

## SHEFFIELD APPOINTS BRUCE McFADZEAN AS MANAGING DIRECTOR

**Mineral sands developer Sheffield Resources Limited (ASX:SFX) (“Sheffield” or “the Company”)** is pleased to announce the appointment of highly credentialed mining executive Bruce McFadzean as Managing Director, effective 2 November 2015.

A qualified mining engineer with more than 35 years’ experience in the global resources industry, Mr McFadzean has led the financing, development and operation of several new mines around the world. He possesses the right skills set to progress Sheffield’s world-class Thunderbird minerals sands project in Western Australia’s Kimberley region through to production.

Mr McFadzean’s professional career includes 15 years with BHP Billiton and Rio Tinto in a variety of positions and four years as Managing Director of successful Western Australia gold miner Catalpa Resources Limited (ASX:CAH).

During his time as Managing Director of Catalpa, Mr McFadzean oversaw the construction and operation of the Edna May gold mine, the acquisition of 30% of the Cracow Gold mine and the eventual merger into Evolution Mining Limited (ASX:EVN). Under his management, Catalpa’s market capitalisation grew from \$10 million to \$1.2 billion following the Evolution merger. He has raised in excess of A\$350 million in debt and equity from Australian and overseas markets.

Mr McFadzean also played a critical role in the construction and operation of the Kelian gold mine in Indonesia for Rio Tinto and oversaw the financing and construction of Mawson West’s Kapulo copper project in the Democratic Republic of Congo. The Kapulo financing involved the negotiation of product offtake agreements.

Earlier in his career, Mr McFadzean lived in the Kimberley region for almost a decade, working for BHP at the Koolan Island iron ore mine north-west of Derby, and for Rio Tinto at the Argyle diamond mine. His family is well known in the district having contributed to the community over two generations.

Upon Mr McFadzean’s commencement, the Board will be restructured, with Mr McQuitty and Mr Burbury transitioning to Non-Executive Directors. The make-up of the Board will be as follows:

|                        |                 |
|------------------------|-----------------|
| Non-Executive Chairman | Will Burbury    |
| Managing Director      | Bruce McFadzean |
| Executive Director     | David Archer    |
| Non-Executive Director | Bruce McQuitty  |

Sheffield’s Chairman Will Burbury said Sheffield was fortunate to have secured an executive of Mr McFadzean’s calibre at such an important time in its evolution.

“Sheffield is rapidly advancing the 100%-owned Thunderbird project in order to meet an expected global supply shortfall in the mineral sands industry this decade,” Mr Burbury said.

“The Board believes Bruce’s appointment will ensure Thunderbird is producing in a timely and effective manner for the maximum benefit of all stakeholders.

“We are very pleased Bruce has recognised the opportunity that Thunderbird presents, to the extent that the vast majority of his remuneration is share based and linked to delivery of key project milestones.

“I would also like to acknowledge the significant accomplishments of Sheffield’s small management team, in particular our outgoing Managing Director, Bruce McQuitty who has done a terrific job and will be remaining on the Board with me as an active Non-Executive Director.”

Mr McFadzean’s remuneration package is outlined below:

- a) **Cash remuneration:** \$175,000 per annum plus statutory superannuation contributions;
- b) **Share based remuneration:** \$175,000 per annum based on 30 day VWAP pre AGM (subject to shareholder approval each year);
- c) **At-Risk Equity Package Milestones:**
  - i. Delivery of a DFS, determined by the Board to be an appropriate level of improvement on the PFS , with a particular emphasis on Capital and Operating costs – 500,000 SFX fully paid ordinary shares<sup>1</sup>
  - ii. Upon finalisation of Board approved financing package to construct the Thunderbird mine – 1 million SFX fully paid ordinary shares<sup>1</sup>
  - iii. First products from Thunderbird on ship – 1.5 million SFX fully paid ordinary shares<sup>1</sup>.

All of the above vest on change of control and are subject to shareholder approval and achievement of the milestones.

The appointment is for a 4 year term subject to the following termination rights:

|  | <b>Notice period</b> | <b>Payment in lieu of notice</b> | <b>Treatment of share based remuneration on termination</b> | <b>Treatment of At-Risk Equity on termination</b> |
|--|----------------------|----------------------------------|---|---|
| Resignation  | 3 months             | 3 months                         | Unvested awards forfeited                                   | Unvested awards forfeited                         |
| Termination for cause or due to removal by the Company in general meeting under procedures set out in Corporations Act | None                 | None                             | Unvested awards forfeited                                   | Unvested awards forfeited                         |
| Termination in cases of redundancy or notice without cause   | 3 months             | 12 months*                       | Unvested awards vest  | Unvested awards forfeited                         |

\* Subject to scale back where the Corporations Act or the ASX Listing Rules prohibit or limit any such payment.

<sup>1</sup> To be issued in the form of zero cost options, subject to shareholder approval.

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## ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited (Sheffield) is focused on developing its 100% owned, world class Thunderbird Mineral Sands Project, located near Derby in Western Australia.

|                |        |                                |         |
|----------------|--------|--------------------------------|---------|
| ASX Code:      | SFX    | Market Cap @ 53cps             | \$71.2m |
| Issued shares: | 134.4m | Cash: \$5.1m (at 30 June 2015) |         |

## THUNDERBIRD MINERAL SANDS

Thunderbird is one of the largest and highest grade mineral sands discoveries in the last 30 years.

The deposit is rich in zircon, which sets it apart from many of the world's operating and undeveloped mineral sands projects which are dominated by lower value ilmenite.

Sheffield's Pre-feasibility study shows Thunderbird is a modest capex project that generates strong cash margins from globally significant levels of production over a 40 year mine life.

The Company is targeting project construction commencing 2017 and initial production in 2019. The initial planned production profile is aligned with expected emerging supply gaps in global mineral sands markets.

## NICKEL-COPPER

Sheffield has over 2,000km<sup>2</sup> of 100% owned tenure in the Fraser Range region of Western Australia, including the Red Bull project which is within 20km of the Nova Ni-Cu deposit. The Company is exploring the region for magmatic nickel deposits similar to Nova.

