



BINDING OFFTAKE AGREEMENTS EXCEEDS 50% OF STAGE 1 REVENUE

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

The Agreements, signed with Nanjing Rzisources International Trading Co Ltd (Nanjing), and is based on a five year minimum annual supply of 15,000 tonnes of premium zircon and 23,000 tonnes of zircon concentrate. This represents approximately 30% of the estimated total volume of premium zircon and 46% of the estimated total volume of zircon concentrate to be produced from Stage 1 of Thunderbird.

Nanjing, under the stewardship of zircon industry experts Mr Tao Yong and Mr Alex Pellizzoni, is an enterprise focussed on the delivery of zircon into various market segments in China. The Agreements represent a significant milestone for Sheffield, with total forecast revenue under binding agreement now standing at over 50% of Stage 1 production.

Key terms of the Agreements include:

- Nanjing to purchase a minimum contract volume of 15,000 tonnes of premium zircon and 23,000 tonnes of zircon concentrate annually for an initial five-year period, with annual contract extensions thereafter;
- Take or pay provisions apply to the minimum contracted volume under the Agreements;
- Thunderbird zircon concentrate pricing is based on the underlying \$USD price for premium zircon and linked to the ZrO₂ and TiO₂ 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 Agreements;
- Customary payment and product logistics terms included;
- Force Majeure and other customary commercial arrangements included in the Agreements.

Sheffield’s Managing Director, Bruce McFadzean, said:

“We are extremely pleased to have secured agreements for both premium zircon and zircon concentrate with Nanjing, firmly establishing Sheffield as a significant entrant in the important Chinese mineral sands market.

“We now have 100% of our zircon concentrate for Stage 1 of Thunderbird and approximately 75% of our Stage 1 premium zircon product under binding agreements with respected and well-established groups across the mineral sands industry.

“With considerable interest in our high quality ilmenite product from a number of parties, we continue to pursue our offtake strategy and look forward to providing the community and our shareholders with further offtake and project updates in the near future.”

ENDS

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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 also continues to assess regional mineral sands 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.

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| ASX Code: | SFX | Market Capitalisation: | A\$144m |
| Issued shares: | 228.3m | Cash (unaudited, 31 October 2017): | A\$33.3m |