
SUPPLEMENTARY PROSPECTUS AND ADDENDUM TO NOTICE OF MEETING

Sheffield Resources Limited (“**Sheffield**”) (**ASX: SFX**) encloses a supplementary prospectus to the short form prospectus dated 19 October 2017 and an addendum (“**Addendum**”) to the Notice of Meeting announced on 19 October 2017. The documents contain relevant information in order to update previous disclosure as a result of the recently announced placement and share purchase plan.

The Addendum specifically includes updates to the explanatory statement regarding the proposed capital reduction and in specie distribution of shares in Carawine Resources Limited (Resolution 11) and two additional resolutions for shareholders to consider regarding the recent placement (Resolutions 12 and 13).

Sheffield encourages all shareholders to review the attached documents in their entirety.

The documents and an updated proxy form have been dispatched to Sheffield’s shareholders today.

Shareholders are requested to contact the Company Secretary, on +61 8 6555 8777 if they have any queries in respect of the matters.

ENDS

For further information please contact:

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ABOUT SHEFFIELD RESOURCES

Sheffield Resources Limited is focused on developing its 100% owned, world class Thunderbird Mineral Sands Project, located in north-west Western Australia. Sheffield continues to also assess other regional exploration opportunities.

THUNDERBIRD MINERAL SANDS

Thunderbird is one of the largest and highest grade mineral sands discoveries in the last 30 years.

Sheffield’s Bankable Feasibility Study shows Thunderbird is a technically low risk, modest capex project that generates strong cash margins from globally significant levels of production over an exceptionally long mine life of 42 years.

Thunderbird will generate a high quality suite of mineral sands products with specifications suited to market requirements. These products include Premium Zircon suitable for the ceramic sector and LTR Ilmenite which will be one of the highest grade sulfate feedstocks available globally.

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.

Subject to permitting activities, the Company is targeting project construction commencing in late 2017 with initial production in 2019. The initial planned production profile is aligned with expected emerging supply gaps in global mineral sands markets.

SHEFFIELD RESOURCES LIMITED

ACN 125 811 083

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 19 October 2017 (**Prospectus**), issued by Sheffield Resources Limited (ACN 125 811 083) (**Company**).

This Supplementary Prospectus is dated 2 November 2017 and was lodged with ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website (<http://www.sheffieldresources.com.au/>).

The Company will send a copy of this Supplementary Prospectus to all Shareholders who have been offered Carawine Shares under the Prospectus to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

1. GENERAL

All references to "Notice of Meeting" in the Prospectus are replaced with "Notice of Meeting as supplemented by the Addendum to the Notice of Meeting". The Addendum to the Notice of Meeting is included at Annexure A to this Supplementary Prospectus.

2. SECTION 2.2 EFFECT OF THE OFFER ON THE COMPANY

Paragraph 3 of Section 2.2 is replaced with the following:

"This is reflected in the pro forma for Sheffield in Schedule 6 of the Notice of Meeting which shows the financial impact based on Sheffield's market capitalisation as at 30 June 2017, including adjustments for the assumed completion of the Placement and the SPP."

3. SECTION 3.3(R) – SECTIONS 10.3, 10.8 AND SCHEDULE 6 – PROPOSED RETURN OF CAPITAL AND FINANCIAL IMPACT ON THE COMPANY

Paragraph 2 of Section 3.3(r) is replaced with the following:

"The Schedule to the Notice of Meeting contains the unaudited pro forma statement of financial position of the Company assuming completion of the Placement, the SPP, the Capital Reduction and the Carawine IPO (based on the statement of financial position of the Company as at 30 June 2017)."

4. SECTION 3.3(V) – SECTION 10.9 – SHEFFIELD DIRECTOR'S INTERESTS AND RECOMMENDATIONS

Replace Section 3.3(v) with the following:

"This section sets out the number of securities in the Company held by the Sheffield Directors at the date of the Notice of Meeting, the number of securities in the Company likely to be held by Sheffield Directors on completion of the SPP, and the number of Carawine Shares they are likely to have an interest in assuming completion of the Capital Reduction and the issue to them of the maximum number of Shares allowed under the SPP."

5. GLOSSARY

The following terms are added to the Glossary:

SPP means the Share Purchase Plan announced by the Company on 25 October 2017 for the issue of up to 2,857,143 Shares at an issue price of \$0.70 per Share to raise up to \$2,000,000 with an expected issue date of 23 November 2017.

Placement means the placement announced by the Company on 25 October 2017 for the issue of up to 42,857,143 Shares at an issue price of \$0.70 per Share to raise \$30,000,000 with an expected issue date of 31 October 2017."

6. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Bruce McFadzean
Managing Director
For and on behalf of
SHEFFIELD RESOURCES LIMITED

ANNEXURE A - ADDENDUM TO THE NOTICE OF MEETING

SHEFFIELD RESOURCES LIMITED

ACN 125 811 083

ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING

Sheffield Resources Limited (ACN 125 811 083) (**Company**), hereby gives notice to Shareholders of the Company that, in relation to the Notice of Annual General Meeting dated 19 October 2017 (**Notice of Meeting**) in respect of the annual general meeting of members to be held at 4.30pm (WST) on 22 November 2017 at The Celtic Club, 48 Ord Street, West Perth, WA, 6005 (**Meeting**), the Directors have determined to amend and supplement the information contained in the Explanatory Statement provided to Shareholders in relation to the matters set out in this addendum to the Notice of Meeting (**Addendum**).

General

Definitions in the Notice of Meeting have the same meaning in this Addendum to the Notice of Meeting.

This Addendum to the Notice of Meeting is supplemental to the original Notice of Meeting and should be read in conjunction with the original Notice of Meeting. Save for the changes set out below, all other Resolutions proposed in the original Notice of Meeting remain unchanged.

IMPORTANT

Proxy Forms

The Company advises that there has been a change to the Proxy Form previously dispatched to Shareholders and the updated Proxy Form is annexed to this Addendum to the Notice of Meeting. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and **you wish to change your vote, or vote on the additional resolutions, you must complete and return the Proxy Form** annexed to this Addendum to the Notice of Meeting.
- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and **you do not wish to change your vote, or vote on the additional resolutions, you do not need to take any action** as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.
- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice of Meeting, please complete and return the Proxy Form annexed to this Addendum to the Notice of Meeting.

To vote in person, please attend the Meeting at the time, date and place set out above.

SUPPLEMENTARY BUSINESS OF THE MEETING - AGENDA

ADDITIONAL RESOLUTIONS

The following Resolutions are added to the Agenda:

7. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES- 7.1 CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,635,515 Shares to be issued prior to the Meeting, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – 7.1A CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,221,628 Shares to be issued prior to the Meeting, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

SUPPLEMENTARY EXPLANATORY STATEMENT

ADDITIONAL RESOLUTIONS

The following Resolutions are added to the Explanatory Statement:

12. RESOLUTIONS 12 AND 13 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – 7.1 AND 7.1A CAPACITY

12.1 General

On 25 October 2017, the Company announced that it had received commitments to subscribe for 42,857,143 Shares from sophisticated and professional investors at an issue price of \$0.70 per Share (**Placement Shares**) to raise \$30,000,000 (**Placement**). The Placement Shares will be issued prior to the Meeting, on or around 31 October 2017.

The Company engaged Blue Ocean Equities Pty Limited, Bridge Street Capital Partners Pty Ltd and Pulse Markets Pty Ltd as joint lead managers of the Placement (**Joint Lead Managers**).

The Placement Shares will be issued as follows:

- (a) 24,635,515 Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 (which is the subject of Resolution 12); and
- (b) 18,221,628 Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A (which is the subject of Resolution 13), which was approved by Shareholders on 17 November 2016.

Resolution 12 and 13 together seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Resolution 3 above.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (c) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (d) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue under Resolution 12, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

By ratifying the issue under Resolution 13, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 10 being passed by the requisite majority.

12.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 42,857,143 Shares will be issued, being:
 - (i) 24,635,515 Shares (the subject of Resolution 12); and
 - (ii) 18,221,628 Shares (the subject of Resolution 13);
- (b) the issue price will be \$0.70 per Share;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares are being issued to clients of the Joint Lead Managers. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue will be used to advance development of the Company's Thunderbird Mineral Sands Project near Derby in Western Australia.

ADDITIONS TO THE GLOSSARY

The following terms are added to the Glossary:

"SPP" means the underwritten Share Purchase Plan announced by the Company on 25 October 2017 for the issue of up to 2,857,143 Share at an issue price of \$0.70 per Share to raise up to \$2,000,000 with an expected issue date of 23 November 2017.

Placement means the placement announced by the Company on 25 October 2017 for the issue of up to 42,857,143 Shares at an issue price of \$0.70 per Share to raise \$30,000,000 with an expected issue date of 31 October 2017."

AMENDMENTS TO EXPLANATORY MEMORANDUM

In addition to the inclusion of the additional Resolutions 12 and 13, the Explanatory Memorandum is supplemented and amended as follows:

1. AMENDMENT TO SECTION 5.6

The following paragraph is added to Section 5.6(i) (**Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.11**):

“(j) Assuming that the maximum number of Shares are issued under the Placement and the SPP, if the Related Party Options granted to the Related Parties are vested and exercised, this will increase the number of Shares on issue from 227,930,570 to 228,303,166 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.16%, comprising 0.05% by Mr Archer and 0.08% by Mr McFadzean.”

2. AMENDMENT TO SECTION 7.2

(a) The dilution table at Section 7.2(c) (**Risk of Voting Dilution**) is replaced with the following:

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.4100 50% decrease in Issue Price	0.8200 Issue Price	1.2300 50% increase in Issue Price
227,930,570 (Current Variable A)	Shares issued - 10% voting dilution	22,793,057 Shares	22,793,057 Shares	22,793,057 Shares
	Funds raised	\$9,345,153	\$18,690,307	\$28,035,460
341,895,855 (50% increase in Variable A)	Shares issued - 10% voting dilution	34,189,586 Shares	34,189,586 Shares	34,189,586 Shares
	Funds raised	\$14,017,730	\$28,035,460	\$42,053,190
455,861,140 (100% increase in Variable A)	Shares issued - 10% voting dilution	45,586,114 Shares	45,586,114 Shares	45,586,114 Shares
	Funds raised	\$18,690,307	\$37,380,613	\$56,070,920

Notes 1 and 2 to the dilution table at Section 7.2(c) are amended as follows:

- There are currently 227,930,570 Shares on issue comprised of:
 - 182,216,284 Shares on issue as at the date of this Notice of Meeting; and
 - 42,857,143 Shares issued pursuant to the Placement; and
 - 2,857,143 Shares issued pursuant to the SPP.
 - The issue price set out above is the closing price of the Shares on the ASX on 20 October 2017.
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- (b) Relace the second and third paragraph at Section 7.2(f) (**Previous approval under ASX Listing Rule 7.1A**) with the following:

“As at the date of the Meeting, the Company will have issued 18,221,628 Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 22 November 2016, the Company otherwise issued a total of 26,142,458 Shares and 3,912,372 Options which represents approximately 13.5% of the total diluted number of Equity Securities on issue in the Company on 22 November 2016, which was 193,227,769.”

3. AMENDMENT TO SECTION 9.7

The proposed capital structure table of Carawine at Section 9.7 (**Proposed Capital Structure of Carawine**) is replaced with the following:

Type of security	Maximum subscription (assuming \$7,000,000 is raised under the Carawine IPO)	%	Minimum subscription (assuming \$5,000,000 is raised under the Carawine IPO)	%
Fully paid ordinary shares				
Sheffield Shareholders ⁶	20,000,000	36.4	20,000,000	44.4
Sheffield	Nil	Nil	Nil	Nil
Carawine IPO ¹	35,000,000	63.6	25,000,000	55.6
Total Carawine Shares⁵	55,000,000*	100	45,000,000*	100
Loyalty Options⁴				
Carawine Shareholders prior to issue of securities under the IPO ³	6,666,667		6,666,667	
Sheffield	Nil		Nil	
Carawine IPO ^{1,2}	11,666,667		8,333,333	
Total Loyalty Options	18,333,334		15,000,000	
Employee Options⁷				
Options to be issued to an unrelated employee of Carawine	500,000		500,000	
Total Carawine Options	18,833,334	100	15,500,000	100

The following note is added as Note 7 to the proposed capital structure table:

⁷ These Options will be issued under Carawine's employee incentive option scheme. They will be issued on the same terms as the Loyalty Options except the Options will not be subject to the vesting conditions outlined in section (c) of Schedule 10. It is expected that these Options will be issued prior to Carawine's admission to ASX.

4. AMENDMENT TO SECTION 10

- (c) Paragraphs 4 and 5 of Section 10.2 (**Distribution of Carawine Shares to Sheffield Shareholders**) are replaced with the following:

"As at the date of the Meeting there will be 225,073,427 Shares on issue in the Company (including those issued under the Placement). After the meeting but prior to the date of the Distribution, the Company will issue an additional 2,857,143 Shares under the SPP, which will result in the Company having 227,930,570 Shares on issue. Assuming this same number of Shares was on issue at the Record Date, the formula for the Distribution would be approximately 1 Carawine Share for every 11.4 Sheffield Shares held. Any exercise of Options in Sheffield will have the effect of lowering the number of Carawine Shares distributed for each Share in Sheffield. Any fractions of entitlement will be rounded down to the next whole number.

Sheffield currently has 7,931,358 Options on issue that may be freely exercised prior to the indicative timing of the Record Date being early December 2017 (i.e where applicable, the relevant vesting conditions and performance milestones will have been met). Assuming, all these Options are exercised there would be 235,861,928 Shares on issue at the Record Date (including those issued under the Placement and the SPP) and the formula for the Distribution would be approximately 1 Carawine Share for every 11.8 Sheffield Shares held. For further details on the Options that Sheffield has on issue and vesting conditions, refer to Section 4(g) of this Explanatory Statement."

- (b) Paragraph 2 of Section 10.3 (**Proposed Return of Capital**) is replaced with the following:

"Please refer to Schedule 6 for the pro-forma statements of financial position of Sheffield which show the expected financial impact of the Distribution and Carawine IPO as at 30 June 2017 including adjustments for the assumed completion of the Placement and the SPP."

- (c) The fifth paragraph in Section 10.5 (**Overseas Shareholders**) is replaced with the following:

"As at the date of this Notice, there are 4,943,961 Sheffield Shares held by 13 Ineligible Shareholders. This number may increase as a result of Shares issued under the Placement and the SPP. Ineligible Shareholders will be notified as to the progress of the sales by the Lead Manager."

- (d) The first paragraph in Section 10.8 (**Effect of Proposed Capital Reduction on the Company**) is replaced with the following:

"As referred to at Section 10.13 of this Explanatory Statement, a pro-forma statement of financial position of Sheffield is contained in Schedule 6 which shows the financial impact of the capital reduction and the Distribution on

the Company. The pro-forma also shows additional adjustments assuming completion of the Placement and the SPP."

- (e) The fourth paragraph in Section 10.8 (**Effect of Proposed Capital Reduction on the Company**) is replaced with the following:

"This is reflected in the pro forma for Sheffield in Schedule 6 of the Notice of Meeting which shows the financial impact based on Sheffield's market capitalisation as at 30 June 2017, including adjustments for the assumed completion of the Placement and the SPP."

- (f) The first paragraph, table and 'Notes' to the table in Section 10.9 (**Sheffield Director's Interests and Recommendations**) are replaced with the following:

"The table below sets out the number of securities in Sheffield held by the Sheffield Directors at the date of the Meeting, the number of securities in Sheffield they are likely to hold based on their intentions to participate under the SPP, and the number of Carawine Shares they are likely to have an interest in if Resolution 11 is passed and implemented (assuming they receive their full intended allocation of Shares under the SPP):

Director	Sheffield Shares	Sheffield Shares after participation under the SPP ⁶	Options	Approximate Number of Carawine Shares each Director will receive ¹	Approximate Number of Carawine Loyalty Options each Director will receive
Will Burbury	8,170,000	8,191,428	Nil	718,546	239,515
Bruce McFadzean ²	1,325,145	1,346,573	2,500,000	118,120	39,373
David Archer ³	8,172,855	8,194,283	550,000 ⁵	718,797	239,599
Bruce McQuitty	8,034,100	8,055,528	Nil	706,625	235,542

¹ Assuming a 1 for 11.4 ratio for the Distribution for illustrative purposes only. It is not clear at the date of this Notice what the exact ratio for the Distribution will be. Refer to Section 10.2 for further details.

² Shares are held indirectly through Tardiforme Pty Ltd. The number of Shares held includes an additional 142,741 Shares not currently held by Mr McFadzean, assuming that Mr McFadzean exercises 142,741 Options at \$0.001 following the satisfaction of the relevant vesting condition which will occur on 1 November 2017. These Options have not been included in this table.

³ Shares are held indirectly through Archer Enterprises (WA) Pty Ltd <David Archer Family Trust> and David Lindsay Archer & Simone Elizabeth Archer <David Archer Super Fund>. The number of Shares held includes an additional 61,175 Shares not currently held by Mr Archer, assuming that Mr Archer exercises 61,175 Options at \$0.001 following the satisfaction of the relevant vesting condition which will occur on 1 November 2017. These Options have not been included in this table.

⁴ 260,817 Related Party Options to be issued subject to Shareholder approval under Resolution 4. As the exercise period is limited, the Related Party Options cannot vest into Shares prior to the Distribution. The 2,500,000 performance Options included above are subject to performance milestones. These milestones cannot be met prior to the Record Date and therefore cannot vest into Shares.

⁵ 111,779 Related Party Options to be issued subject to Shareholder approval under Resolution 5. As the exercise period is limited, the Related Party Options cannot vest into Shares prior to the Distribution. The 550,000 performance Options included above are subject to performance milestones. These milestones cannot be met prior to the Record Date and therefore cannot vest into Shares.

⁶ Will Burbury, Bruce McFadzean, David Archer and Bruce McQuitty each intend to subscribe for \$15,000 worth of Shares under the SPP. This table assumes that each of the Directors are issued 21,428 Shares under the SPP. The number of Shares issued to each Director under the SPP may be scaled back in accordance with the terms of the SPP."

- (g) A note to the first table at Section 10.10 (**Capital Structure of Sheffield**) is included as follows:

"The capital structure of Sheffield as at the date of this Notice is:

Number of Shares	Number of Quoted Options	Number of Unquoted Options
182,216,284 ¹	Nil	13,631,657

1. On completion of the Placement and the SPP, which will occur prior to the Record Date, the Company will have on issue 227,930,570 Shares."

5. AMENDMENT TO SECTION 11

The third paragraph in Section 11.1 (**Corporations Act Requirements**) is deleted and is replaced with the following:

"The Directors believe that, notwithstanding the participation of those parties who will receive Shares pursuant to the Placement (**Placement Participants**), and the SPP, the Spin-out is fair and reasonable to Sheffield Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors for the following reasons:

- (a) each Sheffield Shareholder (including each Placement Participant) is treated equally and in the same manner since the terms of the reduction of capital are the same for each Sheffield Shareholder;
 - (b) the Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Spin-out;
 - (c) the Placement Participants and subscribers under the SPP will pay cash for their Shares and are entitled to the same rights as existing Sheffield Shareholders in accordance with the Company's Constitution;
 - (d) the Shares issued to the Placement Participants under the Placement and subscribers under the SPP will constitute 20.06% of the issued capital of the Company (on an undiluted basis) as at completion of the Spin-out; and
 - (e) the potential disadvantages do not outweigh the potential advantages of the Spin-out as set out in Section 8.6 above."
-

6. AMENDMENT TO SCHEDULE 4

(a) The following row is included in the table in Schedule 4:

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Intended Issue – 31 October 2017 ¹¹	42,857,143	Shares ²	Clients of the Joint Lead Managers	\$0.70 per Share (discount to Market Price cannot be determined prior to issue)	Cash Amount raised = \$30,000,000 Amount spent = Nil Proposed use of funds = To advance development of the Company's Thunderbird Mineral Sands Project near Derby in Western Australia.

(b) The following Note 11 is added to the notes to the table in Schedule 4:

"11. Note this is assuming the Placement is completed and the Shares issued under the Placement are issued in accordance with the current expected timetable."

7. AMENDMENT TO SCHEDULE 6

The pro-forma consolidated statement of financial position at Schedule 6 is replaced with the following:

	Audited 30 June 2017	Adjustments	Proforma Post Raise / In- specie Distribution
	\$	\$	\$
Current Assets			
Cash and cash equivalents	8,334,797	30,042,987 ¹	38,377,784
Trade and other receivables	289,265	-	289,265
Total Current Assets	8,624,062	30,042,987	38,667,049
Non-Current Assets			
Plant and equipment	107,289	-	107,289
Deferred exploration expenditure	38,524,480	(2,352,995) ²	36,171,485
Total Non-Current Assets	38,631,769	(2,352,995)	36,278,774
Total Assets	47,255,831	27,689,992	74,945,823
Current Liabilities			
Trade and other payables	1,279,017	-	1,279,017
Provisions	270,492	-	270,492
Total Current Liabilities	1,549,509	-	1,549,509
Net Assets	45,706,322	27,689,992	73,396,314
Equity			
Issued capital	54,721,957	27,511,439 ^{1,2}	82,233,396
Reserves	6,069,893	-	6,069,893
Accumulated losses	(15,085,528)	178,553 ²	(14,906,975)
Total Equity	45,706,322	27,689,992	73,396,314

¹Sheffield is intending to undertake a capital raising by the issue of 45,714,286 shares at an issue price of \$0.70 each to raise \$30 million under the Placement and \$2 million under a share

purchase plan. The SPP is fully underwritten. The pro forma takes into account this proposed capital raising less an estimated capital raising cost of \$1.957 million.

²Derecognition of the carrying amount of deferred exploration expenditure on the distribution of Carawine Shares (return of capital) to Sheffield Shareholders. The share capital of the Company will be reduced by the amount to be assessed by the Sheffield Directors determined in proportion to the market value of such Carawine Shares and the market capitalisation of Sheffield at the time of the Distribution. As the market capitalisation has increased due to the Placement and SPP at an issue price of 70 cents (compared to, on a historical cost basis, an average price at 30 June 2017 of 30 cents), the proportion of the market value of Carawine Shares has decreased (on the total market capitalisation of Sheffield) but is multiplied by the proforma share capital of Sheffield at a higher average price per Share (also inclusive of raising capital at 70 cents). This results in a gain on derecognition of \$178,553, as opposed to a loss of \$(207,641) in the original Notice of Meeting

DATED 2 November 2017

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Bruce McFadzean', written over a circular stamp or seal.

BRUCE McFADZEAN
MANAGING DIRECTOR

Enquiries: Shareholders should contact the Company Secretary on +61 8 6555 8777 if they have any queries in respect of the matters set out in this Addendum to Notice of Meeting.



SheffieldResources
LIMITED
ACN 125 811 083

LODGE YOUR VOTE

 **ONLINE**
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 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

IMPORTANT: THIS PROXY FORM IS AN ADDENDUM CONTAINING TWO ADDITIONAL RESOLUTIONS REQUIRING YOUR ATTENTION

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **4:30pm (WST) on Monday, 20 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THE SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Sheffield Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **4:30pm (WST) on Wednesday, 22 November 2017 at The Celtic Club, 48 Ord Street, West Perth WA 6005** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4, 5, 6, 7, 8 and 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6, 7, 8 and 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an 'X'.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Options to Senior Management – Jim Netterfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – David Archer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Employee Incentive Scheme - Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval for an equal reduction of capital and in-specie distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options to Related Party – David Archer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please see below 2 new additional resolutions			
5 Issue of Options to Related Party – Bruce Mcfadzean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Ratification of Prior Issue of Placement Shares – 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Options to Senior Management – Mark Di Silvio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Ratification of Prior Issue of Placement Shares – 7.1A Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Options to Senior Management – Stuart Pether	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of Options to Senior Management – Neil Patten-Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SFX PRX1701N

