
NAIF APPROVES LOAN FACILITIES TOTTALLING A\$95M

Sheffield Resources Limited (“Sheffield” or “the Company”) (ASX: SFX) is pleased to advise that the Northern Australia Infrastructure Facility (“NAIF”) Board has made an Investment Decision to offer financial assistance to support the development of the Thunderbird Mineral Sands Project (“Thunderbird”) in the Kimberley region of Western Australia, via the provision of long term debt facilities totalling A\$95 million (“NAIF Facilities”).

The NAIF Facilities are subject to definitive written agreements being entered into between the Company and the State of Western Australia as lender and customary conditions precedent to drawdown, including the State’s (Western Australia) approval for NAIF funds to be provided to the Company (the “Pre-Conditions”).

The NAIF Facilities will enable Sheffield to construct on-site LNG power generation and storage facilities at Thunderbird, in addition to enabling the upgrading of mine site roads, in-sourcing of mine site accommodation, and facilitating the construction and revitalisation of ship loading and logistics assets within the Port of Derby in Western Australia.

The Thunderbird Bankable Feasibility Study (“BFS”), released in March 2017, contemplated the provision of on-site power generation and accommodation facilities by third parties on an outsourced Build-Own-Operate (BOO) basis, inclusive of capital recovery charges payable to third party service providers. The long-term tenor and concessional arrangements approved by NAIF would, following satisfaction of the Pre-Conditions, enable the Company to now in-source the power generation and accommodation facilities on commercially attractive terms and reduce overall operating costs following removal of BOO related capital recovery charges.

NAIF and Sheffield have agreed non-binding term sheets for the NAIF Facilities, which would comprise a A\$30 million Project Development Facility and a A\$65 million Infrastructure Development Facility (as detailed in Schedules 1 and 2).

As a result of the NAIF Facilities, Sheffield would no longer require the US\$25 million contingent instrument facility to be provided by Taurus Mining Finance Fund (Taurus) (refer ASX announcement 18 October 2017).

Sheffield Resources Managing Director, Mr Bruce McFadzean said, “We are extremely pleased with the level of support shown by NAIF and the Federal Government as we progress the development of the Thunderbird Mineral Sands Project. Whilst the NAIF Facilities would not reduce total funding requirements, the proposed structure provides a pathway for Sheffield to own the asset infrastructure and provides for lower operating costs when compared to the Thunderbird BFS. NAIF’s approval of a concessional loan on the terms and tenor defined in the term sheets is a significant milestone for Thunderbird and will underpin many hundreds of jobs in the Kimberley region over several decades.

The NAIF Facilities were arranged with the assistance of Azure Capital, Sheffield’s financial adviser.

ENDS

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SCHEDULE 1: KEY NON-BINDING TERMS OF THE PROPOSED A\$30 MILLION NAIF PROJECT DEVELOPMENT FACILITY*

Facility Amount:	'Tranche C' Term Loan: A\$30 million Project Development Facility <i>(Supplementary to the US\$175m Tranche A and Tranche B Term Loan Facility to be provided by Taurus, announced on 18 October 2017)</i>
Borrower:	Thunderbird Operations Pty Ltd (a wholly-owned subsidiary of Sheffield)
Tenor:	15 years
Security:	Senior secured facility (pari passu with the US\$175m Taurus facility)
Availability:	From satisfaction of Conditions Precedent until the earlier of 3.5 years thereafter and Project Completion
Upfront Fee:	Customary for a facility of this nature
Conditions precedent to drawdown:	Customary for a facility of this nature
Repayment Schedule:	- Straight line amortisation Years 9 to 15 - Additional sweep of available cashflow in certain circumstances

SCHEDULE 2: KEY NON-BINDING TERMS OF THE PROPOSED A\$65 MILLION NAIF INFRASTRUCTURE DEVELOPMENT FACILITY*

Facility Amount:	A\$65 million Infrastructure Development Facility
Borrower:	Thunderbird InfraCo Pty Ltd (a wholly-owned subsidiary of Sheffield)
Tenor:	20 years
Security:	Senior secured facility
Availability:	From satisfaction of Conditions Precedent until the earlier of 3.5 years thereafter and Project Completion.
Upfront Fee:	Customary for a facility of this nature
Conditions precedent to drawdown:	Customary for a facility of this nature
Repayment Schedule:	- Scheduled principal repayments after the earlier of 3.5 years after satisfaction of the Conditions Precedent and the date that is 12 months after the date of Project Completion to end of loan term - Additional sweep of available cashflow in certain circumstances

Note: The key terms summarised above are non-binding. As such, any legally binding terms that may ultimately be agreed between the Company and NAIF in respect of the NAIF Facilities may be different to the terms summarised above.

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 initial production in 2020. The initial planned production profile is aligned with expected emerging supply gaps in global mineral sands markets.

ABOUT NAIF

NAIF was established on 1 July 2016 by the Northern Australia Infrastructure Facility Act 2016 ("NAIF Act") and is a corporate Commonwealth entity. The objective of the NAIF Act is to provide financial assistance to the States of Queensland and Western Australia and the Northern Territory for the construction of infrastructure to benefit northern Australia. The NAIF may approve loans to 30 June 2021 which total A\$5 billion in aggregate (with loan tenors to up to the longest term of Commonwealth borrowings).

ASX Code:	SFX	Market Capitalisation:	A\$239m
Issued shares:	229.4m	Cash (unaudited, 30 June 2018):	A\$23.1m