

YANSTEEL ZIRCON OFFTAKE AGREEMENT

Sheffield Resources Limited (“Sheffield” or “the Company”) (ASX: SFX) provides the following update in relation to the Kimberley Mineral Sands (KMS) owned Thunderbird Mineral Sands Mine (Thunderbird) in Western Australia.

With deteriorating zircon concentrate market conditions in China as noted in the recent September 2025 quarterly report (refer ASX announcement dated 15 October 2025), KMS has agreed a zircon concentrate offtake agreement (Agreement) with Yansteel, for all unsold zircon concentrate at a fixed FOB price, equivalent to the current (Q4 2025) CIF market price in China, until 31 December 2025 and extendable by mutual agreement.

The Agreement is in addition to the ongoing support Yansteel has provided KMS to date, including 100% offtake of the ilmenite concentrate for the life of mine for Stage 1 (with a fixed price until mid-2029), prepayment of ilmenite concentrate to support working capital requirements, and including proportionate share of any KMS related shareholder funding requests that have occurred following commencement of operations at Thunderbird. Yansteel also remains a supportive shareholder of Sheffield, maintaining a 9.9% interest in the Company.

KMS is continuing discussions with the senior secured lenders Orion Resources Partners (Orion) and the Northern Australia Infrastructure Facility (NAIF), aimed at resculpting and aligning the future scheduled debt repayments to the revised mine plan, costs and forecast prices (refer to ASX announcement dated 22 July 2025). KMS continues to progress and advance negotiations with senior secured lenders during this time, however there can be no certainty that any amendments to the senior secured loan facilities will be successfully completed during the near term. Sheffield and Yansteel remain sponsors and guarantors to the senior secured loan facilities.

Sheffield will continue to keep the market informed of material developments concerning the business operations of KMS and the Thunderbird Mineral Sands Mine.

Executive Chair, Mr Bruce Griffin said *“The KMS and Yansteel zircon offtake agreement demonstrates Yansteel’s commitment to the Thunderbird mine. Yansteel remain a strong and supportive partner for Sheffield and KMS to ensure delivery of the KMS strategy to realise full production from Thunderbird by Q1 FY27.”*

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

ENDS

For further information please contact:

Bruce Griffin
Executive Chair
Tel: 08 9215 6500
info@sheffieldresources.com.au
Website:
www.sheffieldresources.com.au

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 Mine in operation 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 Taprobane 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 operates the Thunderbird Mineral Sands Mine and actively exploring 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 MINE

The Thunderbird Mineral Sands Mine ("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 Mineral Resources developed for the Retiro and Bujuru deposits. The combined Mineral Resource for Retiro and Bujuru is 771Mt of material at an average grade of 3.0% THM.

The tenements are held by RGM. Sheffield entered into an option agreement with RGM in February 2023, with subsequent extensions agreed in August 2024 and October 2025. Sheffield will provide funding for project related activities over an initial 48 month period and earn an option to acquire up to 20% of RGM a total investment of US\$15m, less any funds contributed during the option period. 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%.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

The contents of this announcement reflect various technical and economic conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those detailed in this announcement.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “forecast”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “predict”, “foresee”, “proposed”, “aim”, “target”, “opportunity”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

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