

## BINDING ZIRCON CONCENTRATE OFFTAKE AGREEMENT SIGNED

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

The Agreement was signed with the largest mineral sands processor in China, Hainan Wensheng High-Tech Materials Company Limited (Wensheng), and is based on a minimum annual supply of 27,000 tonnes of zircon concentrate. This represents approximately 54% of the estimated total volume of zircon concentrate to be produced from Stage 1 of Thunderbird.

The signing of a cornerstone Chinese customer represents another significant step towards the development of Thunderbird, one of the largest and highest-grade discoveries of mineral sands in recent decades. Initial earthworks and site access arrangements are currently underway at the Project, ahead of targeted commencement of construction in Q2 2018.

Key terms of the Agreement include:

- Wensheng to purchase a minimum contract volume of 27,000 tonnes of Thunderbird zircon concentrate annually for an initial five-year period, with annual contract extensions thereafter;
- Opportunity to supply a further contract volume, subject to production increasing above 50,000 tonnes per annum;
- Take or pay provisions apply to the minimum contracted volume under the Agreement;
- Thunderbird zircon concentrate pricing is based on the underlying \$USD price for premium zircon and determined using the ZrO<sub>2</sub>, TiO<sub>2</sub> and TREO content of the concentrate delivered;
- 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 are delighted by the new and important relationship we have established between Sheffield and Wensheng, the largest integrated mineral sands processor in China. Wensheng has a depth of experience and comprehensive sales network, representing a quality brand within the mineral sands industry.*

*“We continue to see strong demand for the range of high-quality zircon and ilmenite products that will be produced at Thunderbird. As we pursue our offtake strategy, we expect this demand to translate into additional agreements in coming months, continuing the success we have experienced in 2017.*

*“With 44% of premium zircon for Stage 1 of Thunderbird already under binding offtake agreement, the addition of over half our Stage 1 zircon concentrate to our portfolio of binding agreements further supports the product quality of the Project.*

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



*Mr Dong (Director, Wensheng) and Mr Archer (Director, Sheffield)  
executing the zircon concentrate agreement, Hong Kong*

ENDS

For further information please contact:

Bruce McFadzean  
Managing Director  
Tel: 08 6555 8777

[info@sheffieldresources.com.au](mailto:info@sheffieldresources.com.au)

Website:

[www.sheffieldresources.com.au](http://www.sheffieldresources.com.au)

Media: Yvonne Ball

Citadel-MAGNUS

Tel: +61 448 232 398

[yball@citadelmagnus.com](mailto:yball@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 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.

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\$153m
Issued shares:	228.3m	Cash (unaudited, 31 October 2017):	A\$33.3m