

INCREASED PRODUCTION AND SHIPMENTS AT THUNDERBIRD

HIGHLIGHTS

- Mine production of approximately 825,000 ore tonnes in June 2024
- June 2024 concentrate production of approximately 55,000 tonnes ilmenite concentrate and 13,000 tonnes zircon concentrate
- Expected concentrate shipments of 90,000 tonnes in June 2024
- \$7.5 million contributed to KMS for working capital purposes

Sheffield Resources Limited (“Sheffield” or “the Company”) (ASX: SFX) is pleased to provide an update regarding the ramp up of production and shipments from the Kimberley Mineral Sands (KMS) owned Thunderbird Mineral Sands Mine (Thunderbird) in Western Australia.

Production Rates

Mine production at Thunderbird has demonstrated continued month on month production gains, with total ore mined in June 2024 of approximately 825,000 tonnes. For the June 2024 quarter, total ore mined is expected to be approximately 2,200,000 tonnes, approximately 20% higher than the operating rate assumed within the 2022 Bankable Feasibility Study (“BFS”) (refer ASX Announcement dated 24 March 2022 “*KMS Bankable Feasibility Study Presentation*”).

Modifications to the Dry Mining Unit, successfully undertaken early in the current quarter, have enabled sustained improved availability and production performance.

The increase in mine production resulted in increased production of concentrates with approximately 55,000 tonnes of ilmenite concentrate produced in June and 120,000 tonnes for the quarter. Production of zircon concentrate was approximately 13,000 tonnes for June and 33,000 tonnes for the quarter.

As previously disclosed additional oversize material has resulted in approximately 75% of the expected spiral feed delivered to the Wet Concentrator Plant (WCP). The infill drilling program of the near term mine plan continued and analysis of observed oversize streams and identification of remediation measures are underway.

Pleasingly the WCP and Concentrate Upgrade Plant (CUP) recoveries are in line with, or above design, resulting in higher than design recovery of both ilmenite and zircon concentrates. The net impact of observed higher oversize and higher WCP and CUP recovery is an approximate 85% yield of expected final products from the volume of ore mined. The excess recovery continues to be weighted towards ilmenite concentrate. Plant optimisation and continuous improvement opportunities are now underway with a focus on increasing zircon concentrate recovery.

Product Shipments

June 2024 is expected to result in a record month for product shipments, with approximately 48,000 tonnes of ilmenite concentrate and 22,000 tonnes of zircon concentrate shipped in the month to date. A further shipment of 30,000 tonnes of ilmenite concentrate commenced loading on 26 June. On an annualised basis, the projected June shipments will be close to 1,100,000 tonnes per annum. This is particularly pleasing during the busy high season for passenger vessels transiting via the Port of Broome.

Total shipments for the June quarter will be approximately 190,000 tonnes.

Ore Body Reconciliation

To date, reconciliation of the resource block model confirms production and grade of Heavy Mineral Concentrate (HMC) is aligned with the resource block model. Further detail will be provided in the June quarter production report.

KMS Funding

The increase in shipments throughout the quarter and a transition from pre-payment to typical payment terms for mineral sands has resulted in an increase in short term receivables within KMS. On 26 June 2024, the Sheffield and Yansteel, as 50/50 owners of KMS, each contributed A\$7.5 million into KMS to fund working capital requirements.

KMS expects to generate positive operating cashflows for the September 2024 quarter.

Following the contribution to KMS, Sheffield retains approximately \$10 million of cash on hand. Sheffield expects to reallocate and reduce cash that previously may have been applied to current growth opportunities in favour of retaining flexibility to support KMS, alongside Yansteel, if required to do so in future.

Sheffield Resources Executive Chair, Mr Bruce Griffin said, *"I am pleased with the further step change in mine performance in June with KMS now ahead of the expected ramp up. Together with continued strong performance from the process plant and expected record export volumes in June 2024, the June performance provides a strong basis for sustained positive operating cash flow starting from the September 2024 quarter."*

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

ENDS

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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 Project under development 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 Eastern 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 is developing the Thunderbird Mineral Sands Project and 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

The Thunderbird Mineral Sands Project ("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 Exploration Targets developed for the Retiro and Bujuru deposits. The combined Exploration Target for Retiro and Bujuru is estimated between 500 and 720 Mt of material at an average grade of 4.0% to 3.2% HM.

The tenements are held by RGM. Sheffield entered into an option agreement with RGM in February 2023 with Sheffield providing US\$2.5m to fund project related activities over an 18 month period and earn an option to acquire up to 20% of RGM with the payment of a further US\$12.5m (US\$15.0m in total) to acquire a 20% interest. 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%.