



ADDITIONAL BINDING ZIRCON OFFTAKE AGREEMENT SIGNED

93% of Stage 1 Premium Zircon now under binding agreement

Sheffield Resources Limited (“Sheffield”, “the Company”) (ASX: SFX) is pleased to advise that it has signed a fifth binding offtake agreement (Agreement) for the future sale of premium zircon from its Thunderbird Mineral Sands Project (Thunderbird) in Western Australia.

The Agreement, signed with Qingyuan Jinsheng ZR & TI Resources Co. Ltd (Jinsheng), is based on a five year minimum annual supply of 9,000 tonnes of premium zircon. This represents approximately 18% of the estimated total volume of premium zircon to be produced from Stage 1 of Thunderbird.

Jinsheng is a well-established market leading downstream processor of zircon materials into China. The Agreement boosts Sheffield’s total forecast revenue from Thunderbird under binding agreement to over 60% of Stage 1 production.

Key terms of the Agreement include:

- Jinsheng to purchase a minimum contract volume of 9,000 tonnes of premium zircon 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 premium zircon pricing to be based upon the prevailing \$USD market price, negotiated on a quarterly basis;
- Conditions precedent include a positive final investment decision in respect of Thunderbird;
- Agreed product quality and specifications within defined parameters;
- Shipment schedule and delivery obligations agreed between the parties;
- 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 Jinsheng as a valued customer to our Thunderbird mineral sands business and are very pleased in the support Jinsheng have demonstrated to secure a high quality zircon product from Sheffield. With this agreement now in place, more than 60% of Stage 1 forecast revenue is contracted under binding offtake agreement, covering 93% of our Stage 1 premium zircon product and 100% of the Stage 1 zircon concentrate product.

“As we enter 2018, we continue to see strong demand for our products, which is reflected by our success to date. We look forward to providing the community and our shareholders with further offtake and project updates in the near 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 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 2019. The initial planned production profile is aligned with expected emerging supply gaps in global mineral sands markets.

ASX Code:	SFX	Market Capitalisation:	A\$152m
Issued shares:	228.3m	Cash (unaudited, 31 December 2017):	A\$31.6m