

SHEFFIELD TO RAISE UP TO A\$17.1 MILLION IN OVERSUBSCRIBED INSTITUTIONAL PLACEMENT

HIGHLIGHTS

- \$17.1 million share placement to fund completion of Thunderbird BFS, continued exploration activities and working capital
- Shares predominantly placed to select group of high quality institutional investors
- Thunderbird BFS progressing well and on target for completion in 2016

Sheffield Resources Limited (“Sheffield” “the Company”) (ASX:SFX) is pleased to announce it has received commitments to raise up to a total of \$17.1 million (before costs) through a placement of 32.9 million fully paid ordinary shares in the Company at an issue price of 52 cents per share (“the Placement”). The Placement price of 52 cents per share represents a 17% discount to the 30 day volume weighted average price of Sheffield shares up to and including Friday, 19 August 2016.

Significantly, the Placement is underpinned by a number of new domestic and international institutional and cornerstone investors in addition to other professional and sophisticated investors.

The Company is delighted with the overwhelming demand for the Placement, which has seen the introduction of several well-regarded institutional investors to the register. The funds raised, together with existing cash reserves, will allow Sheffield to complete the Bankable Feasibility Study (BFS) at its Thunderbird Mineral Sands Project near Derby in Western Australia and undertake continued exploration in the region. A small portion of the funds will be reserved for general working capital purposes.

Sheffield’s Managing Director Bruce McFadzean said the Placement was undertaken in keeping with the Company’s strategy of strengthening its institutional shareholder base and increasing its profile in global financial markets as it advances Thunderbird toward production.

“We are very pleased with the strong support received for the Placement, which will allow Sheffield to continue the momentum at its world class Thunderbird Mineral Sands Project. The Company welcomes the addition of some of the world’s most respected investment funds as shareholders.”

“This support further underlines the quality of Thunderbird, which is a long life asset of strategic importance to the global mineral sands industry. Thunderbird’s strategic significance is further supported by the “Lead Agency” status award by the Western Australian Government for the project.”

“Whilst always recognising the wonderful support from our current shareholder base, it is important that we now have greater institutional investor representation, enabling Sheffield to go to the next level and assist in unlocking further value for all shareholders.”

“The Company is now fully funded beyond the conclusion of the Thunderbird BFS, which is expected to occur at the end of 2016 and to continue offtake and financing negotiations as a part of the development of this tier 1 mineral sands asset.”

Sheffield has received firm commitments and undertakings from investors to whom disclosure is not required to be provided in accordance with s708 of the Corporations Act. The Placement is not subject to shareholder approval and will be completed pursuant to the Company’s capacity under ASX Listing



Rule 7.1 and 7.1A with 18,163,060 and 14,776,934 fully paid ordinary shares to be issued under those capacities respectively. Settlement of the Placement is scheduled to occur on Wednesday, 31 August 2016 with the new shares expected to be issued and commence trading on the same day.

Bridge Street Capital Partners and Pulse Markets Pty Ltd acted as Joint Capital Markets Advisors (“JCMAs”) in relation to the Placement and have been appointed by the Company for a period of 12 months. As consideration for this ongoing role, the Company has agreed to issue the JCMAs a total of 4 million (2 million each) unlisted options over the fully paid ordinary shares (“Options”) at an exercise price of 67.6 cents per Option, representing a 30% premium to the issue price of the Placement shares.

The Options are exercisable at any time during the period ending 3 years after the date of their issue and are not transferrable by the holder. The issue of the Options is not subject to shareholder approval and will be issued under the Company’s capacity under ASX Listing Rule 7.1. No funds will be raised from the issue of the Options as they are issued as part consideration for services provided by the JCMAs to the Company.

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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 explore the Dampier Project for other mineral sands targets identified within the region.

Sheffield is also exploring the Eneabba and McCalls regions north of Perth, Western Australia for mineral sands deposits. As an exploration company, Sheffield continues to assess other regional exploration opportunities.

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 in 2017 with initial production in 2019. The initial planned production profile is aligned with expected emerging supply gaps in global mineral sands markets.