
ENEABBA PROJECT DIVESTMENT UPDATE

Sheffield Resources Limited (“Sheffield” “the Company”) (ASX: SFX) is pleased to advise that it has received \$23m in cash consideration from Image Resources NL (Image) (ASX: IMA) following the divestment of Eneabba Project exploration tenements.

Following satisfaction of customary conditions, the Company has closed the initial \$23m tranche of its transaction with Image for the sale of its 100% owned Eneabba Project for total cash consideration of \$24m (refer ASX announcement dated 29 November 2021). A further \$1m is scheduled to be received by Sheffield upon the transfer of Eneabba Project mining tenements, which are subject to Foreign Investment Review Board (FIRB) approval and other customary conditions and expected to be completed in the forthcoming March quarter.

Cash proceeds from the transaction will be applied toward Sheffield’s \$10m obligation to Kimberley Mineral Sands Pty Ltd (KMS) payable within 60 days following a Final Investment Decision for the Thunderbird Mineral Sands Project as well as general corporate purposes.

This ASX announcement has been authorised for release by the Company’s Board of Directors.

ENDS

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ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited is focused on developing the world class Thunderbird Mineral Sands Project, located in north-west Western Australia. Sheffield continues to assess other regional exploration opportunities.

ABOUT YANSTEEL

Yansteel is a wholly-owned subsidiary of Tangshan Yanshan Iron & Steel Co., Ltd, a privately owned steel manufacturer headquartered in Hebei, China producing approximately 10mt per annum of steel products and has annual revenues of ~A\$6bn.

Construction of a 500ktpa integrated titanium dioxide processing facility including a titanium slag smelter has commenced by the company. This complex will consume the Low Temperature Roast (“LTR”) ilmenite offtake from Stage 1 of the Thunderbird Mineral Sands Project.

THUNDERBIRD MINERAL SANDS

Thunderbird is one of the largest and highest grade mineral sands discoveries in the last 30 years. Sheffield’s 2019 Bankable Feasibility Study Update 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 spanning multiple decades.

Thunderbird will generate a high-quality suite of mineral sands products with specifications suited to market requirements. These products include a zircon products and ilmenite suitable for manufacturing titanium dioxide pigment or smelting into chloride slag.

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.

KIMBERLEY MINERAL SANDS

In January 2021, Sheffield and Yansteel executed binding agreements for the formation of a 50:50 Joint Venture (Kimberley Mineral Sands Pty Ltd, KMS) to own and develop the Thunderbird Mineral Sands Project and adjacent tenements on the Dampier Peninsula. Yansteel subscribed for a 50% interest in KMS and provided A\$130.1m in project equity funding. Sheffield shall fund any project equity shortfall between A\$130.1m and A\$143m, less Project costs incurred prior to a Final Investment Decision (“FID”). KMS will secure project finance and, if required, project equity in excess of A\$143m will be funded 50:50 by Yansteel and Sheffield. The Yansteel A\$130.1m project equity investment in KMS, together with the A\$12.9m funding under the Yansteel Share Placement completed on 12 August 2020 and combined with NAIF and commercial financing is expected to deliver a fully funded project.

KMS is governed by a four person Board of Directors with Sheffield and Yansteel each nominating two directors. Key Joint Venture decisions require unanimous approval of both shareholders. KMS operates as a standalone entity with its own management and employees.