



SheffieldResources
LIMITED

ASX and Media Release

26 May, 2014

SHEFFIELD FULLY FUNDED, COMMENCES WORK PROGRAMS

KEY POINTS

- Sheffield's next phase of development fully funded following a successful \$11.5 million capital raising
- Thunderbird PFS work is underway, with drilling scheduled to commence in June
- RC drilling to commence at Mt Vettel iron project next week
- Ground moving loop electromagnetic surveys have commenced over two priority targets at the Red Bull Ni-Cu project in the Fraser Range

Sheffield Resources ("Sheffield", "the Company") (ASX:SFX) today announced the commencement of pre-feasibility, drilling and other exploration work following a successful \$11.5 million capital raising.

Thunderbird PFS

Work is underway on several aspects of the Thunderbird pre-feasibility, including:

- Port and infrastructure studies;
- Enhancing metallurgical testwork on bulk sample material using full-scale equipment;
- Zircon opacity tests; and
- Regional environmental baseline studies.

Planning for this year's field season at Thunderbird is also well advanced, with resource drilling, groundwater studies and geotechnical drilling expected to commence in late Q2, 2014.

Mt Vettel Iron

At the Mt Vettel Iron Project, located only 150km from Port Hedland in the North Pilbara, an RC drilling program will target high grade hematite mineralisation. Site preparation has been completed and drilling is expected to commence next week.

The target at Mt Vettel comprises an outcropping zone of bedded and detrital iron mineralisation up to 1km long and between 15m and 150m wide. The bedded iron mineralisation is characterised by high iron grades and very low contaminant levels, particularly phosphorous, with results of 37 rock chip samples averaging **61.24% Fe, 0.038% P, 0.98% Al₂O₃, 4.77% SiO₂ and 6.52% LOI** (see ASX release dated 23 October, 2013).

Red Bull Nickel-Copper

Ground moving loop EM surveys (MLTEM) are in progress at the Red Bull Nickel-Copper Project, located in the Fraser Range region. The surveys are targeting potential bedrock conductors at the Earlobe and Stud prospects. Previous aircore drilling by Sheffield has identified significant Ni anomalism at Stud and Earlobe, including a best intersection of **5m @ 0.73% Ni** at Stud (REAC240) (see ASX releases dated 27 November, 2013 and 11 February, 2014).

Sheffield is employing the higher-powered MLTEM system which has the ability to "look" deeper, and potentially identify disseminated as well as massive sulphide bodies.

Auger soil sampling and aircore drilling programs are also planned for the Northern Targets at Red Bull during Q2-Q3 2014. This will be followed by target definition and ranking, ahead of direct testing with deeper RC/diamond drilling.

Elsewhere in the Fraser Range, Sheffield has engaged a contractor to undertake a low level, 100m-spaced airborne magnetic and radiometric survey of its Big Bullocks project for target generation.

Sheffield Managing Director Bruce McQuitty said the Company was building momentum following the outstanding Thunderbird HMS Scoping Study results and successful capital raising.

"The recently completed \$11.5 million capital raising has given us impetus to aggressively pursue our feasibility milestones at Thunderbird, targeting first production in 2017."

"In addition, we are seeking to unlock value from our other prospective assets. The Mt Vettel iron and Red Bull nickel-copper projects represent outstanding opportunities for Sheffield to add further shareholder value."

ENDS

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COMPLIANCE STATEMENTS

PREVIOUSLY REPORTED INFORMATION

This report includes information that relates to Exploration Results which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- Red Bull: "LARGE Ni-Cu-Co ANOMALIES IDENTIFIED IN THE FRASER RANGE", 11 February, 2014

This report also includes information that relates to Exploration Results which were prepared and first disclosed under the JORC Code 2004. The information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information was extracted from the Company's previous ASX announcements as follows:

- Mt Vettel Iron: "HIGH GRADE IRON RESULTS FROM NORTH PILBARA PROJECT", 23 October 2013.
- Red Bull: "AIRCORE DRILLING UNDERWAY AT RED BULL NICKEL PROJECT", 27 November 2013.

These announcements are available on Sheffield Resources Ltd's web site www.sheffieldresources.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Exploration Results, estimates of Mineral Resources or results of Scoping Studies, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING 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 "anticipated", "expected", "target", "scheduled", "intends", "potential", "prospective" and similar expressions.

ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited (**Sheffield**) is a rapidly emerging heavy mineral sands (HMS) company.

ASX Code – SFX

Market Cap @ 90cps - \$120.4m

Issued shares – 133.8m*

Cash - \$13m (approx.)

*Assumes shareholder approval for director participation in placement

Sheffield's projects are all situated within the state of Western Australia and are 100% owned by the Company.

HEAVY MINERAL SANDS

The Dampier project, located near Derby in WA's northwest, contains the large, high grade zircon-rich Thunderbird HMS deposit. Sheffield is targeting first production from Thunderbird in 2017.

The Eneabba project comprises multiple HMS deposits and is located near Eneabba approximately 140km south of the port of Geraldton in WA's Mid-West region.

Sheffield is also evaluating the large McCalls chloride ilmenite project, located 110km to the north of Perth.

NICKEL-COPPER

Sheffield's Red Bull project is located in the highly prospective Fraser Complex within 20km of Sirius Resources NL's (ASX:SIR) Nova Ni-Cu discovery.

IRON

Sheffield holds four exploration licences prospective for iron in the North Pilbara region, all near existing iron ore mine sites or major development projects and within potential trucking distance of Port Hedland. The recently discovered Mt Vettel DSO deposit is the Company's current exploration focus in this region.

POTASH

The Oxley potash project is located in the northern part of the Proterozoic Moora Basin, approximately 38km northeast of Three Springs. Sheffield is exploring the Oxley Potash project for unconventional hard rock potash mineralisation suitable for open pit mining.