

# Thunderbird

## Mineral Sands



### PROJECT UPDATE 9, NOVEMBER 2018

#### THUNDERBIRD MOVES TOWARDS CONSTRUCTION

Sheffield Resources has made significant progress towards the development of its world-class Thunderbird Mineral Sands Project in the Kimberley region of Western Australia. All key permitting has been secured, financing is on track and the Project is construction ready.

Thunderbird promises the people of the Kimberley intergenerational local employment and regional development. The Project is expected to create 220 project jobs, increasing to 300 in the fifth year of production, over a 42-year mine life. A local drive-in drive-out workforce will ensure salaries stay in the region.

Thunderbird contains the world's largest and highest-grade undeveloped reserves of zircon and ilmenite. Mineral sands products will be exported to markets in Europe, India and Asia through the ports of Derby and Broome.

#### Native Title Process Complete and Mining Lease Granted

Following a favourable National Native Title Tribunal decision, the Western Australian Department of Mines, Industry, Regulation and Safety granted the Mining Lease for Thunderbird in September 2018.

A Native Title agreement has been agreed between Sheffield and Traditional Owners. The Agreement provides for royalty payments, local and Aboriginal employment, business commitments and strong protection for Aboriginal heritage and the environment.



*Taking shape on site - the Village to house the Thunderbird construction workforce.*

#### Environmental Approvals Granted

The WA Minister for the Environment granted environmental approval for Thunderbird in August 2018 after four years of environmental studies, consultation and assessment of the low-impact project. The completion of the State environmental process preceded the granting of the Federal environmental approval in September 2018, delivering the final key environmental approval required to develop Thunderbird.

#### Funding Task on Track

Sheffield has executed a US\$175m (A\$240m<sup>1</sup>) fully underwritten, syndicated facility agreement with Taurus Mining Finance Fund and Taurus Mining Finance Annex Fund for a seven-year term loan. The agreement follows Federal Government support for Thunderbird through a A\$95m Northern Australia Infrastructure Fund (NAIF) facility. These agreements provide certainty of funding and support the successful delivery of Thunderbird.

#### Engineering, Procurement and Construction Contract

Sheffield has awarded a A\$366m fixed price, lump sum engineering, procurement and construction (EPC) contract to GR Engineering Services (GRES) for the design and construction of the Thunderbird mineral processing plant, supporting infrastructure and associated facilities. Under the EPC contract, GRES will design and construct the Stage 1 mineral processing plant and supporting infrastructure.

#### Product Sales - Strong Progress

Sheffield continues to see strong global demand for the mineral sands products that will be produced at Thunderbird. The company has secured binding offtake agreements for 100% of Stage 1 forecast zircon products and approximately 50% of the estimated total volume of LTR ilmenite. More than 75% of forecast Stage 1 revenue is now under binding agreement.

#### Construction Timeline

Early approved works to enable construction to commence are underway including roads, water bores and construction of a village to house the construction workforce. Construction is planned to commence after the Kimberley wet season.

<sup>1</sup> Assumes AUD: USD exchange rate of \$0.73 : \$1.00

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