



## SHEFFIELD TO IPO CARAWINE GOLD AND BASE METAL ASSETS

Sheffield Resources Limited (“Sheffield”, “the Company”) (ASX: SFX) is pleased to advise that, following a strategic review and decision by Sheffield’s Board, it intends to demerge its portfolio of gold and base metal assets (“Carawine Assets”), currently held by its 100% owned subsidiary Carawine Resources Limited (“Carawine”). It is also intended that Carawine will undertake an Initial Public Offer (“IPO”) in order to independently satisfy the admission requirements of the ASX.

The Carawine Assets comprise the following high quality exploration projects (Figure 1):

- Jamieson Project, high grade Au-Cu-Ag-Zn targets, Victoria (Carawine earning 100%),
- Oakover Project, Cu-Co targets, Western Australia,
- Paterson Project, Cu-Co and Au-Cu targets, Western Australia; and,
- Fraser Range Project, Ni-Cu-Co and Au targets, Western Australia, (Carawine 49%, Independence Group NL 51%, earning 70% by spending \$5 million).

Subject to Sheffield obtaining shareholder approval and Carawine receiving approval to be admitted to the ASX, Sheffield will demerge Carawine and spin-out its interests in the Carawine Assets by way of distributing the 20 million shares it holds in Carawine in specie to eligible Sheffield shareholders on a pro rata basis (“Spin-out”). Based on Sheffield’s current total of 182,216,284 shares on issue the Spin-out ratio would be approximately 1 Carawine share for every 9 Sheffield shares held.

The Carawine IPO will raise between \$5 million and \$7 million through the offer of between 25 million and 35 million shares, at an issue price of 20c per share. In addition, one free attaching loyalty option will be issued for every three Carawine shares, vesting six months from Carawine’s ASX listing date. The IPO will be conditional on Sheffield shareholders approving the Spin-out. Patersons Securities Limited have been appointed as sole lead manager to the IPO.

Sheffield Managing Director Bruce McFadzean said: “The proposed demerger is consistent with Sheffield’s strategic focus on developing the world class Thunderbird Mineral Sands Project, which has the potential to transform Sheffield into a Tier 1 mineral sands producer.”

“With Thunderbird being Sheffield’s primary focus, the Board considers it appropriate to spin-out the high quality Carawine Assets into an independent exploration company where their true value can be realised.”

Carawine’s strategy after listing on the ASX is to commence a diamond drilling program at the Jamieson Project, and advance copper-cobalt targets on the Oakover Project to drill-ready status. The Jamieson Project contains the high grade Hill 800 Gold Prospect, where drilling by previous explorers returned high-grade gold results (Figure 2), including:

- **33m @ 4.31g/t Au**, from surface (HEC1)
- **13m @ 10.9g/t Au**, from surface (HEC13), *including 3m @ 38.8g/t Au* from surface
- **23.4m @ 4.56g/t Au**, from 0.5m (HED1)
- **25m @ 4.72g/t Au**, from 3m (HEC45), *including 1m @ 24.0g/t Au* from 16m
- **21m @ 4.04g/t Au**, from 76m (HEC49), *including 1m @ 20.9g/t Au* from 80m
- **23m @ 4.13g/t Au**, from 86m (HEC48)
- **7m @ 22.1g/t Au**, from 184m (HED1), *including 1m @ 28.9g/t Au* from 184m *and 1m @ 122g/t Au* from 188m

(Down hole widths, may not represent true thickness, see Sheffield’s ASX announcement of 28 June, 2017 for further details)

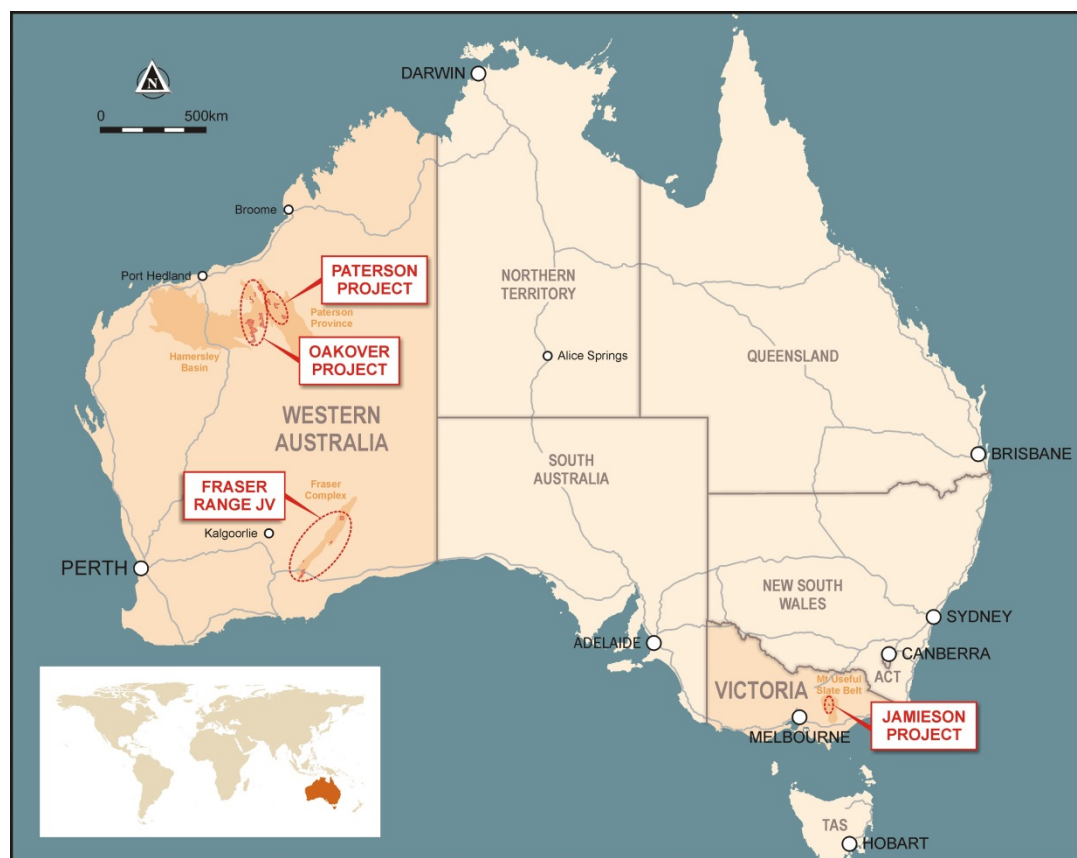


Figure 1: Location of Carawine's projects

The Jamieson Project also contains the Volcanic Hosted Massive Sulphide (VHMS) Rhyolite Creek Prospect, where the discovery hole returned a 1.4m downhole interval grading **15.6% Zn, 1.5% Pb, 0.5% Cu, 7.4g/t Au and 113g/t Ag**, from 223m depth, within an 8m wide zone of elevated Zn, Au and Ag (see Sheffield's ASX announcement of 28 June, 2017 for further details).

Carawine's copper-cobalt targets on the Oakover Project include the Western Star Prospect, where samples from outcrop and historic workings have returned **copper values of up to 44.5%** and cobalt values of up to 0.14% (see Sheffield's June 2017 Quarterly Activities Report, dated 27 July 2017 for details).

Upon listing, Carawine's strategy will be led by Mr David Boyd as Carawine's Managing Director. Mr Boyd has been highly successful in the role of Sheffield's exploration manager. Messrs Will Burbury (Chairman), David Archer and Bruce McQuitty will be non-executive directors of Carawine, in addition to their ongoing directorships at Sheffield. Carawine's Board and management team have extensive experience in the exploration, development and financing of mining projects in Australia and overseas.

At its Annual General Meeting to be held on 22 November 2017, Sheffield will seek shareholder approval for the demerger, to undertake a pro rata distribution of the 20,000,000 Carawine shares held by Sheffield to eligible Sheffield shareholders registered on the Record Date (which will be determined and confirmed to the market following the Annual General Meeting once Carawine receives ASX conditional approval for its ASX admission).

Sheffield shareholders with an address outside Australia or New Zealand at the Record Date will have their pro-rata entitlement of Carawine Shares sold on their behalf by a nominee engaged by Sheffield. Sheffield shareholders who have a registered address outside Australia and New Zealand are able to update their registered address on Sheffield's share register prior to the Record Date to an Australian address to enable them to receive their pro-rata entitlement of Carawine shares. This can be done online



through the Company’s share registry, Link Market Services Limited, at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), by contacting Link directly on +61 1300 554 474, or Sheffield’s Company Secretary on + 61 8 6555 8777. Registered addresses for broker sponsored holdings must be updated by the sponsoring broker.

Further details of the Carawine Assets and the proposed Spin-out and IPO may be found in Sheffield’s Notice of Meeting, to be released today. The Notice will provide information about the advantages and disadvantages of the proposal, key risk factors facing Carawine and key dates. Sheffield shareholders are encouraged to carefully consider the contents of the Notice and to attend the meeting in person or appoint a proxy to vote on their behalf. Sheffield will continue to update the market on the progress of the Carawine IPO, which is well advanced.

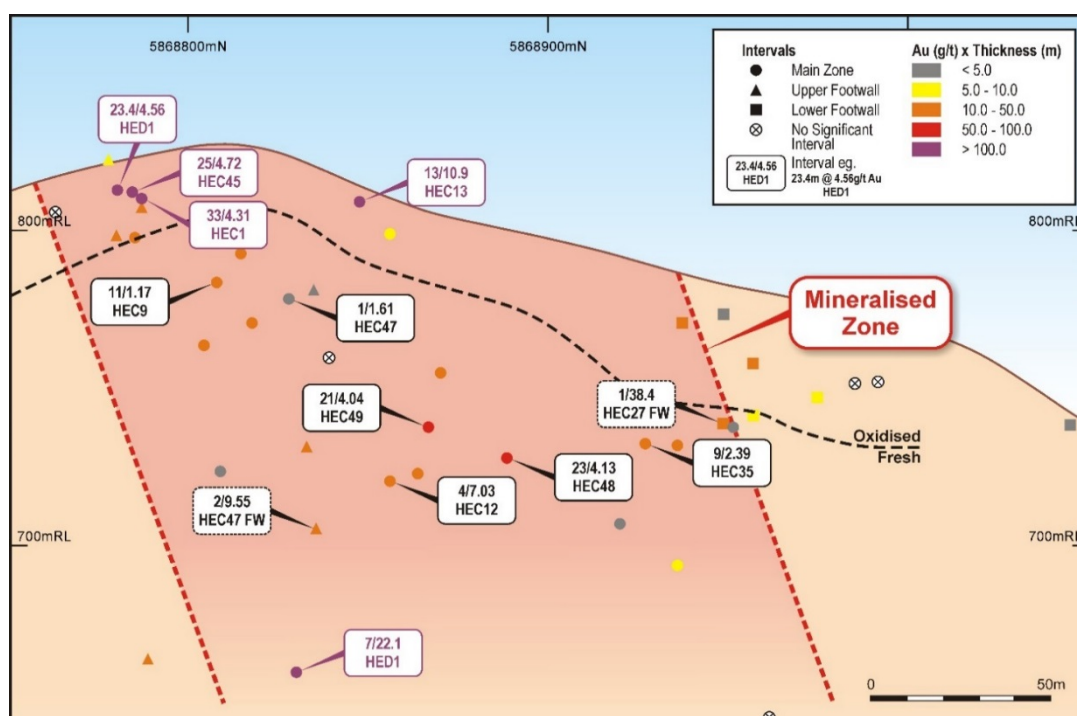


Figure 2: Jamieson Project Hill 800 prospect long section with drill hole intersections projected onto a plane oriented 030 degrees with respect to True North. Note three sub-parallel trends are depicted: Main, Upper Footwall and Lower Footwall, and an interpreted overall trend to the mineralised envelope. In most cases the holes have been drilled oblique to mineralisation, therefore the downhole widths stated may not represent true widths.

ENDS

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## COMPLIANCE STATEMENTS

### PREVIOUSLY REPORTED INFORMATION

This report includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012). The information was extracted from the Company's previous ASX announcements as follows:

- Jamieson Gold Project Farm-In: "SHEFFIELD FARMS IN TO HIGH GRADE JAMIESON GOLD EXPLORATION PROJECT" 28 June, 2017
- June 2017 Quarterly Report: "QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2017" 27 July, 2017

These are available to view on Sheffield's website ([www.sheffieldresources.com.au](http://www.sheffieldresources.com.au)).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcements.

### FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements in this report regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes and mineralised material estimates. They include statements preceded by words such as "anticipated", "expected", "targeting", "likely", "scheduled", "intends", "potential", "prospective" and similar expressions.

## 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.

ASX Code:	SFX	Market Capitalisation:	A\$151m
Issued shares:	182.2m	Cash (audited, 30 June 2017):	A\$8.3m