



ADDITIONAL BINDING ZIRCON OFFTAKE AGREEMENT

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

The Agreement was signed with well-established European ceramics company, CFM Minerales s.a. (CFM), of Spain, and is based on a minimum annual supply of 4,000 tonnes of premium zircon. This represents approximately 8% of the estimated total volume of premium zircon to be produced from Stage 1 of Thunderbird. Total offtake under binding agreement for Thunderbird premium zircon now stands at approximately 44% of forecast Stage 1 production.

Key terms of the Agreement include:

- CFM to purchase a minimum contract volume of 4,000 tonnes of Thunderbird premium zircon annually for an initial five year period, with annual contract extensions thereafter;
- Opportunity to supply a further contract volume of 2,000 tonnes per annum, subject to consent of both parties;
- 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 CFM as a cornerstone European customer of Sheffield. CFM are a significant ceramics company with a well-established brand throughout the industry. This agreement continues to affirm the strong demand for the high quality premium zircon product to be generated from the Thunderbird project over the 42 year life of mine.

“We continue to advance negotiations across our full product range and expect that over the coming months we will continue to deliver on our offtake strategy and timeline.

“We look forward to providing Sheffield’s offtake partners, the community and our shareholders with further offtake and financing updates in the near future.”

ENDS

For further information please contact:

Bruce McFadzean
Managing Director
Tel: 08 6555 8777
info@sheffieldresources.com.au
Website:
www.sheffieldresources.com.au

Media: John Gardner
Citadel-MAGNUS
Tel: +61 413 355 997
jgardner@citadelmagnus.com

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 of the past 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\$137m
Issued shares:	182.2m	Cash (audited, 30 June 2017):	A\$8.3m