



SHEFFIELD MANDATES TAURUS FOR US\$200M DEBT FACILITY

Sheffield Resources Limited (“Sheffield”, “the Company”) (ASX: SFX) is pleased to announce the appointment of Taurus Mining Finance Fund and Taurus Mining Finance Annex Fund (“Taurus”) as the mandated lead arrangers and underwriters for a US\$200 million debt finance facility package (“Facility”) to support its development of the Thunderbird Mineral Sands Project (“Thunderbird”), in Western Australia.

Taurus has agreed to arrange and underwrite a US\$200M Project Development Facility comprising a US\$175M term loan facility and a US\$25M contingent instrument facility. Furthermore, a US\$10M unsecured Equity Bridge Facility is available at the option of the Company to advance project development activities.

Key terms of the term sheets for the Facility agreed with Taurus are described in Schedule 1 and 2.

Taurus has obtained the approval of its investment committee for the Facility, which is subject to customary conditions precedent. While Taurus’s due diligence has been well advanced prior to its investment committee approval, the approval is subject to completion of further due diligence. Documentation and due diligence is anticipated to be complete by the end of Q1 2018 with financial close and funding subject to customary conditions precedent for project finance facilities.

Sheffield’s Managing Director, Bruce McFadzean, said:

“We received significant interest and responses from a variety of banks and debt investors over the last few months and welcome the opportunity to work with Taurus. Taurus shares our positive outlook on the mineral sands industry and has a strong understanding of the sector having managed successful mineral sands investments in the past. The facility provides Sheffield with US\$200M in underwritten funding, without equity dilution, with a reasonable cost structure and a 7 year tenor. Undoubtedly, this commitment represents a strong and positive endorsement of the Thunderbird Project’s outstanding financial metrics as one of the largest new, long life mineral sands projects in the world. Sheffield is now strongly positioned to advance Thunderbird towards development.”

“We look forward to working with Taurus to complete the due diligence and documentation process over the coming months and will continue to provide the community and our shareholders with financing updates in the near future.”

The Facility was arranged with the assistance of Azure Capital, Sheffield’s financial adviser.

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SCHEDULE 1: KEY TERMS OF TAURUS PROJECT DEVELOPMENT FACILITY

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|-----------------------------------|---|
| Facility Amount: | Term Loan: US\$175 million Project Development Facility - Tranche A: US\$75 million - Tranche B: US\$100 million Contingent Instruments: US\$25 million |
| Tenor: | 7 years |
| Security: | Senior secured facility |
| Availability: | From satisfaction of Conditions Precedent until 3.5 years after signing |
| Interest Rate / Issuance fee: | Tranche A: USD LIBOR +4.5% p.a. Tranche B: 8.5% p.a. Contingent Instruments: 7.75% p.a. |
| Upfront Fee: | Customary for a facility of this nature |
| Royalty: | Revenue royalty of: - 0.50% (Years 1 – 4) - 0.75% (Years 5 – 22.5) |
| Conditions precedent to drawdown: | Customary for a facility of this nature including (but not limited to) due diligence, documentation and approvals, satisfactory offtake agreements and agreed equity spend. |
| Repayment Schedule: | - Interest only for 3.5 years - Tranche A repayable between Year 3.5 and Year 7 - Tranche B repayable at end of Year 7 - Additional sweep of available cashflow in certain circumstances |

SCHEDULE 2: KEY TERMS OF TAURUS US\$10M EQUITY BRIDGE FACILITY (OPTIONAL)

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| Facility Amount: | US\$10 million Equity Bridge Facility |
| Tenor: | Earlier of 12 months or the Borrower raising at least A\$100m in new equity |
| Security: | Unsecured |
| Availability: | From satisfaction of standard Conditions Precedent until earlier of Maturity or 11 months from signing |
| Interest Rate: | 9% p.a. |
| Upfront Fee | Customary for a facility of this nature |

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 also 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.

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

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| ASX Code: | SFX | Market Capitalisation: | A\$149m |
| Issued shares: | 182.2m | Cash (unaudited, 30 June 2017): | A\$8.3m |