
NAIF APPROVES \$160M THUNDERBIRD LOAN FACILITY

Sheffield Resources Limited (“Sheffield” or “the Company”) (ASX: SFX) is pleased to advise that the Northern Australia Infrastructure Facility (NAIF) Board has made an Investment Decision in favour of Kimberley Mineral Sands Pty Ltd (KMS), offering financial assistance of up to A\$160 million (NAIF Facility) to support the development of the Thunderbird Mineral Sands Project (Thunderbird) in the Kimberley region of Western Australia.

KMS is a 50/50 joint venture between Sheffield and YGH Australia Investment Pty Ltd (Yansteel), formed in 2021 to develop the Thunderbird Mineral Sands Project. Thunderbird is one of the largest and highest grade mineral sands discoveries in the last 30 years. The KMS Bankable Feasibility Study (refer ASX announcement *Thunderbird BFS, Financing & Project Update* dated 24 March 2022) estimated that Thunderbird would generate a pre-finance, post tax NPV of A\$1.28 billion and post-tax IRR of 27.5% from globally significant levels of production over a decades long mine-life.

The NAIF Facility forms a key part of the approximate A\$300 – A\$320 million of project financing to be secured for Thunderbird project development and is subject to completion of definitive and binding documentation and customary conditions precedent to drawdown. KMS will now seek to complete the project financing to fully fund Stage 1 construction of Thunderbird via a third party commercial loan facility. Sheffield will provide the market with a further update upon completion of that process.

During Stage 1 construction, Thunderbird is expected to support a workforce of approximately 350 people and establish a drive in, drive out operational workforce within the Kimberley region of Western Australia with approximately 350 steady state jobs created across the projected 36 year mine life. Additionally, significant public benefits will be delivered within the Kimberley community through a range of business and contracting opportunities.

Commenting on the NAIF Facility approval, Sheffield Executive Chair, Bruce Griffin, said: *“Sheffield is extremely pleased by the level of support shown by NAIF and the Federal Government for the Thunderbird Mineral Sands Project. The NAIF commitment will enable KMS to finalise project funding requirements for Thunderbird and progress construction activities, with the aim of delivering first production in early 2024.”*.

Naust Capital is acting as project financing adviser to KMS in relation to the NAIF Facility.

This announcement was 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.

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 magnetic concentrate from Stage 1 of the Thunderbird Mineral Sands Project under a take or pay offtake agreement.

ABOUT NAIF

The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government A\$5 billion lending facility to finance project via the governments of the Northern Territory, Queensland and Western Australia to achieve growth in the economies and population of northern Australia and encourage and complement private sector investment.

Projects supported by NAIF are diversified across sectors including ports, airports, tourism, education, agriculture resources and renewable energy.

Every NAIF project will support important Indigenous engagement with many projects committing to Indigenous employment or procurement targets. More information is available at <http://www.naif.gov.au/>.

THUNDERBIRD MINERAL SANDS

Thunderbird is one of the largest and highest grade mineral sands discoveries in the last 30 years. The 2022 KMS Bankable Feasibility Study shows Thunderbird is a technically low risk, that generates strong cash margins from globally significant levels of production over a decades long mine-life.

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

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

Kimberley Mineral Sands Pty Ltd, (KMS) is a 50:50 Joint Venture between Sheffield and Yansteel. The joint venture owns and is developing the Thunderbird Mineral Sands Project and adjacent tenements on the Dampier Peninsula.

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.