



SheffieldResources
LIMITED

Sheffield Resources Ltd
ACN 125 811 083
14 Prowse Street West Perth WA

29 April 2011

QUARTERLY REPORT FOR PERIOD ENDING 31 MARCH 2011

HIGHLIGHTS

- Completion of purchase of four heavy mineral sands (HMS) tenements located near Eneabba, including 3 granted mining leases, from Iluka Resources.
- Granting of talc and iron tenements enables exploration programmes to commence.
- Subsequent to end of quarter:
 - aircore drilling commenced on North Perth Basin HMS projects,
 - diamond drilling commenced on Moora Talc Belt project, and
 - initial heliborne reconnaissance of Pilbara iron projects was completed.
- Exploration results due to be reported progressively from May onwards.
- Further improvement in markets for HMS commodities: zircon, rutile and synthetic rutile feedstocks.

As at 31/3/11:

Issued Shares	58.3M	ASX Code	SFX	Closing Price	\$0.265
Market Cap	\$15.4M	Cash Reserves	\$5.8M		

EXPLORATION

Summary

Sheffield has over 6,000km² of highly prospective exploration tenure, situated within the state of Western Australia (refer to Figure 1 for project locations). The Company's projects are geared towards the steel industry feed cycle (iron ore and tungsten) and the emerging fillers-ceramics-pigments cycle (talc, zircon, titanium dioxide).

Sheffield has a significant presence in Western Australia's Mid-West region, where it has large consolidated tenement holdings for talc and mineral sands adjacent to a network of highways and railways connecting to the region's ports.



Figure 1: Location of Sheffield's exploration projects in Western Australia

Sheffield spent the March quarter in preparation to launch multiple exploration programmes at the commencement of the field season.

Following the acquisition of the large McCalls HMS project (refer to ASX release of 17 January), Sheffield completed the purchase of four mineral sands tenements located near Eneabba, including 3 granted mining leases, from Iluka Resources Ltd (refer to ASX release of 11 March). The Eneabba tenements provide the company with advanced exploration projects on granted mining tenure near existing infrastructure, offering opportunity for near-term development, while the McCalls project will be evaluated over the longer term as a potential large tonnage, high TiO₂ ilmenite play with zircon credits.

Subsequent to the end of the quarter Sheffield commenced drilling on its North Perth Basin HMS projects.

Sheffield increased its footprint in the world class Pilbara iron province with the granting of E47/2280 "Three Pools" and E47/2291 "Eagle Pool", located approximately 25km north-northwest of Newman. Subsequent to the end of the quarter a further two iron tenements were granted and heliborne field reconnaissance was completed.

Sheffield also secured its dominant tenement position in the Moora Talc Belt with the granting of a further three tenements bringing the total number of granted tenements to seven. Subsequent to the end of the quarter, Sheffield commenced a diamond drilling programme of between 1,500m and 1,800m which will test several targets for the presence of high quality marketable talc.

Exploration expenditure during the quarter is estimated to be \$614,000.

HEAVY MINERAL SANDS

Sheffield controls over 5,000km² of mineral sands tenure in the established North Perth Basin mineral sands province and the emerging Carnarvon, Eucla and Canning Basin provinces.

North Perth Basin

Sheffield's North Perth Basin tenement package of over 2,500km² contains several advanced exploration projects: Yandanooka, West Mine North, Ellengail, Durack, Beekeepers, and Irwin which are located near Eneabba and the large McCalls deposit - a former BHP project located near Gingin. These projects are well positioned close to existing mineral sands operations and to a network of highways and railway lines connecting to Geraldton and Fremantle/Kwinana ports.

During the quarter, the capture of historic drilling data was completed for all Sheffield's North Perth Basin projects. At Yandanooka, West Mine North and McCalls, this data will be augmented by results from further confirmatory drilling to be undertaken by Sheffield during Q2 2011, ahead of scheduled resource estimation work in the latter part of Q2 and early Q3.

Subsequent to the end of the quarter, Sheffield commenced a programme of aircore drilling which will test the Yandanooka, Irwin, Drummond Crossing, West Mine North and McCalls prospects.

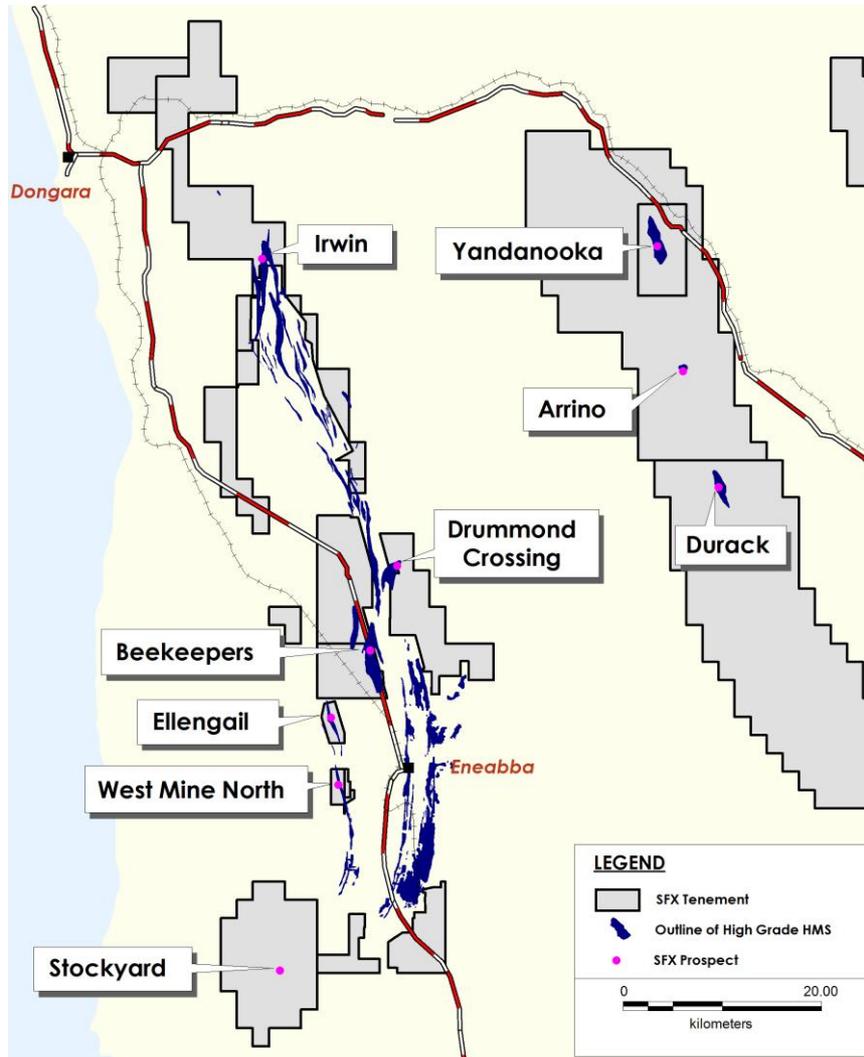


Figure 2: Sheffield's HMS projects near Eneabba

Following a strategic review, the Cowella Peak tenements E70/3801-3803 were surrendered due to a lack of scale.

Woodleigh

The Woodleigh project covers conceptual HMS targets in the Carnarvon Basin. The two project tenements E09/1739 & E09/1740 were granted during the quarter. Work planned for Q3 includes an initial field inspection and analysis of open file aeromagnetic data.

Other HMS projects

Sheffield has tenement applications totalling 700km² at Fraser River located 65km west of Derby in Canning Basin. The Fraser River project covers two significant fine-grained HMS deposits discovered between 2004 and 2009 by Rio Tinto Exploration. The company also has an exploration licence application in the Eucla Basin.

TALC

Sheffield holds 1,152km² of tenure over the 175km-long Moora Talc Belt. For the past 50 years the Moora Talc Belt has been exclusively controlled by large mining companies such as Rio Tinto, WMC and Unimin.

The Moora Talc Belt includes the large Three Springs mine which is owned by Rio Tinto Limited subsidiary Luzenac Australia Pty Ltd and has been operating since 1948. Three Springs is renowned for producing premium grade microcrystalline talc and is a relatively simple “dig-and-deliver” operation.

Within Sheffield’s Moora Talc Belt project there are over twenty known talc occurrences and many more grassroots targets. Subject to exploration success, Sheffield’s strategy is to prove up large deposits, or clusters of deposits, containing high quality talc capable of supporting long-life “direct shipping” mining operations.

During the quarter a further three tenements were granted (E70/3776, E70/4003 and E70/4004) bringing the total number of granted tenements to seven. Significantly, E70/3776 contains a large cluster of talc occurrences, including the Fowlers, Beans and Azharuddin prospects.

Subsequent to the end of the quarter, Sheffield commenced a diamond drilling programme of between 1,500m and 1,800m which will test several targets for the presence of high quality marketable talc.

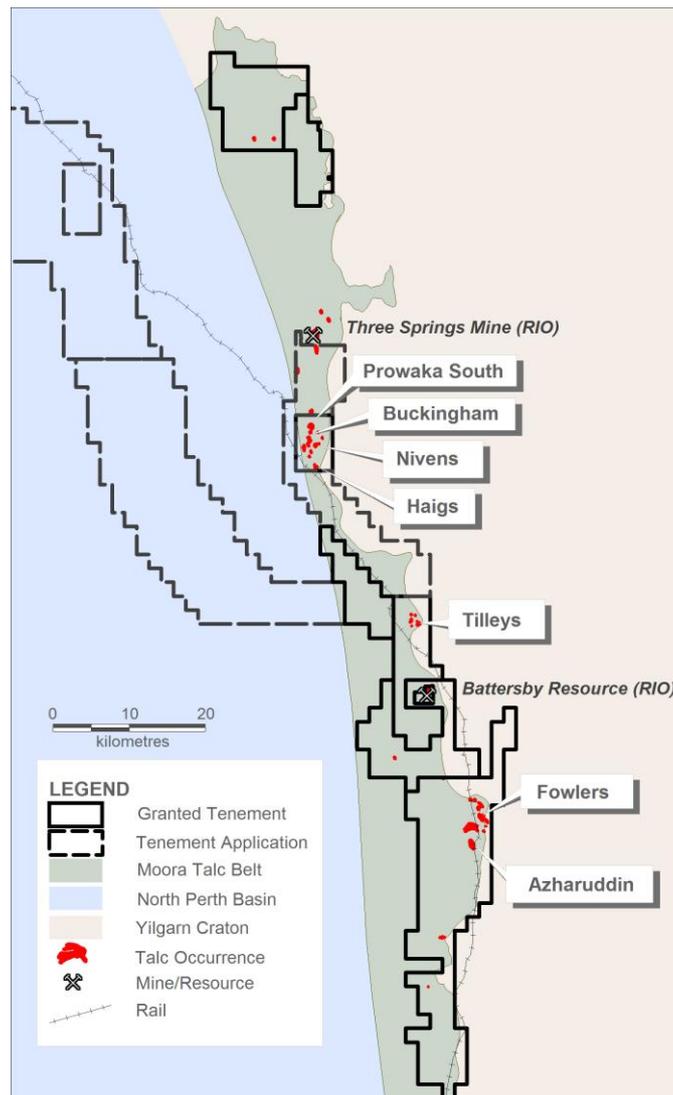


Figure 3: Location of Sheffield's tenements in the Moora Talc Belt

IRON

Sheffield increased its footprint in the world class Pilbara iron province with the granting of E47/2280 “Three Pools” and E47/2291 “Eagle Pool”. These two tenements, which constitute the Four Pools project, are located approximately 25km north-northwest of Newman and lie in close proximity to several large iron deposits (see Figure 4).

Subsequent to the end of the quarter a further two iron tenements E45/3640 “Discard” and E45/3662 “Panorama” were granted, bringing the number of Sheffield’s granted tenements in the Pilbara to five. (Refer to ASX release of 7 April 2011 for further details of iron projects).

In addition, Sheffield has 12 tenement applications, of which three (the Millstream project) are second-in-time and five are subject to ballot with multiple competing parties. Despite the strong competition for tenure in the Pilbara, Sheffield’s strategy is to build up consolidated tenement holdings adjacent to infrastructure over time.

Subsequent to the end of the quarter, Sheffield completed helicopter-supported reconnaissance mapping and sampling on its four iron ore tenements in the eastern Pilbara. Several new zones of iron enrichment were outlined and 40 samples have been submitted for analysis.

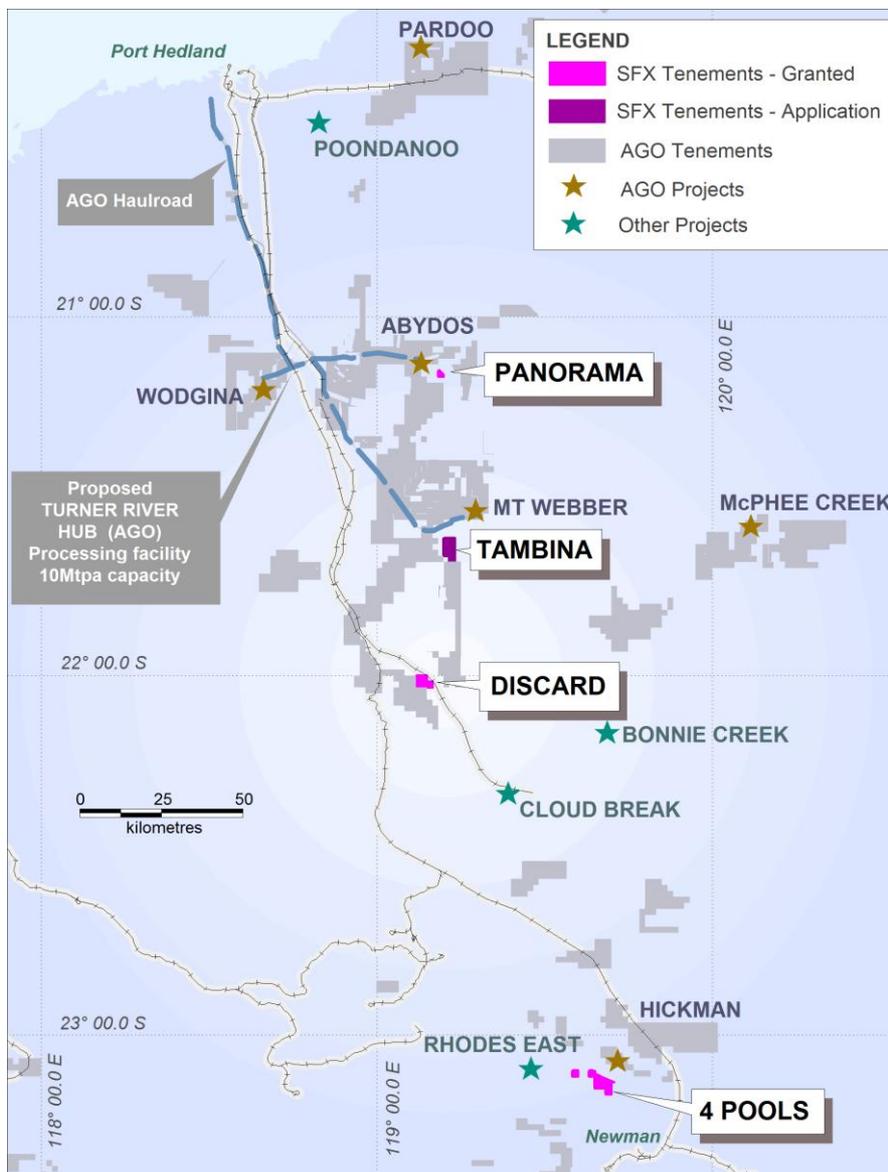


Figure 4: Location of Sheffield’s tenements and other iron ore projects in the East Pilbara

OTHER

Sheffield is targeting the Halls Creek Mobile Belt in WA's Kimberley region for tungsten mineralisation. The Company has one granted tenement E80/4394 covering tungsten occurrences at Bertha's Butt. Initial mapping and sampling work is planned for Q3 2011.

The Company applied for three exploration licences E53/1614-16 at Desert Bore, east of Wiluna, covering circular magnetic features which may be prospective for Rare Earth Elements (REE). An application was also lodged at Cape Londonderry in the far north Kimberley for lateritic iron and bauxite.

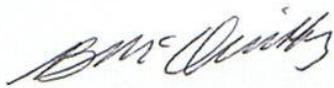
CORPORATE

During the quarter Sheffield changed its corporate office and postal address to 14 Prowse Street, West Perth WA 6005.

CASH POSITION

As at 31 March 2011, the Company had cash reserves of approximately \$5.8 million.

During the quarter, \$177,500 was raised from the exercise of options.



Bruce McQuitty
Managing Director
29 April 2011

COMPETENT PERSONS' STATEMENT

The information in this announcement that relates to exploration results is based on information compiled by Bruce McQuitty. Mr McQuitty is a full time employee of the Company. Mr McQuitty is a Member of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity to which they are undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Mr McQuitty consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

FORWARD LOOKING AND EXPLORATION TARGET STATEMENTS

Some statements in this report regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes and mineralised material estimates. They include statements preceded by words such as "seek", "expected", "target", "scheduled", "intends", "potential", "prospective" and similar expressions.

The terms "Target" and "Exploration Target", where used in this report, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Reserve.
