

# Sheffield Resources – Final Investment Decision

12<sup>th</sup> October 2022

Sheffield Resources Ltd, together with its joint venture partner, YGH Australia Investment Pty Ltd (Yansteel), have made the Final Investment Decision (FID) to construct and develop the Thunderbird Mineral Sands Project (Thunderbird).

## Financial Close Achieved

Kimberley Mineral Sands (KMS), the joint venture between Sheffield and Yansteel, secured A\$160m of NAIF funding in April this year, which was a crucial step before seeking commercial debt. In August, Sheffield announced a US\$110m debt facility with Orion Resource Partners, which completed the total debt funding requirement for Thunderbird of A\$315m. With a total funding requirement for the project of A\$484m, Sheffield's share of the equity component is covered by existing cash reserves.

Following due diligence, and satisfying the conditions precedent of the loan facility, KMS has now reached financial close, completing the project financing requirements for Thunderbird.

## Final Investment Decision (FID) to Proceed with Stage 1

Sheffield Resources Executive Chair, Mr Bruce Griffin said, "We are delighted to make the final investment decision on this outstanding, world class mineral sands project. With first production from Thunderbird on track for Q1 2024, Thunderbird is fully funded and set to deliver \$695m in NPV to Sheffield's shareholders over its 36-year life."

75% of Stage 1 capital expenditure (before contingency) is fixed price or already spent as at 30<sup>th</sup> June 2022, and the project budget includes a \$40m cost overrun facility, in addition to \$36m of project contingency.

Of the total equity requirement of \$169m for the project, Sheffield's contribution is \$34m, \$10m of which is due 60 days from FID. After funding the required equity, Sheffield has \$6m in cash as of 4<sup>th</sup> October 2022.

## Construction Over 40% Complete

Construction of Stage 1 of the project is now more than 40% complete; reaching FID means that this can continue without interruption, as the aim is for the bulk of the civil work to be completed before the wet season in December. The project remains on track for first production in Q1 2024.

## Continued Strong Demand for Commodities

The NPV for the project assumed a long-term price for zircon of US\$1,600 per tonne. The price has continued to increase during 2022 due to a lack of supply, with the current price circa US\$2,300/t. There is a supply deficit for zircon that started in 2021 due to depletion of existing deposits, and this is expected to continue over the medium term.

**Sheffield Resources Current Share Price: \$0.51; Bridge Street Capital Partners Valuation: \$2.25/share.**

For more information, please see the [Investor Presentation](#).