



**SheffieldResources**  
LIMITED

ASX and Media Release

**2 April 2013**

## **SALE OF SOUTH PILBARA IRON TENEMENTS**

- **Sheffield sells South Pilbara Iron tenements to Brockman Mining**
  - **Sale consideration includes upfront cash payment of \$1 million, supplementary cash payment of \$0.10 per JORC resource tonne and a production royalty**
  - **Existing exploration target<sup>1</sup> on the sale tenements of 20-60 million tonnes @ 56-60% Fe**
  - **Sale increases Sheffield's already strong cash position to advance world class Thunderbird HMS and Red Bull Nickel projects**
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**Sheffield Resources ("Sheffield") (ASX:SFJ)** today announced that it has entered into a binding agreement with Brockman Mining Limited (ASX:BCK, SEHK:159) to sell its interests in E47/2280, E47/2291 and exploration licence application E47/2594 referred to as its South Pilbara Iron tenements.

The material terms of the agreement are as follows:

- An upfront cash payment of \$1 million.
- A supplementary 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.
- 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).
- Brockman to use best endeavours to complete a resource drill programme and resource estimate within 12 months.
- Completion may be subject to the satisfaction of FIRB approval.

The sale tenements are adjacent to Brockman Mining's Ophthalmia Project which has combined Mineral Resources of 269Mt @ 59.16% Fe (BCK ASX release 26 February 2013).

Sheffield has previously outlined an Exploration Target<sup>1</sup> 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.

Managing Director, Bruce McQuitty said that Sheffield recognised the need to consolidate resources to achieve infrastructure solutions in the Southern Pilbara and that Brockman was well placed to do this.

*"While we believe that our iron projects carry significant value, our current priorities are the Dampier mineral sands and Red Bull nickel projects."*

Sheffield still has four granted exploration licences situated 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. The Company will continue to unlock value on its remaining Pilbara iron tenements through consolidation and/or further exploration.

ENDS

<sup>1</sup>Sheffield 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.

For further information please contact:

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## **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 @ 69cps - \$70.1m

Issued shares – 101.7m

Cash - \$6.0m (at 31/12/2012)

The Company has over 6,000km<sup>2</sup> 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 525km<sup>2</sup> 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 has identified iron mineralisation on four of its tenements in the Pilbara iron ore province. Thick hematite mineralisation was intersected in first pass RC drilling at the Three Pools project, 20km north of Newman.