
NOVATION OF SECURED LOAN FACILITY

Sheffield Resources Limited (“Sheffield” or “the Company”) (ASX: SFX) wishes to advise that it received notice from Sheng Feng (Hong Kong) Co., Ltd (“Sheng Feng”), noting that Sheng Feng has executed transaction documents (“Transaction”) with OMFR (Th) LLC (“Orion”) whereby Sheng Feng shall receive a novation of all of Orion's rights and obligations under the Production Linked Loan Note Facility (“Facility”).

Sheng Feng has confirmed that it is a related party of Yansteel (sharing the same ultimate beneficial owners), that the Transaction is expected to complete on 29 January 2026, and the Transaction does not change the terms of the Facility. Please refer to the ASX Announcement “US\$110M Project Finance Facility” of 8 August 2022 for further details of the Facility. Sheffield also notes that the Transaction does not impact the financial position of Kimberley Mineral Sands and does not involve the issuance of securities, change of control or shareholder dilution.

KMS and its sponsors are continuing to progress debt restructure negotiations with senior secured lenders (NAIF and now Sheng Feng following the novation of the Orion debt), with a view to those negotiations concluding on or before 31 March 2026. However, there can be no certainty that any amendments to the senior secured loan facilities will be successfully completed. Sheffield and Yansteel remain sponsors and guarantors to the senior secured loan facilities.

Sheffield will continue to keep the market informed of material developments concerning the above matters and business operations of KMS and the Thunderbird Mineral Sands Mine.

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

ENDS

For further information please contact:

Bruce Griffin

Executive Chair

Tel: 08 9215 6500

info@sheffieldresources.com.au

Website:

www.sheffieldresources.com.au

ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited is focused on assembling a portfolio of global mineral sands development and production assets to generate cash returns and growth.

Our core asset is our 50% investment in Kimberley Mineral Sands Pty Ltd (KMS), the owner of the world class Thunderbird Mineral Sands Mine in operation in north-west Western Australia.

Additionally, Sheffield executed a binding agreement in February 2023, providing the Company with an option to acquire up to an initial 20% interest in the South Atlantic Mineral Sands Project in Brazil, and owns 10% of Capital Metals Plc (AIM: CMET), the owner of the Taprobane Mineral Sands Project in Sri Lanka.

KIMBERLEY MINERAL SANDS

Kimberley Mineral Sands Pty Ltd, (KMS) is a 50:50 Joint Venture between Sheffield and Yansteel. The joint venture owns and operates the Thunderbird Mineral Sands Mine and actively exploring 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.

THUNDERBIRD MINERAL SANDS MINE

The Thunderbird Mineral Sands Mine ("Thunderbird") is one of the largest and highest grade mineral sands discoveries in the last 30 years.

Now in production Thunderbird is expected to generate a high-quality suite of mineral sands concentrate products suited to market requirements. These products include a zircon concentrate and an ilmenite 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 over a decades long mine life.

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.

Yansteel's 500ktpa integrated titanium dioxide processing facility, which includes a titanium slag smelter, will consume the magnetic concentrate from Stage 1 of the Thunderbird Mineral Sands Project under a take or pay offtake agreement.

SOUTH ATLANTIC PROJECT

The South Atlantic Project is located in south east Brazil. Four main deposits have been identified within the project area: Retiro, Estreito, Capao do Meio and Bujuru with Mineral Resources developed for the Retiro and Bujuru deposits. The combined Mineral Resource for Retiro and Bujuru is 771Mt of material at an average grade of 3.0% THM (please refer to ASX announcement dated 25 June 2025 titled "*South Atlantic Project: Maiden Mineral Resource & Retiro Licence Approval*").

The tenements are held by RGM. Sheffield entered into an option agreement with RGM in February 2023, with subsequent extensions agreed in August 2024 and October 2025. Sheffield will provide funding for project related activities over an initial 48 month period and earn an option to acquire up to 20% of RGM a total investment of US\$15m, less any funds contributed during the option period. Should Sheffield elect to exercise the option, subject to various conditions being satisfied, including project financing being obtained and all funds required for project construction being secured, Sheffield may exercise a further option to increase its interest in RGM up to 80%.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

The contents of this announcement reflect various technical and economic conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those detailed in this announcement.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “forecast”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “predict”, “foresee”, “proposed”, “aim”, “target”, “opportunity”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements.