



SHEFFIELD SIGNS MAIDEN BINDING OFFTAKE AGREEMENT

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

The Agreement was signed with a highly respected, industry leading Indian ceramics company, Ruby Ceramics Pvt Ltd (Ruby), based on a minimum annual supply of 6,000 tonnes of premium zircon. This represents approximately 12% of the estimated total volume of premium zircon to be produced from Stage 1 of Thunderbird.

Key terms of the Agreement include:

- Ruby to purchase a minimum contract volume of 6,000 tonnes of Thunderbird premium zircon annually for an initial three year period, with annual contract extensions thereafter;
- Take or pay provisions apply to the minimum contracted volume under the Agreement;
- Thunderbird premium zircon pricing to be based upon the prevailing \$USD market price, negotiated on a quarterly basis;
- 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:

“The Agreement with Ruby Ceramics provides a strong endorsement of Thunderbird and the quality premium zircon product to be generated from the project over the 42 year life of mine. This maiden binding offtake agreement is a milestone achievement for Sheffield and is an important de-risking step as we progress project development.

“We welcome this relationship with Ruby and remain steadfast in delivering our offtake and funding objectives over the coming months. Negotiations continue towards signing binding agreements with counterparties who have already signed non-binding memorandums of understanding (MOUs) in relation to the sale of premium zircon and zircon concentrate and Sheffield’s high quality low temperature roast (LTR) ilmenite. Collectively these agreements account for an estimated 70% of premium zircon, 45% of zircon concentrate and 45% of LTR ilmenite products from Stage 1 of Thunderbird.¹

“We look forward to providing our shareholders with further offtake and financing updates in the near future.”

¹See ASX announcement dated 4 April 2017, 10 April 2017, 26 April 2017 and 29 May 2017

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 continues to assess other regional exploration opportunities.

THUNDERBIRD MINERAL SANDS

Thunderbird is one of the largest and highest grade mineral sands discoveries of the past 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\$90m
Issued shares:	181.3m	Cash (unaudited, 30 June 2017):	A\$8.3m