

ASX and Media Release

9 May 2014

SHEFFIELD TO RAISE \$11.5M TO ADVANCE WORLD CLASS THUNDERBIRD MINERAL SANDS PROJECT

Mineral Sands developer Sheffield Resources Limited (“Sheffield” “the Company”) (ASX:SFX) is pleased to advise that it has resolved to raise up to \$11.5 million through a placement of up to 14.2 million shares at an issue price of 81 cents per share to sophisticated and professional investors (“the Placement”).

The Placement follows the release on 14 April 2014 of the Thunderbird Scoping Study results which highlighted the project’s large scale, long life and exceptional financial returns.

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 to target extensions of high grade mineralisation at Thunderbird;
- Resource update and scoping study optimisation work at Thunderbird;
- Pre-feasibility studies at Thunderbird;
- Regional exploration at the Dampier Mineral Sands Project;
- Drilling Red Bull Nickel (Fraser Range) and Mt Vettel Iron Ore (Pilbara); and for
- General working capital purposes.

Sheffield’s Managing Director Bruce McQuitty commented “We are very pleased with the strong demand shown for the capital raising. It ensures Sheffield will have a robust balance sheet to deliver on significant upcoming milestones.”

“The Company will soon commence drilling to target extensions of high grade mineralisation at Thunderbird, with the aim of expanding the existing resource and enhancing the already outstanding project economics.”

“We look forward to delivering the Thunderbird Pre-feasibility Study in Q1 2015, followed by the Definitive Feasibility Study for our target of initial production in 2017.”

“Thunderbird is a world class mineral sands project that continues to deliver on the upside. The second half of 2014 will be another very exciting period for Sheffield,” Mr McQuitty said.

Subject to shareholder approval, Sheffield’s directors collectively have committed to contribute \$320,000 in the Placement. Resolutions to approve directors participating in the Placement will be put to shareholders at an upcoming general meeting. The Placement (except for director’s participation) is not subject to shareholder approval and will be completed pursuant to the Company’s 15% capacity under ASX Listing Rule 7.1.

ENDS

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ABOUT SHEFFIELD RESOURCES

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

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

Post Placement:

ASX Code – SFX

Market Cap @ 87cps - \$116.4m

Issued shares – 133.8m*

Cash - \$13m approx.

*Assumes the Placement has settled (including director participation which is subject to shareholder approval)

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 discovery.

IRON

Sheffield holds four exploration licences in the North Pilbara region which are prospective for iron and are located near existing iron ore mine sites or major development projects and within potential trucking distance of Port Hedland. The Company plans to drill the Mt Vettel DSO project in Q2 2014.

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.