
BFS UPDATE TARGETING LOWER CAPITAL EXPENDITURE AND INCREASED ZIRCON PRODUCTION AT THUNDERBIRD

Sheffield Resources Limited (“Sheffield”, “the Company”) (ASX: SFX) is pleased to advise that it has commenced an update to the Bankable Feasibility Study (BFS) for the Thunderbird Mineral Sands Project (Thunderbird). This follows a detailed technical assessment over the past six months by Sheffield and GR Engineering Services with the primary focus of reducing capital expenditure and increasing zircon production.

The updated BFS is expected to be finalised during early Q3 2019. It focuses on increasing zircon production and deferring the low temperature roast (LTR) ilmenite circuit to the Stage 2 development. In effect, an updated BFS sets out to defer capital expenditure, and replace ilmenite revenue with zircon revenue, whilst targeting an optimisation of debt carrying capacity.

Preliminary investigations indicate potential for substantial improvements to Thunderbird's project economics, enabling a material reduction to the Stage 1 capital expenditure and targeting a significant reduction to the projected equity funding requirement.

This study work also addresses updates to Ore Reserves, commodity pricing, consumables, EPC contract and other commercial elements, many of which have moved positively since the BFS was completed more than two years ago.

Commenting on the study, Sheffield's Managing Director, Bruce McFadzean, said:

“Thunderbird is a tier 1 asset in a tier 1 jurisdiction in an increasingly positive mineral sands sector. Since completing the BFS in Q1 2017, we have delivered a construction ready project with binding offtake agreements; secured finance; obtained necessary permits and we have most key contracts in place.”

“As Thunderbird is a zircon-rich project with a premium zircon product, we have the opportunity to strengthen our position as a globally significant future zircon producer. We are seeking to respond to the global market consensus which predicts strong growth and a structural supply deficit for the foreseeable future. We are constantly looking for opportunities to optimise the project's economics, with the goal of delivering value to our shareholders.”

“We remain excited by the opportunities emerging from the updated BFS, which is being undertaken in parallel to the strategic partner process, and we look forward to updating the market with further definitive information as we advance our study.”

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 also 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.

The Company is targeting initial production in 2021. The initial planned production profile is aligned with consensus emerging supply deficit in global zircon markets.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements contained herein regarding estimates or future events are "forward-looking statements". Forward-looking statements can generally be identified by the use of forward looking words such as "forecast", "likely", "believe", "future", "should", "could", "target", "propose", "to be", "aim", "may", "will", "expect", "intend", "plan", "estimate", "indicative" and "guidance", and other similar words and expressions, which may include, without limitation, statements regarding plans, strategies and objectives of management for the Company, based on (among other things) its estimates of future production of the Thunderbird Project and the future operation of Sheffield and the Thunderbird Project.

The forward-looking statements contained herein are not guarantees or predictions of future performance and may involve significant elements of subjective judgment, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of Sheffield so there can be no assurance that actual outcomes will not materially differ from these forward looking statements. Except as required by law or regulation (including the ASX Listing Rules), Sheffield undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

ASX Code:	SFX	Market Capitalisation:	A\$95m
Issued shares:	260.6m	Cash (unaudited, 31 Mar 2019):	A\$5.8m