



SheffieldResources
LIMITED

ASX and Media Release

15 April 2013

SALE OF SOUTH PILBARA IRON TENEMENTS GOES UNCONDITIONAL

Sheffield Resources ("Sheffield") (ASX:SFX) today announced it has received confirmation from Brockman Mining Limited (ASX:BCK, SEHK:159) that the sale of the South Pilbara Iron tenements is not subject to FIRB approval and is therefore unconditional.

Completion of the sale and payment of the upfront cash payment will now occur by 24 April 2013. As previously disclosed (see ASX release 2 April 2013), the material terms of the agreement are as follows:

- An upfront cash payment of \$1 million;
- A supplementary cash payment of \$0.10/tonne for all JORC compliant Mineral Resources (Measured, Indicated and Inferred categories) defined on any or all of the tenements, using a lower cut-off grade of 54% Fe. Sheffield has previously outlined an Exploration Target¹ of **20-60Mt @ 56-60% Fe** (see ASX release 1 December 2011) on the sale tenements and identified further iron mineralisation as outlined in the ASX release dated 28 January 2013;
- A royalty of 1% FOB of all iron ore produced from the tenements. In addition, a price participation royalty of 5% would be applicable for all revenues received over \$120/tonne FOB (CPI indexed) for iron ore sales from the tenements (i.e. an additional 4% on the amount by which the indexed FOB price exceeds \$120/tonne); and
- Brockman to use best endeavours to complete a resource drill programme and resource estimate within 12 months and subsequent resource drill programmes as soon as practicable thereafter.

Sheffield Managing Director, Bruce McQuitty said the upfront cash payment of \$1 million will increase Sheffield's already strong cash position to approximately **\$7.2 million**.

"In addition to current cash reserves and proceeds from the sale of the South Pilbara Iron tenements, we also expect to receive up to **\$3.37 million** through the exercise of 16,873,332 'in-the-money' options, each with an exercise price of 20 cents and expiry date of 30 June 2013."

"These funds will be applied principally to advance the world class Thunderbird HMS and Red Bull nickel projects."

ENDS

For further information please contact:

Bruce McQuitty
Managing Director
Tel: 0409 929 121
bmcquitty@sheffieldresources.com.au
Website: www.sheffieldresources.com.au

Media: Annette Ellis
Cannings Purple
Tel: 08 6314 6300
aellis@canningspurple.com.au

¹Sheffield has not yet reported Mineral Resources at the South Pilbara tenements and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

COMPETENT PERSONS' STATEMENT

The information in this announcement that relates to exploration results is based on information compiled by Bruce McQuitty. Mr McQuitty is a full time employee of the Company. Mr McQuitty is a Member of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity to which they are undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Mr McQuitty consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

Some statements in this announcement 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 "expected", "planned", "target", "scheduled", "intends", "potential", "prospective", "strategy" and similar expressions.

ABOUT SHEFFIELD RESOURCES

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

ASX Code – SFX

Market Cap @ 59cps - \$60.3m

Issued shares – 102.3m

Cash - \$6.2m (approx.)

The Company has over 6,000km² 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, contains the global scale, high grade zircon-rich Thunderbird HMS deposit.

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 525km² [Red Bull project](#) is located in the highly prospective Fraser Complex within 20km of Sirius Resources NL's (ASX:SIR) Nova Ni-Cu discovery. Targets include three strong bedrock conductors which the Company intends to drill in Q2 2013.

IRON

Sheffield retains four granted exploration licences in the North Pilbara region. The tenements are all located near existing iron ore mine sites or major development projects and within potential trucking distance of Port Hedland.