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## AMENDMENT TO EXECUTIVE DIRECTOR REMUNERATION

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Sheffield Resources Limited (ASX: SFX) (“Sheffield”, “the Company”) is pleased to advise it has entered into a new executive services agreement with Technical Director, Mr David Archer. The amendment to Mr Archer’s employment agreement is consistent with a series of key management appointments at Sheffield as the Company works toward the delivery of a Definitive Feasibility Study for the world-class Thunderbird Mineral Sands Project in the Kimberley region of north-west Western Australia.

Sheffield’s remuneration policy seeks to align executive remuneration with shareholder interests. To that end, Mr Archer’s base salary has been reduced and his remuneration package includes a portion of salary replacement equity and other incentive equity components which are summarised in Annexure A. Mr Archer’s new employment agreement comes into effect on 1 May 2016.

ENDS

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## ANNEXURE A

Mr Archer's remuneration package includes the following cash and equity components:

- a) Base Salary (exclusive of superannuation): \$175,000
- b) Share based remuneration: Mr Archer has agreed to receive \$75,000 per annum as equity based remuneration based on 30-day VWAP (subject to any required shareholder approvals each year);
- c) At-Risk Equity Package Milestones:
  - (i) 150,000 Options: Delivery of a DFS that is determined by the Board to be a sufficient improvement on the PFS Update. In making this determination, the Board will act reasonably and take into account all of the circumstances of the project's evolution from the PFS Update to DFS, with a particular emphasis on CAPEX and OPEX levels.
  - (ii) 200,000 Options: Upon finalisation of Board-approved financing package to construct the Thunderbird mine.
  - (iii) 350,000 Options: First products from Thunderbird on ship.
    - 1. To be issued in the form of zero cost options, subject to shareholder approval.
    - 2. All of the above vest on change of control and are subject to shareholder approval and achievement of the milestones.
    - 3. VWAP pricing based upon the 30 trading days prior to release of notice of meeting to shareholders.