



SheffieldResources
LIMITED

ASX and Media Release

25 August, 2014

DRILLING OF LARGE CONDUCTOR COMMENCES AT RED BULL Ni-Cu PROJECT, FRASER RANGE

KEY POINTS

- Diamond drilling has commenced, targeting a large, strong bedrock conductor identified from ground EM surveys
- High conductance levels indicate potential for the geological source to be strongly sulphidic
- Drill hole is designed to intersect modelled conductor at 670m down-hole depth
- Drill hole expected to take 2 to 3 weeks to complete

Sheffield Resources (“Sheffield”, “the Company”) (ASX:SFX) today announced the commencement of drilling, targeting a large, strong bedrock conductor “RBD1” at its Red Bull Nickel-Copper Project. Red Bull is within 20km of Sirius Resources NL’s (ASX:SIR) Nova Nickel-Copper deposit, in the Fraser Range Nickel Province in Western Australia (Figure 3).

The RBD1 conductor was identified from Moving and Fixed Loop Transient Electromagnetic (MLTEM & FLTEM) ground geophysical surveys (see ASX release dated 7 July 2014).

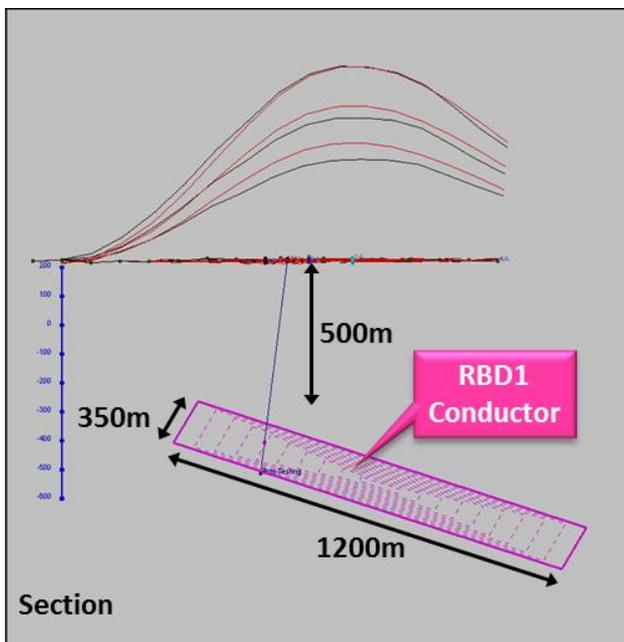


Figure 1: RBD1 Conductor FLTEM model result



Figure 2: Drilling RBD1 Conductor

RBD1 is a broad, deep conductive anomaly located at the junction of three interpreted faults and a mafic/ultramafic rock sequence. The modelled conductor is approximately 350m x 1,200m in area, has a moderate (25-35 degrees) north-northeast plunge and a depth to top of approximately 550-600m (Figure 1).

Conductance levels are high at ~5,000-7,000+ Siemens (S), indicating that there is a good possibility that the geological source is strongly sulphidic.

Further details are contained in Sheffield's ASX release dated 7 July 2014.

The modelled conductive plate is discordant to the geological strike and occurs near the base of the thickest section of a layered mafic/ultramafic complex from which the Company has obtained anomalous Ni-Cu-Co results in scout aircore drilling (see ASX release dated 11 February 2014).

Although deep, the strongly conductive bedrock source makes for a compelling "Nova" style target.

The diamond drill hole is expected to take 2-3 weeks to complete and will be immediately followed by a down-hole EM survey.

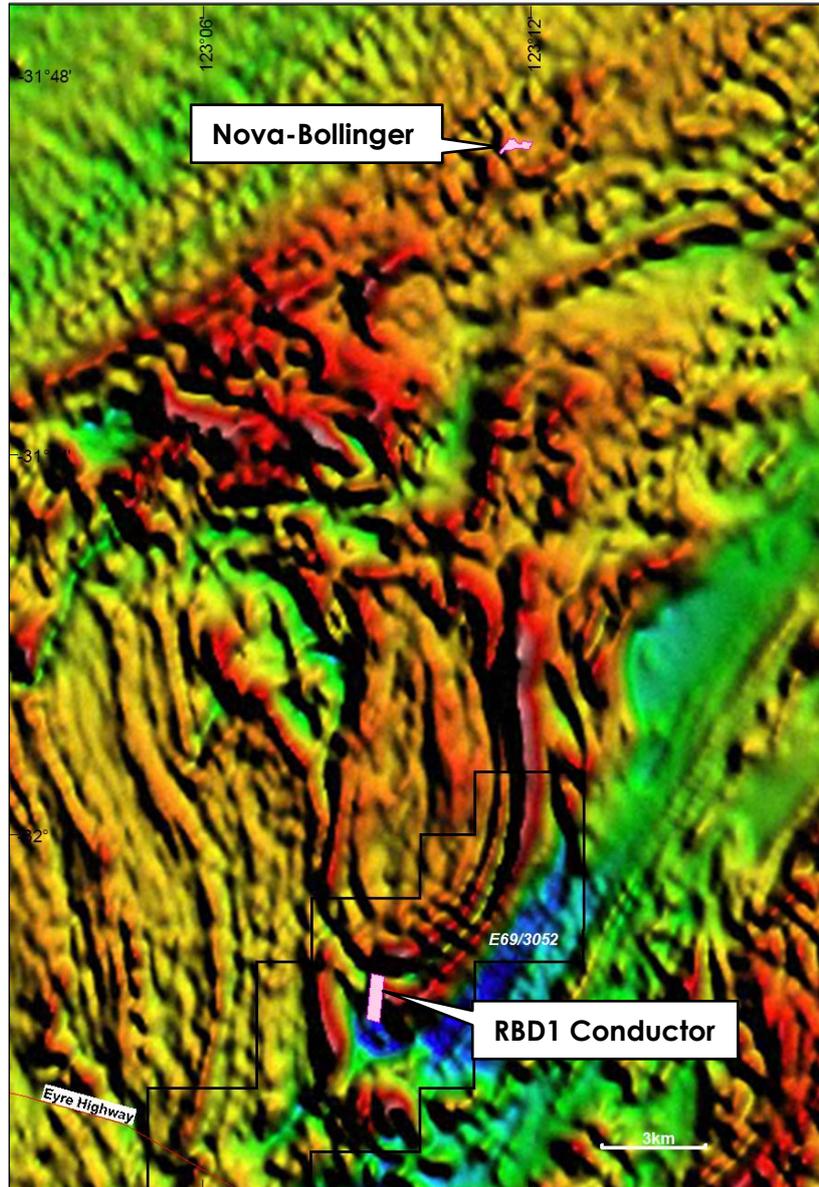


Figure 3: Magnetic image showing modelled Red Bull conductor RBD1 in relation to Nova deposit

ENDS

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COMPLIANCE STATEMENTS

PREVIOUSLY REPORTED INFORMATION

This report includes information that relates to Exploration Results which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:

- "LARGE Ni-Cu-Co ANOMALIES IDENTIFIED IN THE FRASER RANGE", 11 February, 2014
- "LARGE BEDROCK CONDUCTOR IDENTIFIED AT RED BULL Ni-Cu PROJECT, FRASER RANGE", 7 July 2014

These announcements are available to view on Sheffield Resources Ltd's web site www.sheffieldresources.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING STATEMENTS

Some statements in this report 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 "anticipated", "expected", "target", "scheduled", "intends", "potential", "prospective" and similar expressions.

ABOUT SHEFFIELD RESOURCES

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

ASX Code – SFX

Market Cap @ \$1.00ps - \$133.8m

Issued shares – 133.8m

Cash - \$10.9m (at 30 June 2014)

Sheffield's projects are all situated within the state of Western Australia and are 100% owned by the Company.

HEAVY MINERAL SANDS

The Dampier project, located near Derby in WA's northwest, contains the large, high grade zircon-rich Thunderbird HMS deposit. Sheffield is targeting first production from Thunderbird in 2017.

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 Red Bull project is located in the highly prospective Fraser Complex within 20km of Sirius Resources NL's (ASX:SIR) Nova Ni-Cu deposit.

IRON

Sheffield holds four exploration licences prospective for iron in the North Pilbara region, all near existing iron ore mine sites or major development projects and within potential trucking distance of Port Hedland. The recently discovered Mt Vettel DSO deposit is the Company's current exploration focus in this region.

POTASH

The Oxley potash project is located in the northern part of the Proterozoic Moora Basin, approximately 38km northeast of Three Springs. Sheffield is exploring the Oxley Potash project for unconventional hard rock potash mineralisation suitable for open pit mining.