

ASX and Media Release
11 March 2011

Sheffield completes purchase of HMS tenements from Iluka

KEY POINTS

- Sheffield completes purchase of four Heavy Mineral Sands (HMS) tenements
- Purchase provides Sheffield with advanced exploration projects on granted Mining Leases in the established world class North Perth Basin HMS province
- Sheffield has consolidated multiple HMS projects in the North Perth Basin and will drill test these, along with adjacent talc projects, over the next two months

Bulk minerals explorer Sheffield Resources ("Sheffield") (ASX:SFX) today announced that it has completed the acquisition of three mining leases and a retention licence from Iluka Resources Limited ("Iluka") (ASX:ILU).

The tenements comprise the West Mine North (M70/872, M70/965 and M70/1153) and Ellengail (R70/35) exploration projects which are located near Eneabba in Western Australia's mid-west region (refer to Figure 1 for locations).

Further details on this transaction and West Mine North and Ellengail are disclosed in the ASX and Media release dated 29 December 2010.

The acquisition provides Sheffield with advanced exploration projects on granted mining leases, offering potential for near-term development.

Following the acquisition, Sheffield has seven advanced exploration projects within its extensive 2,500km² North Perth Basin tenement package. These are the West Mine North, Ellengail, Yandanooka, Durack, Beekeepers, and Irwin projects, located near Eneabba, and the large McCalls project (a former BHP project), located near Gingin, to which Sheffield attributes an exploration target* of between 1.5 and 2.5 billion tonnes grading between 1.1% and 1.3% HM (refer to ASX release of 17 January 2011).

These projects are well located close to existing mineral sands operations and to a network of highways and railway lines connecting to Geraldton and Fremantle/Kwinana ports.

Sheffield plans to undertake drilling on its HMS and talc projects during the next two months.

*Sheffield Resources has not yet reported Mineral Resources at McCalls and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

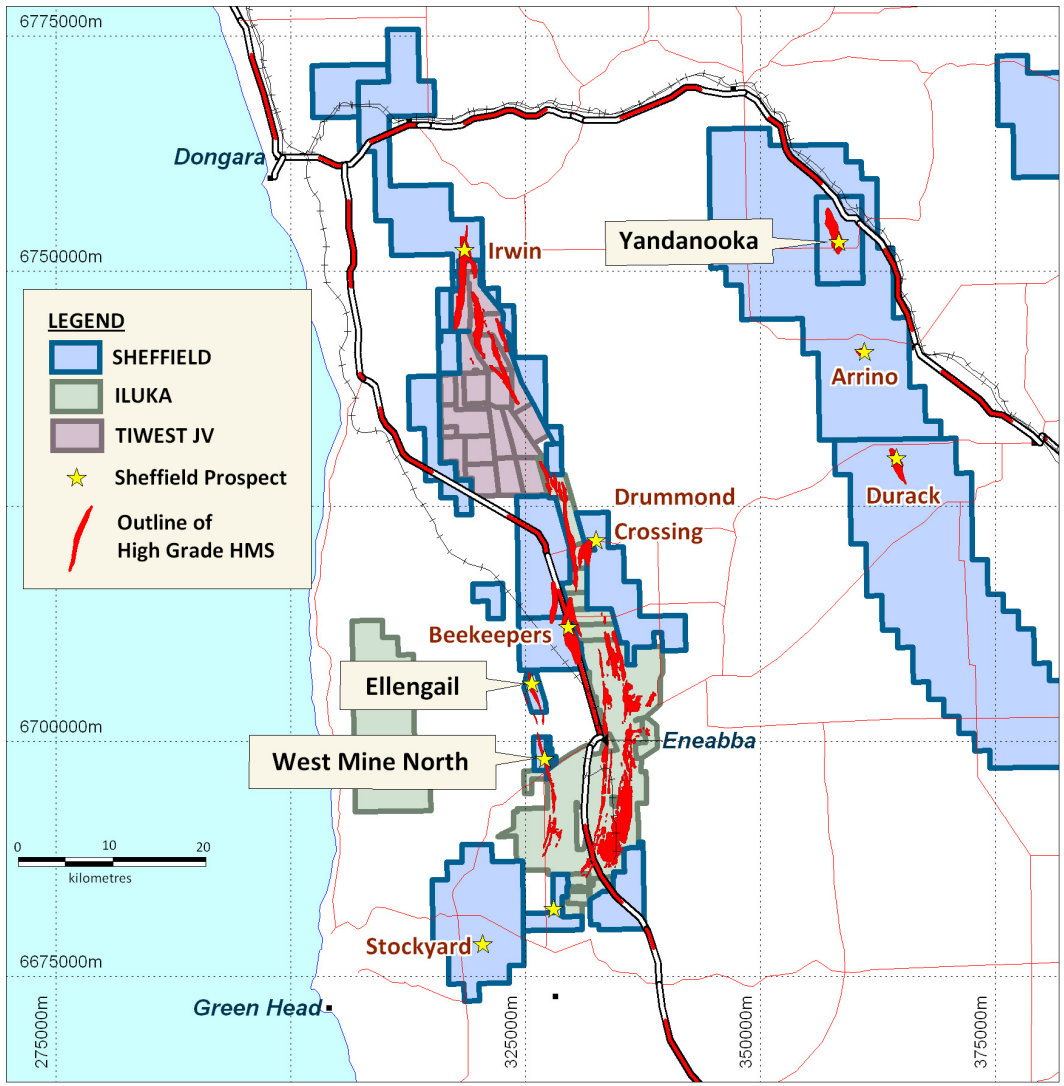


Figure 1: Sheffield's HMS projects in Eneabba region showing location of Ellengail and West Mine North

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FORWARD LOOKING AND EXPLORATION TARGET 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 "seek", "planned", "target", "objective", "intends", "potential", "prospective" and similar expressions.

ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited (**Sheffield**) is a new exploration company with a bulk minerals focus. The Company's Projects are geared towards the steel industry feed cycle (iron ore and tungsten) and the emerging fillers-ceramics-pigments cycle (talc, zircon, titanium dioxide).

ASX Code – SFX

Market Cap @ 30cps - \$17.39m

Issued shares – 57.98m

Cash - \$6.4m

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

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 Rio Tinto Limited subsidiary Luzenac Australia Pty Ltd. Three Springs is renowned for producing high purity talc and is a relatively simple “dig-and-deliver” operation.

The existing infrastructure is excellent. A railway and a sealed highway transect the project and connect to Geraldton port approximately 170km to the northwest.

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

HEAVY MINERAL SANDS

Sheffield controls over 5,000km² of mineral sands tenure in the established North Perth Basin mineral sands province and the emerging Carnarvon, Eucla and Canning Basin provinces.

Sheffield's North Perth Basin tenement package of over 2,500km² contains seven advanced exploration projects: West Mine North, Ellengail, Yandanooka, Durack, Beekeepers, and Irwin which are located near Eneabba and the large McCalls deposit - a former BHP project located near Gingin. These projects are well located close to existing mineral sands operations and to a network of highways and railway lines connecting to Geraldton and Fremantle/Kwinana ports. Sheffield's strategy is, subject to exploration success, to build multiple HMS projects capable of supporting a flexible mobile mining plant.

IRON

Sheffield's Pilbara iron ore projects consist of three granted tenements and 14 tenement applications, of which three (the Millstream project) are second-in-time applications and five are subject to ballot with multiple competing parties. Sheffield's strategy is to target hematite mineralisation adjacent to infrastructure in the world class Pilbara iron province and to build up consolidated tenement holdings over time. Reconnaissance mapping has so far identified iron enrichment on three of the Company's tenements.