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**SHEFFIELD RESOURCES LIMITED**

**ACN 125 811 083**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.30am (WST)

**DATE:** 28 November 2011

**PLACE:** The Boardroom  
The Vic Hotel  
226 Hay Street  
Subiaco WA 6008

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6424 8440.***

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the Annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30am (WST) on 28 November 2011 at:

The Boardroom  
The Vic Hotel  
226 Hay Street  
Subiaco WA 6008

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10.30am (WST) on 26 November 2011.

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2011.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

##### Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – WILL BURBURY

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

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Will Burbury, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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### 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 500,000 Shares 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.

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### 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUES – OPTIONS

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 2,875,000 Options 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.

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### 5. RESOLUTION 5 – APPROVAL OF ISSUES UNDER EMPLOYEE INCENTIVE OPTION PLAN

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

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Directors to allot and issue Options under an employee incentive scheme titled “Employee Incentive Option Plan” in accordance with its terms and conditions in the 3 years immediately following the passing of this Resolution.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as 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.

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**6. RESOLUTION 6 – APPOINTMENT OF AUDITOR**

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

*“That, for the purposes of section 327B(1)(a) of the Corporations Act and for all other purposes, HLB Mann Judd (ACN 193 232 714), having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company, effective immediately following the close of the Annual General Meeting.”*

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**DATED: 18 OCTOBER 2011**

**BY ORDER OF THE BOARD**

**WILL BURBURY  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.sheffieldresources.com.au/>.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are

included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

## 2.3 Definitions

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – WILL BURBURY

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 3 Directors and accordingly 1 must retire.

Will Burbury retires by rotation and seeks re-election.

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## **4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **4.1 General**

On 18 January 2011, the Company issued 500,000 Shares in part consideration for the acquisition of the McCalls Heavy Mineral Sands Project. Further details of this project are contained in the Company's announcement to ASX dated 17 January 2011.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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 this issue, 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.

### **4.2 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 Resolution 3:

- (a) 500,000 Shares were allotted;
- (b) the Shares were issued for nil cash consideration in partial satisfaction of the acquisition of the McCalls Heavy Mineral Sands Project;
- (c) the Shares issued were all 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 were allotted and issued in the following manner:
  - (i) 250,000 Shares to Zetek Resources Pty Ltd; and
  - (ii) 250,000 Shares to Brenton Parry,neither of whom is a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in part consideration for the acquisition of the McCalls Heavy Mineral Sands Project.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUES – OPTIONS**

### **5.1 General**

Since its admission to the official list of ASX on 13 December 2010 the Company has issued a total of 2,875,000 Options to employees of and consultants to the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 4.1 above.

By ratifying these issues, 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.

### **5.2 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 Resolution 4:

- (a) 2,875,000 Options were allotted;
- (b) the Options were issued for nil cash consideration;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were allotted and issued to employees of and consultants to the Company, none of whom are a related party of the Company;
- (e) no funds were raised from these issues as the Options were issued to employees of and consultants to the Company as a reward for prior services to the Company and to incentivise their future performance.

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## **6. RESOLUTION 5 – APPROVAL OF ISSUES UNDER EMPLOYEE INCENTIVE OPTION PLAN**

To ensure that the Company has appropriate mechanisms to continue to attract, motivate and retain the services of employees of a high calibre, the Company has, amongst other things, established the Employee Incentive Option Plan (**Plan**).

Employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an appropriate method to:

- (a) reward employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable employees.

The Plan will be used as part of the remuneration planning for employees of the Company.

Resolution 5 seeks Shareholder approval under Exception 9(b) of ASX Listing Rule 7.2 to allow the issue of Options under the Plan as an exception to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 4.1 above.

Exception 9(b) of ASX Listing Rule 7.2 sets out an exception to ASX Listing Rule 7.1. It provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will have the ability to issue Options to eligible participants under the Plan in the three years immediately following Shareholder approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period as permitted under ASX Listing Rule 7.1.

However, any future issues of Options under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

Shareholders should note that the issue of Options pursuant to the Plan has not previously been approved by Shareholders. As the issues of Options to employees of the Company the subject of Resolution 4 were made prior to obtaining Shareholder approval to issue Options under the Plan, Exception 9(b) of ASX Listing Rule 7.2 cannot be relied upon and those issues are made out of the Company's 15% annual placement capacity unless subsequently ratified by Shareholders.

A summary of the terms and conditions of the Plan is set out in Schedule 3 and a full copy of the Plan is available for inspection at the Company's registered office until the date of the Meeting.

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## **7. RESOLUTION 6 – APPOINTMENT OF AUDITOR**

HLB Mann Judd (ACN 193 232 714) were appointed auditors for the Company pursuant to Section 327A(1) of the Corporations Act. An auditor appointed under this provision holds office until the company's first annual general meeting.

Resolution 6 seeks Shareholder approval for the re-appointment of HLB Mann Judd as auditor of the Company.

In accordance with Section 328B(1) of the Corporations Act, the Company has obtained a nomination from a Shareholder for HLB Mann Judd to be re-appointed as auditor for the Company. A copy of this nomination is attached as Annexure A.

In accordance with Section 328A(1) of the Corporations Act, HLB Mann Judd has provided the Directors with written notification of its consent to act as auditor for the Company and as at the date of this Notice has not withdrawn that consent.

If Resolution 6 is passed, the appointment of HLB Mann Judd as auditor for the Company will take effect at the close of the Annual General Meeting.

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## GLOSSARY

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**\$** means the lawful currency of the Commonwealth of Australia.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Sheffield Resources Limited (ACN 125 811 083).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Employee Incentive Option Plan** or **Plan** means the employee incentive option plan of the Company described in Section 6 of the Explanatory Statement.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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The Options entitle the holder (**Optionholder**) to subscribe for Shares on the following terms and conditions:

- (a) Subject to (m), each Option gives the Optionholder the right to subscribe for one Share.
- (b) Where not previously lapsed in accordance with (c), the Options will expire at 5.00pm (WST) on the day immediately preceding that date which is:
  - (i) the 5 year anniversary of the date of issue in respect of all Options with an Exercise Price of \$0.30 each and 1,075,000 Options with an Exercise Price of \$0.44 each; or
  - (ii) the 3 year anniversary of the date of issue in respect of 250,000 Options with an Exercise Price of \$0.44 each;

**(Expiry Date).** Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (c) In the event the Optionholder (or associate of the Optionholder as the case may be) ceases to be employed by the Company, any Option not exercised before that date which is 30 days after the date of cessation of employment with the Company will automatically lapse on that date.
- (d) There are no conditions required to be satisfied prior to an Option being exercised.
- (e) The amount payable upon exercise of each Option will be:
  - (i) \$0.30 – in respect of 1,550,000 Options; or
  - (ii) \$0.44 – in respect of 1,325,000 Options;

**(Exercise Price).**

- (f) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

- (j) The Options are not transferable except with the prior approval of the board of directors of the Company.
- (k) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) If at any time after the date of issue of the Options the Company proceeds with a pro rata issue or a bonus issue of securities to Shareholders, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (p) In the event of any inconsistency between these terms and the Rules of the Employee Incentive Option Plan (**Rules**) adopted by the Company as at the date of issue of the Options, the Rules shall prevail, unless such an inconsistency arises only as a result of a variation to the Rules made subsequent to the date of issue of the Options.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE OPTION PLAN

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Set out below is a summary of the terms and conditions of the Plan:

- (a) **Purpose:** The purpose of the Plan is to encourage participation by eligible participants in the Company through share ownership and attract, motivate and retain eligible participants.
- (b) **Eligibility:** Under the Plan, the Board may invite full or part time employees or Directors of the Company (or an associated body corporate of the Company) (**Eligible Participants**) to participate in the Plan and receive Options (**Offer**). An employee may receive the Options or nominate an associate to receive the Options.
- (c) **Consideration:** Each Option issued under the Plan will be issued for nil cash consideration.
- (d) **Exercise Price:** The exercise price for Options granted under the Plan will be the price determined by the Board in its absolute discretion, subject any minimum price specified in the ASX Listing Rules.
- (e) **Restrictions:** The Options granted under the Plan may be subject to exercise conditions which must be satisfied before the Option can be exercised as may be determined by the Board in its discretion. In addition, the Shares issued on exercise of an Option may be subject to a restriction period during which they cannot be transferred. Any such restrictions imposed by the Board will be set out in the Offer.
- (f) **Disposal:** Employee Plan Options are not transferable unless the Offer provides otherwise.
- (g) **Rights issues and bonus issues:** An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (h) **Reorganisation:** The terms upon which the Options will be granted will not prevent the Options being reorganised as required by the ASX Listing Rules on the reorganisation of the capital of the Company.
- (i) **Limit on Offers:** The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Employee Plan Options offered under an Offer when aggregated with:
  - (i) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under an employee share scheme were to be exercised or accepted; and
  - (ii) the number of Shares issued during the previous 5 years from the exercise of Employee Plan Options issued under the Plan (or any other employee share plan extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an Offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with Class Order 03/184).

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**ANNEXURE A – NOMINATION OF AUDITOR**

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Sheffield Resources Limited  
14 Prowse Street  
West Perth WA 6005

Dear Sirs,

I, William John Vaughan Burbury, being a member of Sheffield Resources Limited (ACN 125 811 083) (**Company**), nominate HLB Mann Judd (ACN 193 232 714) in accordance with Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by Section 328B(3) of the Act.

Signed and dated 18 October 2011:



**William John Vaughan Burbury**

## PROXY FORM

**APPOINTMENT OF PROXY  
SHEFFIELD RESOURCES LIMITED  
ACN 125 811 083**

### ANNUAL GENERAL MEETING

I/We   
of

being a member of Sheffield Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint   
Name of proxy

OR  the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10.30am (WST), on 28 November 2011 at The Boardroom, The Vic Hotel, 226 Hay Street, Subiaco Western Australia, and at any adjournment thereof.

**Important for Resolution 1:** If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 5** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 5 and that votes cast by the Chair of the Annual General Meeting for Resolution 5 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 5.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

**OR**

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST		ABSTAIN
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Will Burbury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Prior Issues – Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of issues under Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

**Signature of Member(s):** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**




**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**SHEFFIELD RESOURCES LIMITED**  
**ACN 125 811 083**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - (a) **(Individual):** Where the holding is in one name, the member must sign.
  - (b) **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - (c) **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Sheffield Resources Limited, 14 Prowse Street, West Perth, WA, 6005; or
  - (b) facsimile to the Company on facsimile number +61 8 9321 1710; or
  - (c) email to the Company at [info@sheffieldresources.com.au](mailto:info@sheffieldresources.com.au),so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**