



SheffieldResources  
LIMITED

## ASX and Media Release

10 February 2012

# SHEFFIELD TO RAISE \$10M TO ADVANCE MINERAL SANDS ASSETS

**Mineral Sands explorer Sheffield Resources ("Sheffield" "the Company") (ASX:SFX)** is pleased to advise that it has resolved to raise up to approximately \$10 million through a placement of up to 33.35 million shares at an issue price of 30 cents per share to institutional and sophisticated investors ("the Placement").

Hartleys Limited, Sheffield's corporate advisor, is Broker to the Offer.

The funds raised pursuant to the Placement will be used to fund the following:

- Drilling and scoping work at the Dampier Zircon Project;
- Drilling and feasibility work at the Eneabba Project; and for
- General working capital.

Sheffield's Managing Director Bruce McQuitty commented "Sheffield is very pleased with the overwhelming support it has received from institutional and sophisticated investors in the Placement. The strong demand ensures Sheffield is well funded to advance the Company's Eneabba Project, but more excitingly undertake drilling at our potentially world class Dampier Project."

"Until recently Sheffield has very much flown under the radar, however, with the rapid advancement of the Eneabba Project, the recent granting of tenements in our Dampier Zircon Project, this \$10 million in funding and our planned active drill programmes we expect this to change in 2012" Mr McQuitty said.

The Placement will be completed in two tranches with up to 8.8 million shares being issued in tranche one pursuant to the Company's 15% capacity under ASX Listing Rule 7.1 and the balance of up to 24.55 million shares being issued in tranche two, subject to shareholder approval at a General Meeting of shareholders currently scheduled for on or around Thursday 15 March 2012.

For further information please contact:

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## **ABOUT SHEFFIELD RESOURCES**

Sheffield Resources Limited is a rapidly emerging heavy mineral sands (HMS) company with significant additional iron and talc assets.

The Company has over 6,000km<sup>2</sup> of highly prospective tenure, all situated within the state of Western Australia.

### **HEAVY MINERAL SANDS**

The Dampier project, located near Derby in WA's Kimberley region has the potential to become Sheffield's flagship HMS project. It contains a large zircon-rich HMS deposit formerly explored by Rio Tinto.

Sheffield's Eneabba Project contains six advanced exploration prospects: West Mine North, Ellengail, Yandanooka, Durack, Drummond Crossing and Irwin which are located near Eneabba. The Project is well located close to existing mineral sands operations and to a network of highways and railway lines connecting to the Geraldton and Fremantle/Kwinana ports. Sheffield's strategy is, subject to exploration success, to build multiple HMS deposits capable of supporting a flexible mobile mining plant.

Sheffield is also evaluating the large McCalls Project, located near Gingin.

### **IRON**

Sheffield's Pilbara iron ore projects consist of 5 granted tenements and 8 tenement applications, 6 of which are subject to ballot with multiple competing parties. Sheffield's strategy is to target hematite mineralisation adjacent to infrastructure in the world class Pilbara iron province and to build up consolidated tenement holdings over time. High grade iron mineralisation has been identified on three of the Company's tenements.

### **TALC**

Sheffield has 1,152km<sup>2</sup> of tenure over the 175km-long Moora Talc Belt which represents a dominant ground position over a region that has, for the last 50 years, been exclusively controlled by major mining companies.

The Moora Talc Belt includes the large Three Springs mine which is owned by Imerys subsidiary Luzenac Australia Pty Ltd. Three Springs is renowned for producing high purity talc and is a relatively simple "dig-and-deliver" operation.

Sheffield's large tenement holding contains numerous talc occurrences and has the potential to become a strategic talc asset. Sheffield therefore represents a unique opportunity for investors to gain exposure to one of the few high-grade talc explorers in the world.