



**Sheffield**Resources  
LIMITED

ABN 29 125 811 083

# Interim Financial Report

For the half-year ended 31 December 2015

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## DIRECTORS' REPORT

Your Directors submit the financial report of the Group for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

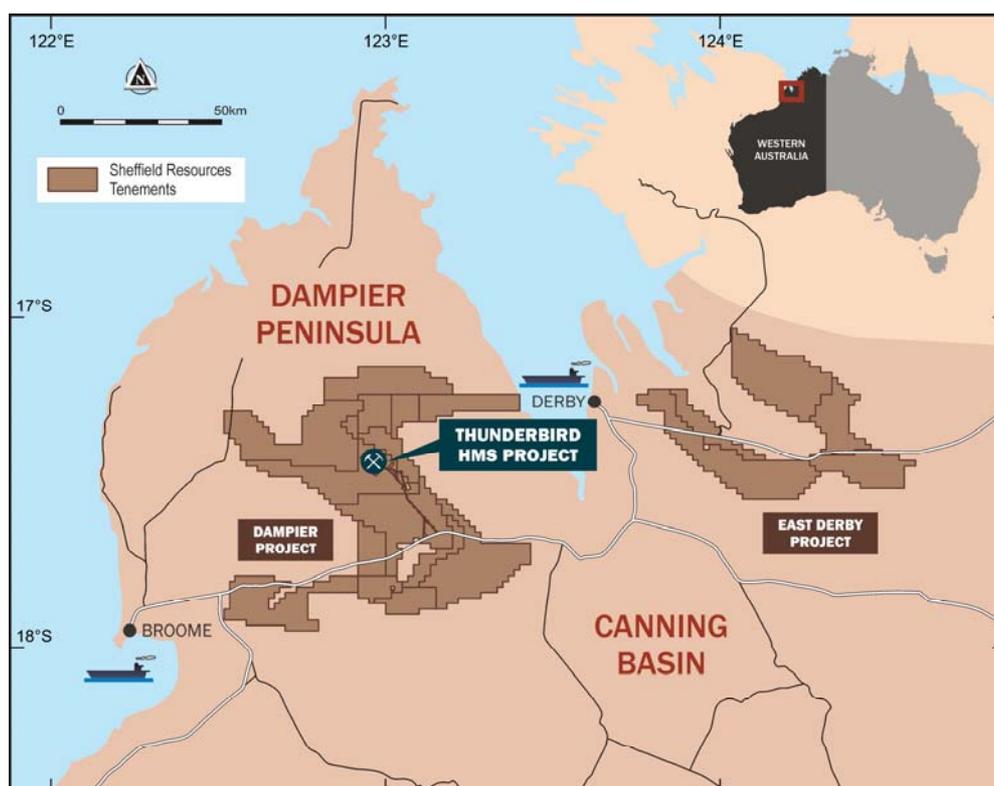
The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Will Burbury	Non-Executive Chairman
Bruce McFadzean	Managing Director ( <i>Appointed 2 November 2015</i> )
David Archer	Executive Director
Bruce McQuitty	Non-Executive Director

## REVIEW OF OPERATIONS

During the reporting period, Sheffield Resources Limited ("Company" or "Sheffield") maintained its operational focus on its flagship Thunderbird Heavy Mineral Sands ("Thunderbird") project, located near Derby in the Canning Basin region of Western Australia (Figure 1).

The Thunderbird deposit is one of the largest and highest grade mineral sands discoveries in the last 30 years. During the period, the Company announced the results of a Pre-Feasibility Study ("PFS") on Thunderbird and has commenced work on a Bankable Feasibility Study ("BFS").



**Figure 1:** Location of Thunderbird HMS project

Sheffield maintains focus on the Thunderbird project as the key driver for growth over the coming years. The Company shall conclude the BFS by the end of 2016 whilst continuing with Native Title negotiations, other permitting activities, off-take opportunities and community engagement in preparation for first shipment of products in 2019.

Sheffield shall continue to explore the Dampier Project for other mineral sands opportunities with further drilling planned in 2016 for the exciting Night Train deposit 20 km south west of Thunderbird along with other targets identified in the 2015 field season. With further exploration success, the Dampier Project could highlight a significant new mineral sands belt in Western Australia.

To a lesser extent, Sheffield will continue exploring the Fraser Range region for nickel sulphide deposits and the Eneabba and McCalls regions north of Perth, Western Australia for mineral sands deposits. As an exploration company, Sheffield continues to assess other regional exploration opportunities.

#### KEY HIGHLIGHTS FOR THE PERIOD

- As announced on 31 July 2015, confirmation of Thunderbird as a globally significant zircon deposit following the high grade Mineral Resource Update to 1.09Bt @ 11.9% heavy mineral ("HM") with an overall Resource totalling 3.240Bt @ 6.9% HM;
- Delivery of the Pre-Feasibility Study on 14 October 2015, confirming the Thunderbird project as a low risk, high margin, long life mining project;
- Delivery of the Maiden Ore Reserve for Thunderbird totalling 683Mt @ 11.3% HM, underpinned by exceptionally high in-situ zircon grades;
- Appointment of key executives including highly credentialed Mr Bruce McFadzean as Managing Director, Mr Jim Netterfield as Project Manager to lead the delivery of the Bankable Feasibility Study for Thunderbird and Mr Mark Di Silvio as CFO/Company Secretary. Each of the appointments compliments Sheffield's progression toward the establishment of a long life, low risk operation at Thunderbird;
- Appointment of Tier 1 engineering group Hatch Pty Ltd to deliver the BFS for the Company's Thunderbird project. The scope of the BFS will be similar to the PFS, however Sheffield has taken the opportunity to capture the benefit of higher head-grade in the Project's early years by further refining its two-stage production strategy as described in the PFS to target further reductions in project risk, capital and operating expenditure;
- Completion of equity raising totalling \$5.2m to facilitate execution of the Thunderbird BFS during 2016.

#### Thunderbird Heavy Mineral Sands Project

Zircon is the key value driver of the project making up 60% of forecast revenue, with the remainder generated from substantial amounts of high grade sulphate ilmenite and HiTi leucoxene. The high proportion of zircon in the product suite sets Thunderbird apart from many of the world's operating and undeveloped mineral sands projects which are dominated by lower value ilmenite.

The PFS announced on 14 October 2015 contains the following developments and key initiatives:

- 12Mtpa initial throughput ramping to 18Mtpa designed to significantly lower pre-production capital expenditure;
- An updated Mineral Resource, including a large increase in the Measured Resource component;
- Detailed mine scheduling in early production years to incorporate high grade, shallow mineralisation;
- An upgraded LTR ilmenite product; and
- Review of capital and operating expenditure.

The processing flow sheet now includes an ilmenite upgrade step using a low temperature roast ("LTR") to upgrade the primary ilmenite by 22% to produce a high grade (56.1%) sulphate ilmenite. This will be one of the highest grade sulphate ilmenites in the global market. Smelter modelling test work also confirms the LTR ilmenite is suitable feed for producing high quality TiO<sub>2</sub> slag (89.8% TiO<sub>2</sub>) and pig iron. Higher forecast pricing for the LTR ilmenite product is the principal driver of the 11% increase in unit revenue.

The operation will be ramped up to a throughput of 18Mtpa in year eight, well past the initial capital payback period of 3.4 years. The ramp-up involves straightforward modular additions of plant and equipment which will be fully funded by operating cash flow.

The PFS incorporates a Build Own Operate (BOO) arrangement for the accommodation camp and power station, in conjunction with cost saving measures associated with various on-site and off-site infrastructure components. Mining unit plants and mobile equipment are planned to be lease-purchased over 5 years.

Pre-production capital costs are estimated at A\$296.6M (including contingency amounts) and based upon an initial mine throughput of 12Mtpa. The pre-production capital total includes A\$27.7M for an ilmenite upgrade plant which will allow Sheffield to produce large quantities of consistently high quality, high grade sulphate ilmenite over the 40-year mine life.

The PFS is based on the Thunderbird Mineral Resource announced on 31 July 2015. It comprises 3.240Bt @ 6.9% HM (at 3% HM cut off), including a coherent high grade zone of 1.09Bt @ 11.9% HM (at 7.5% cut off) (Measured, Indicated and Inferred). The high grade component contains 9.9Mt of zircon, 3.0Mt of high-titanium leucoxene, 2.8Mt of leucoxene and 36Mt of ilmenite (Table 2).

The Measured category comprises 110Mt @ 14.9% HM (at 7.5% HM cut-off), with very high in-situ zircon and ilmenite grades of 1.09% and 4.0% respectively. Significantly, the majority of the Measured Resource occurs in the shallow up-dip portion of the deposit targeted for production in the early years of the operation.

**Table 1: PFS Financial Highlights (\$ AUD)**

PFS OUTCOMES	
<b>Pre-production Capital<sup>1</sup></b>	<b>\$296.6M</b>
<b>Mine Life</b>	<b>40yrs</b>
<b>Revenue LOM</b>	<b>\$11.8B</b>
Annual Operating Cash Flow <sup>2</sup>	\$149M
Annual EBITDA	\$135M
Capital Payback	3.4yrs
Unit Revenue LOM	\$566
Unit Cash Cost <sup>2</sup> LOM	\$280
Revenue to Cost <sup>2</sup> Ratio LOM	2.02

1. Includes contingency
2. Excludes royalties.

**Table 2: Thunderbird Deposit High Grade Mineral Resource Summary (at 7.5% HM cut-off) 31 July 2015**

Resource	MINERAL RESOURCES <sup>1</sup>		VALUABLE HM GRADE (in situ) <sup>2</sup>			
	Material Mt	HM %	Zircon %	HiTi Leuc %	Leucoxene %	Ilmenite %
Measured	110	14.9	1.09	0.31	0.28	4.0
Indicated	850	11.8	0.90	0.28	0.25	3.3
Inferred	130	10.7	0.82	0.25	0.23	3.0
<b>TOTAL</b>	<b>1,090</b>	<b>11.9</b>	<b>0.91</b>	<b>0.28</b>	<b>0.25</b>	<b>3.3</b>

1. Tonnes have been rounded to reflect the relative uncertainty of the estimate.
2. The in situ grade is determined by multiplying the percentage of HM by the percentage of each valuable heavy mineral within the heavy mineral assemblage.

### Thunderbird Maiden Ore Reserve

Subsequent to the end of the period, the Company announced its maiden Ore Reserve for the Thunderbird Project (refer ASX release dated 22 January, 2016). The maiden Ore Reserve supports the 40 year mine life as detailed in the PFS and further highlights the world class significance of the Thunderbird project for the local Kimberley communities and Western Australia at large.

**Table 3: Thunderbird Ore Reserve (22 January 2016)**

DEPOSIT	Ore Reserve			Valuable HM Grade (In-Situ)				Oversize (%)	Slimes (%)
	Reserve Category	Material (Mt)	HM (%)	Zircon (%)	HiTi Leuc (%)	Leucoxene (%)	Ilmenite (%)		
Thunderbird	Proved	115.1	13.7	1.01	0.29	0.28	3.67	12.7	17.3
	Probable	567.6	10.9	0.85	0.27	0.29	3.03	10.2	16.1
	<b>Total</b>	<b>682.7</b>	<b>11.3</b>	<b>0.88</b>	<b>0.27</b>	<b>0.29</b>	<b>3.14</b>	<b>10.6</b>	<b>16.3</b>

Calculations have been rounded to the nearest 100,000 tonne, 0.1% grade. Differences may occur due to rounding. The in-situ grade is determined by multiplying the percentage of HM by the percentage of each valuable heavy mineral within the heavy mineral assemblage. Ore Reserve is reported by economic cut-off with appropriate consideration of modifying factors, costs, mineral assemblage, process recoveries and product pricing.

The Ore Reserve estimate was prepared by Entech Pty Ltd, an experienced and prominent mining engineering consultancy with appropriate mineral sands experience. The Ore Reserve estimate is based on the July 2015 mineral resource estimate generated for the Company by QG Pty Ltd (see ASX release dated 31 July 2015). Measured and Indicated Mineral resources were converted to Proved and Probable Ore Reserves, subject to mine designs, modifying factors and economic evaluation (refer to ASX release dated 22 January 2016 for further details). All Mineral Resources for Thunderbird referred to in this report are inclusive of the Thunderbird Ore Reserves.

### Development Schedule

The Company plans to complete a Definitive Feasibility Study in 2016, followed by mine construction commencing in 2017, followed by commissioning in 2018 and first production in 2019, as per the schedule below.

**Table 4:** Thunderbird Project Development Timeline

ACTIVITY	2016				2017				2018				2019	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Permitting	■	■												
Definitive Feasibility Study	■	■	■	■										
Environmental Approvals	■	■	■	■										
Infrastructure	■	■	■	■	■	■	■	■						
Engineering Construction					■	■	■	■	■	■	■	■	■	
Commissioning												■	■	■
<b>First Products</b>														■

### Bankable Feasibility Study ("BFS")

The BFS has commenced and is scheduled for completion by the end of 2016. With the exception of minor confirmatory fieldwork and metallurgical test work, the majority of the BFS activity will focus on preliminary engineering, supply quotation and cost estimation. The BFS will yield reliable estimates of quantities and prices of plant, equipment, buildings and civil structures. The key deliverables of the BFS are detailed estimates of capital and operating costs (generally defined as a Class 3 estimate, typically  $\pm 10$  to 15%), accompanied by related risk and opportunities associated with the project. Other deliverables include a preliminary project construction plan, legal, commercial and other factors.

During the BFS, Sheffield will explore opportunities to improve the Project's robust financial returns focussed upon:

- Capital and operating expenditure reductions and savings identified through engineering and sourcing; and
- Further optimisation of;
  - project definition to provide the best outcome in terms of CAPEX, OPEX and risk;
  - process design, focused on increasing processing efficiency, product quality and recoveries; and
  - product marketing and offtake.

Based on the long-life Ore Reserve at Thunderbird, the high quality products, and the likelihood of international funding and offtake, the decision was made to utilise Hatch Pty Ltd, a Tier 1, internationally recognised project management and engineering consultant to ensure the study will meet the standards required for investment decisions.

This BFS study will advance in parallel with the environmental approvals process, Native Title negotiations, funding and offtake negotiations.

### Environmental approvals

An environmental impact assessment referral was lodged with the Office of the Environmental Protection Authority and was assessed at the Public Environmental Review (PER) level. Documentation for the PER process is progressing well and the application will be in the public arena during the second half of 2016.

### Native Title

Native Title negotiations progressed through the period and the Company is targeting an agreement to be completed during 2016.

### Exploration and Resource Development: Thunderbird

Exceptionally high grade results were returned from infill drilling in the shallow, northern part of the Thunderbird deposit. The results relate to 110 infill aircore drill holes completed during Q3 2015 and are subsequent to the current 31 July 2015 Mineral Resource. Significant results include:

- 28.5m @ 14.7% HM from 1.5m (THAC664), including 16.5m @ 21.6% HM from 6m
- 28.5m @ 14.3% HM from 1.5m (THAC663), including 16.5m @ 20.0% HM from 4.5m
- 18.0m @ 15.0% HM from 0m (THAC651), including 12.0m @ 21.1% HM from 0m
- 37.5m @ 12.3% HM from 0m (THAC673), including 21.0m @ 16.8% HM from 0m
- 40.5m @ 12.1% HM from 4.5m (THAC621), including 24.0m @ 16.5% HM from 6m
- 24.0m @ 14.2% HM from 0m (THAC660), including 15.0m @ 19.7% HM from 1.5m
- 31.5m @ 12.2% HM from 3m (THAC633), including 15.0m @ 18.6% HM from 6m

(>3.0% HM cut-off, including >7.5% HM cut-off, refer to ASX release dated 10 December 2015 for full details)

The infill drilling completes a closely-spaced drill pattern of 125m x 250m within the shallow up-dip portion of the deposit targeted for early production and largely fulfils the drilling requirement for the BFS.

#### Dampier Regional Mineral Sands

During the period, an exploration drilling program of 34 aircore drill holes for 1,804m was completed on exploration licences E04/2171, E04/2193, E04/2194 and E04/2084 which are part of Sheffield's broader Dampier project.

Four holes were drilled at Night Train prospect (E04/2171), three of which returned substantial mineralised intersections (refer to ASX release dated 22 September 2015 for full details):

- 13.5m @ 5.25% HM from 46.5m (DAAC094), including 7.5m @ 8.23% HM from 48m
- 24m @ 3.33% HM from 37.5m (DAAC093), including 12m @ 5.48% HM from 37.5m
- 9m @ 2.48% HM from 31.5m (DAAC092), including 3m @ 3.44% HM from 31.5m

Although it is still sparsely drilled, Night Train is shaping up as a significant new discovery. It is well located, just 5km from the Broome-Derby Highway and 2km from the proposed haul road for the Thunderbird Project.

In addition to the above, regional exploration aircore drilling undertaken during the period in the Bells Tower area, approximately 20km north of Thunderbird returned the following significant results:

- 9m @ 3.78% HM from 46.5m (DAAC075), including 6m @ 5.18% HM from 46.5m
- 4.5m @ 4.27% HM from 42m (DAAC072), including 3m @ 5.49% HM from 43.5m
- 3m @ 5.83% HM from 19.5m (DAAC068)
- 9m @ 2.73% HM from 40.5m (DAAC071), including 3m @ 4.93% HM from 43.5m
- 7.5m @ 2.58% HM from 42m (DAAC074), including 4.5m @ 3.51% HM from 43.5m
- 6m @ 3.17% HM from 36m (DAAC087), including 4.5m @ 3.53% HM from 37.5m

(refer to Sheffield's December 2015 Quarterly Report dated 27 January 2016 for full details)

The drilling results are extremely encouraging as they occur in sand units similar to those immediately below the Thunderbird stratigraphic position. The Bells Tower results, along with the discovery outlined at Night Train demonstrate the potential for additional deposits of the Thunderbird-type in the region.

#### Derby East

The Derby East project comprises 3 granted tenements E04/2391, E03/2393 and E04/2394 and two tenement applications with a total area of 1,843km<sup>2</sup>, covering prospective mineral sands ground to the east of Derby in Western Australia. During the period, a field visit was undertaken to brief pastoralists and other stakeholders of the proposed work program for 2016. A review of historical exploration data has commenced.

#### Fraser Range Nickel

A short RC and diamond drilling program was completed at the Stud prospect on the Red Bull project. Stud is located just 21km to the south of the Nova nickel-copper deposit in Western Australia.

One diamond drill hole with RC pre-collar (total 453m) targeted a large bedrock conductor, whilst four RC holes (total 642m) targeted zones of IP anomalism coincident with nickel-copper geochemical anomalism in aircore drill holes.

The diamond drill hole (REDD005) intersected a 12m zone of graphitic meta-sediment from 348m depth which is the most likely source of the bedrock conductor. A 13m interval of brecciated ultramafic with trace disseminated sulphides was intersected from 436m depth (see ASX release dated 23 December 2015). RC drill hole RERC003 intersected a 2m zone of disseminated sulphide mineralisation (predominantly pyrite, up to 10%) from 107m depth, near the contact between mafic granulite and meta-sedimentary units. The southernmost RC drill hole, RERC004, intersected a substantial down-hole thickness of metamorphosed ultramafic rocks from 48m to 160m (eoh) - a potential host unit for magmatic nickel sulphide deposits. RC drill holes RERC001 & RERC002 did not intersect any alteration or mineralisation of note (refer to ASX release dated 23 December, 2015 for full details).

These results are estimates from visual examination of the drill core and chips. Assay results are pending and are expected to be received during Q1 2016.

#### Eneabba & McCalls HMS Projects

No field work was undertaken during the period. A surface sampling program, targeting dunal HM deposits on the Eneabba project, is planned for Q1 2016.

#### Pilbara Iron

The three project tenements; E45/3662, E45/4029 and E45/3822, were sold to Atlas Iron Ltd (ASX: AGO) for a total consideration of \$150,000 in AGO shares (5,549,390 shares).

## COMPLIANCE STATEMENTS

This report includes information that relates to Exploration Results, Mineral Resources, Pre-Feasibility Study results and Ore Reserves which were prepared and first disclosed under the JORC Code 2012.

This report also includes information that relates to Mineral Resources which were prepared and first disclosed under the JORC Code 2004. The information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Ore Reserves and Pre-feasibility Study results, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information was extracted from the Company's previous ASX announcements as follows, these are available to view on Sheffield Resources Limited's web site [www.sheffieldresources.com.au](http://www.sheffieldresources.com.au)

### Reports prepared and first disclosed under the JORC Code 2012:

Item	Report Title	Report Date
Thunderbird Ore Reserve	MAIDEN ORE RESERVE – THUNDERBIRD PROJECT	22 January 2016
Thunderbird Pre-Feasibility Study	PRE-FEASIBILITY STUDY UPDATE CONFIRMS THUNDERBIRD AS THE WORLD'S BEST UNDEVELOPED MINERAL SANDS PROJECT	14 October 2015
Thunderbird Mineral Resources	THUNDERBIRD HIGH GRADE RESOURCE UPDATE	31 July 2015
Bells Tower Exploration Results	QUARTERLY REPORT FOR PERIOD ENDING 31 DECEMBER 2015	27 January 2016
Thunderbird Exploration Results	NEW HIGH-GRADE RESULTS FROM INFILL DRILLING AT THUNDERBIRD	10 December 2015
Red Bull Exploration Results	RED BULL NICKEL PROJECT UPDATE, FRASER RANGE	23 December 2015
Night Train Exploration Results	NEW MINERAL SANDS DISCOVERY AT NIGHT TRAIN	22 September 2015

### Reports prepared and first disclosed under the JORC Code 2004:

Item	Report Title	Report Date
Ellengail Mineral Resource	1MT CONTAINED HM INFERRED RESOURCE AT ELLENGAIL	25 October 2011
West Mine North Mineral Resource	WEST MINE NORTH MINERAL RESOURCE ESTIMATE EXCEEDS EXPECTATIONS	7 November 2011
McCalls Mineral Resource	4.4 BILLION TONNE MAIDEN RESOURCE AT MCCALLS HMS PROJECT	20 February 2012
Durack Mineral Resource	ENEABBA PROJECT RESOURCE INVENTORY EXCEEDS 5MT HEAVY MINERAL	28 August 2012
Yandanooka Mineral Resource	YANDANOOKA RESOURCE UPGRADE AND METALLURGICAL RESULTS	30 January 2013
Drummond Crossing Mineral Resource	1Mt HEAVY MINERAL RESOURCE ADDED TO ENEABBA PROJECT	30 October 2013

The Competent Persons for reporting of Exploration Results, Mineral Resources and Ore Reserves in the original market announcements are as follows:

Item	Name	Company	Professional Affiliation
Exploration Results	Mr David Boyd	Sheffield Resources	MAIG
Mineral Resources Reporting	Mr Mark Teakle	Sheffield Resources	MAIG, MAusIMM
Mineral Resources Estimation	Mr Trent Strickland	QG	MAusIMM
Ore Reserves	Mr Per Scrimshaw	Entech	MAusIMM

FORWARD LOOKING AND CAUTIONARY STATEMENTS

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

**MINERAL RESOURCES AND ORE RESERVES**

(Note Mineral Resources are inclusive of (not additional to) Ore Reserves)

**Table 5:** Thunderbird Ore Reserves at 22 January 2016

Deposit	Reserve Category	Material (Mt)	HM (%)	Slimes (%)	Oversize (%)	Valuable HM Grade (In-Situ)			
						Zircon (%)	HiTi Leuc (%)	Leucoxene (%)	Ilmenite (%)
Thunderbird	Proved	115.1	13.7	17.3	12.7	1.01	0.29	0.28	3.67
	Probable	567.6	10.9	16.1	10.2	0.85	0.27	0.29	3.03
	<b>Total</b>	<b>682.7</b>	<b>11.3</b>	<b>16.3</b>	<b>10.6</b>	<b>0.88</b>	<b>0.27</b>	<b>0.29</b>	<b>3.14</b>

Deposit	Reserve Category	Material (Mt)	HM (%)	Valuable HM Assemblage			
				Zircon (%)	HiTi Leuc (%)	Leucoxene (%)	Ilmenite (%)
Thunderbird	Proved	115.1	13.7	7.4	2.1	2.1	26.8
	Probable	567.6	10.9	7.8	2.5	2.6	27.9
	<b>Total</b>	<b>682.7</b>	<b>11.3</b>	<b>7.7</b>	<b>2.4</b>	<b>2.5</b>	<b>27.7</b>

Calculations have been rounded to the nearest 100,000 tonne, 0.1% grade. Differences may occur due to rounding. The Valuable HM Grade (in-situ) is determined by multiplying the percentage of HM by the percentage of each valuable heavy mineral within the heavy mineral assemblage. The Valuable HM Assemblage is reported as a percentage of the heavy mineral (HM). This Ore Reserve is reported by economic cut-off with appropriate consideration of modifying factors, costs, mineral assemblage, process recoveries and product pricing.

**Table 6:** Sheffield's contained Valuable HM (VHM) Resource inventory at 31 July 2015

Deposit	Resource Category	Zircon (kt)*	Rutile (kt)*	HiTi Leuc. (kt)*	Leuc. (kt)*	Ilmenite (kt)*	Total VHM (kt)*
Thunderbird	Measured	1,700	-	500	500	5,800	<b>8,400</b>
Thunderbird	Indicated	14,000	-	4,500	5,300	46,700	<b>70,500</b>
Thunderbird	Inferred	2,800	-	900	1,200	9,300	<b>14,200</b>
Yandanooka	Measured	13	2	-	3	87	<b>105</b>
Yandanooka	Indicated	250	77	-	78	1,450	<b>1,850</b>
Yandanooka	Inferred	4	1	-	2	23	<b>29</b>
Durack	Indicated	142	29	-	47	715	<b>933</b>
Durack	Inferred	26	4	-	12	123	<b>166</b>
Drummond Crossing	Indicated	143	102	-	37	540	<b>822</b>
Drummond Crossing	Inferred	6	5	-	1	28	<b>41</b>
Ellengail	Inferred	92	90	-	20	658	<b>860</b>
West Mine North	Measured	16	35	-	35	198	<b>283</b>
West Mine North	Indicated	59	81	-	45	502	<b>687</b>
McCalls	Inferred	3,490	1,060	-	2,560	42,800	<b>49,900</b>
<b>Total</b>	Measured	<b>1700</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>6,100</b>	<b>8,800</b>
<b>Total</b>	Indicated	<b>14,600</b>	<b>300</b>	<b>4,500</b>	<b>5,500</b>	<b>49,900</b>	<b>74,800</b>
<b>Total</b>	Inferred	<b>6,400</b>	<b>1,200</b>	<b>900</b>	<b>3,800</b>	<b>52,900</b>	<b>65,200</b>
<b>Total</b>	<b>All</b>	<b>22,800</b>	<b>1,500</b>	<b>5,900</b>	<b>9,700</b>	<b>108,900</b>	<b>148,800</b>

All tonnages have been rounded to reflect the relative uncertainty of the estimate, thus sum of columns may not equal. The contained VHM tonnages are derived from Mineral Resource Estimates for the Yandanooka, Ellengail, West Mine North, McCalls, Durack deposits (estimated using a 0.9% HM cut-off), the Drummond Crossing deposit (estimated using a 1.1% HM cut-off) and the Thunderbird deposit (estimated using a 3% HM cut-off) as detailed in Table 3.

\* Valuable Heavy Minerals are classified as zircon, rutile, HiTi leucoxene, leucoxene and ilmenite.

**Table 7: Sheffield's HMS Mineral Resource<sup>2</sup> Inventory at 31 July 2015**

Project	Deposit	Resource Category	Cut-off (% HM) <sup>3</sup>	Material (Mt)*	Bulk Density	HM %	Slimes % <sup>3</sup>	Osize %	Insitu HM (Mt)*	Zircon <sup>2</sup> %	Rutile <sup>2</sup> %	HiTi <sup>2</sup> Leuc. %	Leuc. <sup>2</sup> %	Ilm. <sup>2</sup> %
Dampier	Thunderbird	Measured	3.0	230	2.1	9.4	19	10	21	7.9	-	2.2	2.1	27
	Thunderbird	Indicated	3.0	2410	2.0	6.9	16	8	167	8.4	-	2.7	3.1	28
	Thunderbird	Inferred	3.0	600	2.0	5.6	16	9	33	8.4	-	2.8	3.5	28
	<b>Total Dampier</b>	<b>All</b>	<b>3.0</b>	<b>3,240</b>	<b>2.0</b>	<b>6.9</b>	<b>16</b>	<b>9</b>	<b>222</b>	<b>8.3</b>	<b>-</b>	<b>2.7</b>	<b>3.1</b>	<b>28</b>
Eneabba	Yandanooka	Measured	0.9	3	2.0	4.1	15	14	0.1	10	1.9	-	2.2	72
	Yandanooka	Indicated	0.9	90	2.0	2.3	16	15	2.1	12	3.7	-	3.7	69
	Yandanooka	Inferred	0.9	3	2.0	1.2	18	21	0.03	11	3.9	-	4.6	68
	Yandanooka	All	0.9	96	2.0	2.3	16	15	2.2	12	3.6	-	3.7	69
	Durack	Indicated	0.9	50	2.0	2.0	15	21	1.0	14	2.8	-	4.6	70
	Durack	Inferred	0.9	15	1.9	1.2	14	17	0.2	14	2.4	-	6.7	67
	Durack	All	0.9	65	2.0	1.8	15	20	1.2	14	2.8	-	4.9	70
	Drummond Crossing	Indicated	1.1	49	2.0	2.1	16	9	1.0	14	10	-	3.6	53
	Drummond Crossing	Inferred	1.1	3	2.0	1.5	16	8	0.05	13	9.9	-	2.8	55
	Drummond Crossing	All	1.1	52	2.0	2.1	16	9	1.1	14	10	-	3.6	53
	Ellengail	Inferred	0.9	46	2.0	2.2	16	2	1.0	9	8.7	-	1.9	64
	Ellengail	All	0.9	46	2.0	2.2	16	2	1.0	9	8.7	-	1.9	64
	West Mine North	Measured	0.9	6	2.0	5.6	15	1	0.4	4	9.6	-	9.5	54
	West Mine North	Indicated	0.9	36	1.9	2.3	13	3	0.8	7	9.6	-	5.4	60
	West Mine North	All	0.9	43	1.9	2.8	13	3	1.2	6	9.6	-	6.6	58
	Total Eneabba	Measured	Var.	9	2.0	5.2	15	5	0.5	6	7.7	-	7.7	59
	Total Eneabba	Indicated	Var.	225	2.0	2.2	15	13	5.0	12	5.8	-	4.2	64
	Total Eneabba	Inferred	Var.	68	2.0	1.9	15	6	1.3	10	7.7	-	2.7	64
	<b>Total Eneabba</b>	<b>All</b>	<b>Var.</b>	<b>302</b>	<b>2.0</b>	<b>2.2</b>	<b>15</b>	<b>11</b>	<b>6.8</b>	<b>11</b>	<b>6.3</b>	<b>-</b>	<b>4.1</b>	<b>64</b>
McCalls	McCalls	Inferred	0.9	4,431	2.3	1.2	27	1.4	53	7	2.0	-	4.8	81
	<b>Total McCalls</b>	<b>All</b>	<b>0.9</b>	<b>4,431</b>	<b>2.3</b>	<b>1.2</b>	<b>27</b>	<b>1.4</b>	<b>53</b>	<b>7</b>	<b>2.0</b>	<b>-</b>	<b>4.8</b>	<b>81</b>

\* All tonnages and grades have been rounded to reflect the relative uncertainty of the estimate and maintain consistency throughout the table, thus sum of columns may not equal.

<sup>1</sup> See the compliance statements in this report for important information relating to the reporting of these Mineral Resources. <sup>2</sup> The Mineral Assemblage is represented as the percentage of the Heavy Mineral (HM) component of the deposit, determined by QEMSCAN for Eneabba & McCalls, with TiO<sub>2</sub> minerals defined according to the following ranges: Rutile >95% TiO<sub>2</sub>; Leucoxene 85-95% TiO<sub>2</sub>; Ilmenite <55-85% TiO<sub>2</sub>; for Dampier the mineral assemblage was determined by screening and magnetic separation. Magnetic fractions were analysed by QEMSCAN for mineral determination as follows: Ilmenite: 40-70% TiO<sub>2</sub> >90% Liberation; Leucoxene: 70-94% TiO<sub>2</sub> >90% Liberation; High Titanium Leucoxene (HiTi Leucoxene): >94% TiO<sub>2</sub> >90% Liberation; and Zircon: 66.7% ZrO<sub>2</sub>+HfO<sub>2</sub> >90% Liberation. Non-magnetic fractions were submitted for XRF analysis and minerals determined as follows: Zircon: ZrO<sub>2</sub>+HfO<sub>2</sub>/0.667 and High Titanium Leucoxene (HiTi Leucoxene): TiO<sub>2</sub>/0.94. <sup>3</sup> West Mine North, Drummond Crossing, Durack and McCalls deposits are reported below 35% slimes cut-off.

### Events Subsequent To Reporting Date

The following events occurred after the reporting date:

- On 9 February 2016, the Group announced the issuance of 3,700,000 performance options and 473,713 remunerations options to the Managing Director and Project Manager in accordance with the terms of their employment agreements and previously disclosed on 26 October 2015 and 11 November 2015;
- On 15 February 2016, the Group announced the issuance of 381,000 shares to the Directors pursuant to shareholder approval on 5 February 2016. On 15 February 2016, the Group announced the issuance of 381,000 shares to the Directors pursuant to shareholder approval on 5 February 2016; and
- On 16 February 2016, the Group announced the appointment of Mr Mark Di Silvio as Chief Financial Officer (CFO) and Company Secretary and the issuance of 700,000 performance options to Mr Di Silvio.

No other matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Group in the future financial years.

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 13 and forms part of this Directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



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Mr Bruce McFadzean  
Managing Director

2 MARCH 2016



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Sheffield Resources Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
2 March 2016

A handwritten signature in blue ink that reads 'D I Buckley'.

**D I Buckley**  
**Partner**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
<b>Continuing operations</b>		
Interest income	47,221	142,891
Other Income	1,200	-
Employee benefit expense	(230,632)	(178,161)
Depreciation expense	(23,848)	(43,533)
Impairment of deferred exploration and evaluation expenditure	(430,156)	(29,011)
Share-based payments	(201,034)	-
Other expenses	(583,233)	(493,745)
Revaluation of financial assets	(50,111)	-
Loss on sale of tenements	(573,354)	-
<b>Loss before income tax</b>	<b>(2,043,947)</b>	<b>(601,559)</b>
Income tax benefit	1,828,340	1,523,586
<b>Profit after tax from continuing operations</b>	<b>(215,607)</b>	<b>922,027</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(215,607)</b>	<b>922,027</b>
Basic earnings per share (cents per share)	(0.16)	0.69
Dilutive earnings per share (cents per share)	(0.16)	0.67

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	Notes	Consolidated	
		31 December 2015 \$	30 June 2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		7,889,074	5,122,973
Trade and other receivables		411,617	300,680
Other financial assets		99,889	-
<b>Total Current Assets</b>		<b>8,400,580</b>	<b>5,423,653</b>
<b>Non-Current Assets</b>			
Plant and equipment		94,025	105,423
Deferred exploration and evaluation expenditure	2	28,349,972	26,186,268
<b>Total Non-Current Assets</b>		<b>28,443,997</b>	<b>26,291,691</b>
<b>Total Assets</b>		<b>36,844,577</b>	<b>31,715,344</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		837,469	850,419
Employee benefits		176,007	195,365
<b>Total Current Liabilities</b>		<b>1,013,476</b>	<b>1,045,784</b>
<b>Total Liabilities</b>		<b>1,013,476</b>	<b>1,045,784</b>
<b>Net Assets</b>		<b>35,831,101</b>	<b>30,669,560</b>
<b>Equity</b>			
Issued capital	3	38,513,819	33,337,705
Reserves		1,650,139	1,449,105
Accumulated losses		(4,332,857)	(4,117,250)
<b>Total Equity</b>		<b>35,831,101</b>	<b>30,669,560</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated				
	Issued Capital	Accumulated Losses	Option Reserve	Share-based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>33,337,705</b>	<b>(4,117,250)</b>	<b>1,449,105</b>	-	<b>30,669,560</b>
Loss for the period	-	(215,607)	-	-	(215,607)
<b>Total comprehensive loss for the period</b>	-	(215,607)	-	-	(215,607)
Shares issued during the half-year	5,450,859	-	-	-	5,450,859
Share issue costs	(274,745)	-	-	-	(274,745)
Share-based payments	-	-	-	201,034	201,034
<b>Balance at 31 December 2015</b>	<b>38,513,819</b>	<b>(4,332,857)</b>	<b>1,449,105</b>	<b>201,034</b>	<b>35,831,101</b>

	Consolidated				
	Issued Capital	Accumulated Losses	Option Reserve	Share-based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	<b>32,795,388</b>	<b>(4,753,746)</b>	<b>1,449,105</b>	-	<b>29,490,747</b>
Profit for the period	-	922,027	-	-	922,027
<b>Total comprehensive profit for the period</b>	-	922,027	-	-	922,027
Shares issued during the half-year	550,000	-	-	-	550,000
Share issue costs	(7,683)	-	-	-	(7,683)
<b>Balance at 31 December 2014</b>	<b>33,337,705</b>	<b>(3,831,719)</b>	<b>1,449,105</b>	-	<b>30,955,091</b>

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
	Inflows/(Outflows)	
<b>Cash flows from operating activities</b>		
Research and development tax refund	<b>1,828,340</b>	-
Receipts from customers	<b>1,200</b>	-
Payments to suppliers and employees	<b>(919,142)</b>	(783,902)
Interest received	<b>42,556</b>	159,259
Net cash inflows/(outflows) from operating activities	<b>951,754</b>	(624,643)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	<b>(3,605,916)</b>	(6,117,108)
Payments for plant and equipment	<b>(12,451)</b>	(32,300)
Net cash (outflows) from investing activities	<b>(3,618,367)</b>	(6,149,408)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	<b>5,450,859</b>	550,000
Payments for share issue costs	<b>(18,145)</b>	(7,683)
Net cash inflows from financing activities	<b>5,432,714</b>	542,317
Net increase/(decrease) in cash held	<b>2,766,101</b>	(6,231,734)
Cash and cash equivalents at the beginning of the period	<b>5,122,973</b>	10,879,408
<b>Cash and cash equivalents at the end of the period</b>	<b>7,889,074</b>	4,647,674

The accompanying notes form part of these financial statements

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Sheffield Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

**Basis of preparation**

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Significant accounting judgments and key estimates**

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

**Accounting policies and method of computation**

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Adoption of new and revised standards**

The group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year. The group has also reviewed all standards and interpretations that have been issued but are not yet effective for the half year ended 31 December 2015. As a result of this review, the directors have determined that there is no material impact on the Group and, therefore, no material change is necessary to Group accounting policies.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**NOTE 2: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	Consolidated	
	31 December 2015	30 June 2015
Costs carried forward in respect of areas of interest in the following phases:	\$	\$
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of period	26,186,268	18,730,709
Expenditure incurred	3,317,187	9,740,484
Expenditures related to tenements sold <sup>1</sup>	(723,327)	(1,007,957)
Exploration expenditure written-off <sup>2</sup>	(430,156)	(1,276,968)
<b>Total deferred exploration and evaluation expenditure</b>	<b>28,349,972</b>	<b>26,186,268</b>

<sup>1</sup> Three tenements were sold to Atlas Iron Limited (ASX: AGO) for a total consideration of \$150,000 in AGO shares

<sup>2</sup> Tenements relinquished during the period

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

**NOTE 3: ISSUED CAPITAL**

	Consolidated	
	31 December 2015	30 June 2015
<i>Ordinary shares</i>	\$	\$
Issued and fully paid	38,513,819	33,337,705

	Consolidated			
	No.		\$	
	31 December 2015	30 June 2015	31 December 2015	30 June 2015
<i>Movements in ordinary shares on issue</i>				
At start of period	134,430,747	133,385,685	33,337,705	32,795,388
Issue of fully paid ordinary shares at \$0.44 each	11,929,815	-	5,249,109	-
Issue of fully paid ordinary shares at \$0.81 each	-	395,062	-	320,000
Issued for cash on exercise of share options	672,500	650,000	201,750	230,000
Share issue costs	-	-	(274,745)	(7,683)
At end of period	147,033,062	134,430,747	38,513,819	33,337,705

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### NOTE 4: DIVIDENDS

No dividends were paid or declared during the half-year ended 31 December 2015.

### NOTE 5: SEGMENT REPORTING

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board of Directors) in allocating resources and have concluded that at this time there are no separate identifiable segments.

The Group's principal activity is exploration for mineral sands (zircon and titanium minerals) and nickel within the state of Western Australia. There have been no significant changes in the nature of these activities during the year.

### NOTE 6: OPTIONS

	Consolidated	
	31 December 2015 No.	30 June 2015 No.
<i>Movements in options over ordinary shares on issue</i>		
Balance at beginning of period	7,425,000	8,075,000
Exercise of unlisted options exercisable at \$0.44 each expiring 6 September 2014	-	(250,000)
Exercise of unlisted options exercisable at \$0.30 each expiring 13 December 2015	(672,500)	(400,000)
Lapsing of unlisted options	(477,500)	-
At end of period	6,275,000	7,425,000

### NOTE 7: FINANCIAL INSTRUMENTS

#### Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	Fair value as at	
	31 December 2015 \$	31 December 2014 \$
Financial assets		
- Trade and other receivables	279,547	1,969,358
- Bank guarantees	132,070	108,651
- Shares in a listed entity	99,889	-
Financial liabilities		
- Trade and other payables	837,469	433,758

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**NOTE 8: CONTINGENT LIABILITIES**

The Directors are of the opinion that there are no contingent liabilities as at 31 December 2015 (2014: nil).

**NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE**

The following events occurred after the reporting date:

- On 9 February 2016, the Group announced the issuance of 3,700,000 performance options and 473,713 remunerations options to the Managing Director and Project Manager in accordance with the terms of their employment agreements and previously disclosed on 26 October 2015 and 11 November 2015;
- On 15 February 2016, the Group announced the issuance of 381,000 shares to the Directors pursuant to shareholder approval on 5 February 2016. On 15 February 2016, the Group announced the issuance of 381,000 shares to the Directors pursuant to shareholder approval on 5 February 2016; and
- On 16 February 2016, the Group announced the appointment of Mr Mark Di Silvio as Chief Financial Officer (CFO) and Company Secretary and the issuance of 700,000 performance options to Mr Di Silvio.

No other matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Group in the future financial years.

## DIRECTORS' DECLARATION

In the opinion of the Directors of Sheffield Resources Limited ('the Group'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



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Mr Bruce McFadzean  
Director

2 March 2016



Accountants | Business and Financial Advisers

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sheffield Resources Limited

### Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sheffield Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Accountants | Business and Financial Advisers

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sheffield Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
Chartered Accountants

A handwritten signature in blue ink that reads 'D I Buckley'.

**D I Buckley**  
Partner

**Perth, Western Australia**  
**2 March 2016**