from its Thunderbird Mineral Sands Project (Thunderbird) in Western Australia.

The Agreement, signed with Bengbu Zhongheng New Materials S&T Co., Ltd (Bengbu), is based on a five-year minimum annual supply of 150,000 tonnes of LTR ilmenite. This represents approximately 50% of the estimated total volume of LTR ilmenite to be produced from Stage 1 of Thunderbird.

Bengbu is a globally significant, technologically advanced research, development and production company and is a market leader in the mineral sands industry. Bengbu is the world’s largest producer of fused zirconia, supplying leading edge state-of-the-art products globally and has targeted chloride pigment production for future growth within the industry. The Agreement boosts Sheffield’s total forecast revenue from Thunderbird under binding agreement to over 75% of Stage 1 production.

Key terms of the Agreement include:

- Bengbu to purchase a minimum contract volume of 150,000 tonnes of LTR ilmenite annually for an initial five-year period, with annual contract extensions thereafter;
- Take or pay provisions apply to the minimum contracted volume under the Agreement;
- Thunderbird LTR pricing based on a premium to the prevailing \$USD market price, negotiated quarterly and based on agreed specifications of the delivered product;
- Conditions precedent include a positive final investment decision (FID) in respect of Thunderbird;
- Agreed product quality and specifications within defined parameters;
- CIF Incoterms apply under the Agreement;
- Customary payment and product logistics terms included;
- Force Majeure and other customary commercial arrangements included in the Agreement.

Sheffield’s Managing Director, Bruce McFadzean, said:

“We welcome and value the important relationship that we have established with Bengbu and look forward to further growth opportunities in the future. This binding offtake agreement further demonstrates the quality of products that Sheffield will export from Thunderbird. Through this relationship, we are able to target Thunderbird LTR ilmenite as feedstock for the high growth chloride slag market.”

“With this agreement now in place, more than 75% of Stage 1 forecast revenue is contracted under binding offtake agreement, covering 100% of our Stage 1 zircon products and 50% of Stage 1 LTR ilmenite. Demand for our products remains very strong and we look forward to providing the community and our shareholders with further offtake and project updates in the future.”

ENDS

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ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited is focused on developing its 100% owned, world class Thunderbird Mineral Sands Project, located in north-west Western Australia. Sheffield continues to also assess other regional exploration opportunities.

THUNDERBIRD MINERAL SANDS

Thunderbird is one of the largest and highest grade mineral sands discoveries in the last 30 years.

Sheffield's Bankable Feasibility Study shows Thunderbird is a technically low risk, modest capex project that generates strong cash margins from globally significant levels of production over an exceptionally long mine life of 42 years.

Thunderbird will generate a high-quality suite of mineral sands products with specifications suited to market requirements. These products include Premium Zircon suitable for the ceramic sector and LTR Ilmenite which will be one of the highest-grade sulfate feedstocks available globally.

Thunderbird is located in one of the world's most attractive mining investment jurisdictions and is well placed to deliver long term, secure supply of high quality products to a range of potential customers.

Subject to permitting activities, the Company is targeting initial production in 2020. The initial planned production profile is aligned with expected emerging supply gaps in global mineral sands markets.

ASX Code:	SFX	Market Capitalisation:	A\$172m
Issued shares:	229.0m	Cash (unaudited, 31 March 2018):	A\$25.4m