

ASX and Media Release

30 July 2012

NEW NICKEL-COPPER DISCOVERY NEAR SHEFFIELD'S RED BULL PROJECT

In response to recent investor interest, **Sheffield Resources** ("Sheffield", "the Company") (**ASX:SFX**) wishes to advise of the status and mineral potential of its Red Bull Project, located within 20km of Sirius Resources NL's (ASX:SIR) recent nickel-copper discovery at its Fraser Range Project in Western Australia (Figure 1).

Sheffield's Red Bull project tenements were initially applied for because of their near-surface heavy mineral sands (HMS) potential, however Sirius Resources NL's recent discovery highlights the exploration potential in the bedrock beneath thin cover sequences.

Sheffield's Managing Director Bruce McQuitty commented, "Sirius Resources' drilling results potentially open up a new nickel-copper province. The discovery is a terrific result for Sirius Resources and a boost to the broader junior resources sector, as it highlights the potential leverage to exploration success."

"Importantly for Sheffield, whilst we remain focussed on our mineral sands projects, we are cautiously excited given the proximity of the Nova discovery to our Red Bull project which lies within similar high grade metamorphic rocks typical of the Fraser Complex."

"Following the recent granting of one of the project tenements, we look forward to progressing exploration at Red Bull as soon as possible," Mr McQuitty said.

"We are also pleased to advise that drilling is progressing well at our Dampier HMS Project, which has the hallmarks of a world class zircon deposit," Mr McQuitty added.

Sheffield's Red Bull Project

The Red Bull project tenements comprise two exploration licences: E69/3033 which was granted on 27 July 2012 and E69/3052 which is still under application. The tenements have a combined area of 525km² (see Figure 2 below).

The Red Bull project lies within the Proterozoic Fraser Complex which is part of the Albany-Fraser Orogenic Belt, located on the southeast margin of the Archaean Yilgarn Craton. The Fraser Complex contains a number of layered intrusions which are prospective for Ni-Cu and PGE mineralisation.

Thin Cainozoic cover sequences mask the bedrock geology and have served to hinder early exploration efforts. Modern exploration technology such as electromagnetic (EM) geophysical



Figure 1: Location of Sheffield's Red Bull Project

techniques can be deployed to detect conductive sulphide bodies beneath cover, and have played an important role in the discovery of Nova in a similarly concealed setting.

Sheffield's Red Bull project is also adjacent to Forge Resources (ASX: FRG) McLaren HMS deposit which has an Inferred Mineral Resource of **470Mt @ 4.6% Heavy Mineral** (FRG ASX release 6 February 2012). Sheffield's recently granted tenement E69/3033 covers potential strike extensions of this mineralisation to the southwest (Figure 3).

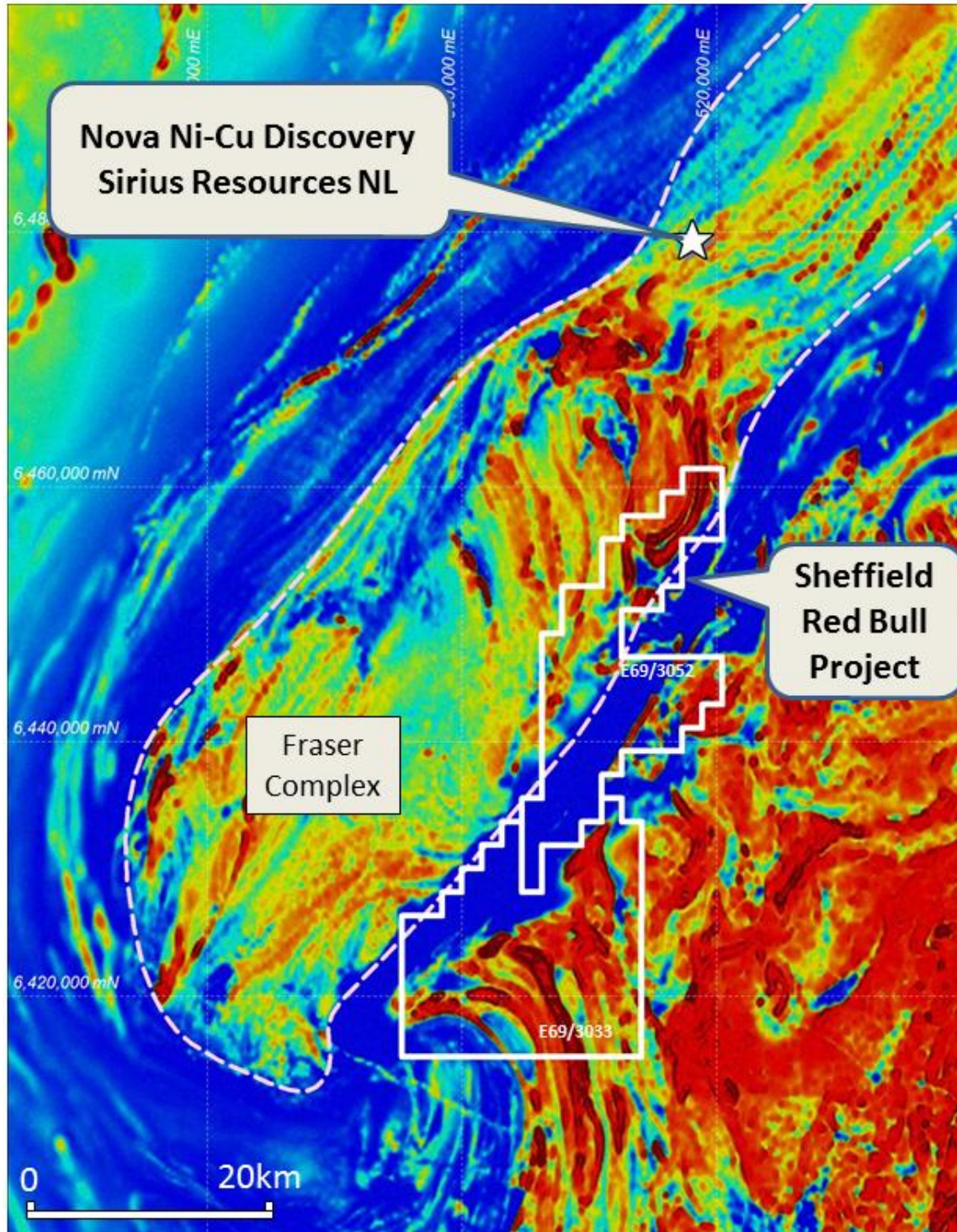


Figure 2: TMI Magnetic Image, showing location of Red Bull Project tenements relative to Sirius Resources' Nova discovery

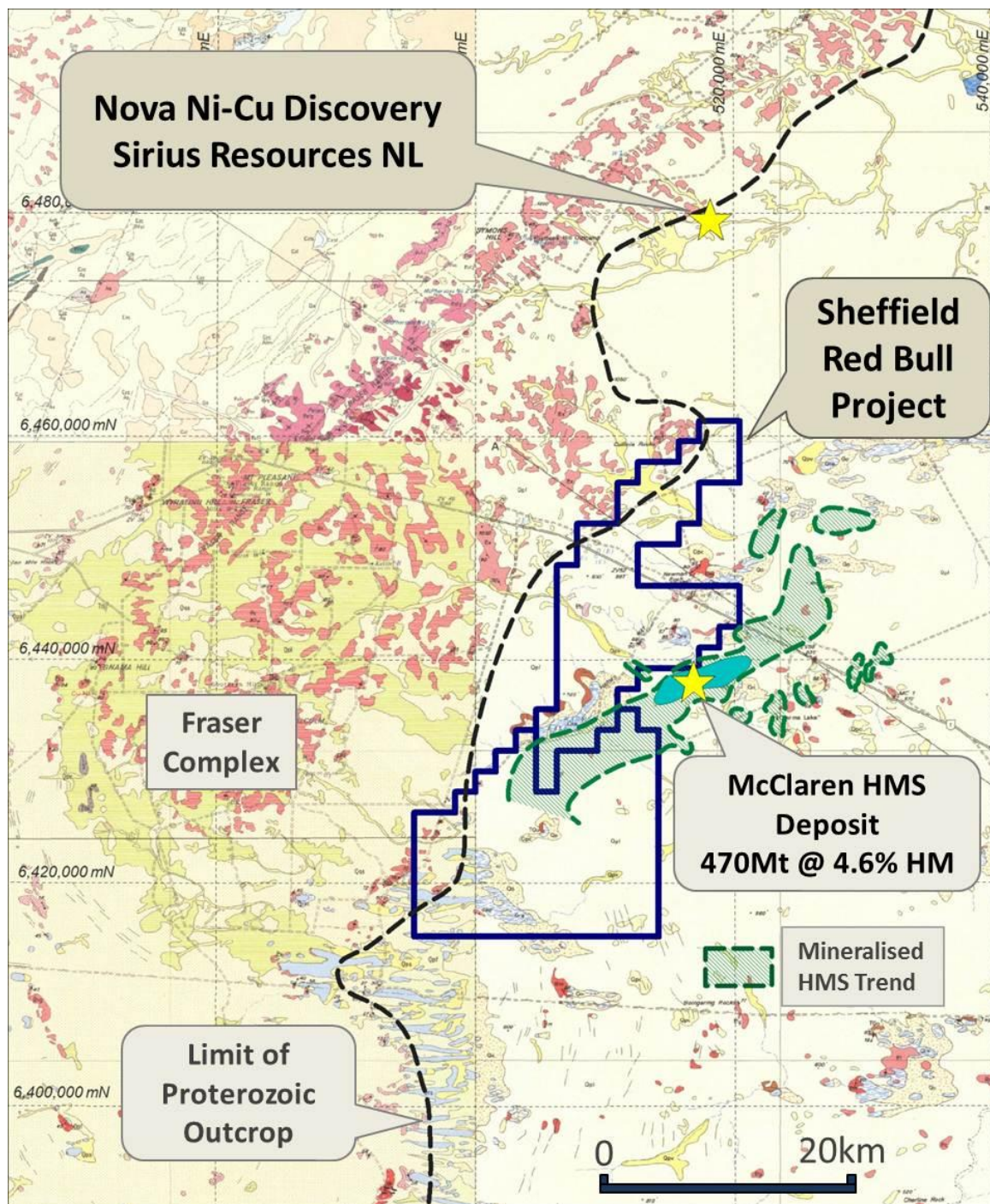


Figure 3: GSWA geology map showing the extent of cover (yellow-pale yellow) over Proterozoic basement (pink-red) and the location of Forge Resources' McLaren HMS deposit and Sirius Resources' Nova discovery relative to Sheffield's Red Bull Project

Drilling at Dampier HMS Project

The Company is also pleased to announce drilling continues at the Thunderbird prospect on its Dampier HMS Project with 40 holes completed so far. Sheffield believes that Thunderbird has the hallmarks of a world class zircon deposit.

Sheffield's drilling programme, which is expected to be completed in the second half of August 2012, has been designed with the objective of allowing estimation of a Mineral Resource and will also provide material for metallurgical testwork.

ENDS

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COMPETENT PERSONS' STATEMENT

The information in this announcement that relates to exploration results is based on information compiled by Bruce McQuitty. Mr McQuitty is a full time employee of the Company. Mr McQuitty is a Member of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity to which they are undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")'. Mr McQuitty consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

Some statements in this announcement 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 "expected", "planned", "target", "scheduled", "intends", "potential", "prospective" and similar expressions.

ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited (**Sheffield**) is a rapidly emerging heavy mineral sands (HMS) company with significant additional iron and talc assets.

ASX Code – SFX

Market Cap @ 32cps - \$30.4m

Issued shares – 94.9m

Cash - \$9.3m

The Company has over 6,000km² of highly prospective tenure, all situated within the state of Western Australia.

HEAVY MINERAL SANDS

The Dampier Zircon Project, located near Derby in WA's Kimberley region has the potential to become Sheffield's flagship HMS project. It contains a large zircon-rich HMS deposit formerly explored by Rio Tinto.

Sheffield's Eneabba Project contains six advanced exploration prospects: West Mine North, Ellengail, Yandanooka, Durack, Drummond Crossing and Irwin which are located near Eneabba. The Project is close to existing mineral sands operations and to a network of highways and railway lines connecting to the Geraldton and Fremantle/Kwinana ports. Sheffield's strategy is, subject to exploration success, to develop multiple HMS deposits capable of supporting a flexible mobile mining plant.

Sheffield is also evaluating the large McCalls chloride ilmenite project, located near Gingin.

IRON

Sheffield's iron strategy is to target hematite mineralisation adjacent to infrastructure in the world class Pilbara iron province and build up consolidated tenement holdings over time. To date, high grade iron mineralisation has been identified on three of the Company's tenements.

TALC

Sheffield has 1,152km² of tenure over the 175km-long Moora Talc Belt which represents a dominant ground position over a region that has, for the last 50 years, been exclusively controlled by major mining companies.

The Moora Talc Belt includes the large Three Springs mine which is owned by Imerys subsidiary Luzenac Australia Pty Ltd. Three Springs is renowned for producing high purity talc and is a relatively simple "dig-and-deliver" operation.

Sheffield's large tenement holding contains numerous talc occurrences and has the potential to become a strategic talc asset. Sheffield therefore represents a unique opportunity for investors to gain exposure to one of the few high-grade talc explorers in the world.