
SHEFFIELD RESOURCES LIMITED
ACN 125 811 083
NOTICE OF ANNUAL GENERAL MEETING

TIME: 3.00pm (WST)
DATE: 19 November 2019
PLACE: The Celtic Club
48 Ord Street
West Perth WA 6005

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 accountant, solicitor or other professional adviser 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 6555 8777.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	6
Explanatory Statement (explaining the proposed Resolutions)	10
Glossary	24
Proxy Form	Attached

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that a meeting of the Shareholders will be held at 3.00pm (WST) on 19 November 2019 at The Celtic Club, 48 Ord Street, West Perth WA 6005.

Your vote is important

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

Voting eligibility

The Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those persons who are registered Shareholders at 3.00 pm (WST) on 17 November 2019.

Voting in person

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

Voting by proxy

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

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder that is entitled to vote at the Meeting has a right to appoint a proxy to attend and vote at the Meeting;
- the proxy need not be a Shareholder of the Company and can be an individual or a body corporate; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act also apply to voting by proxy. Shareholders and their proxies should be aware of these provisions of the Corporations Act. Generally, these sections provide 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 Chairman, who must vote the proxies as directed.

Further details on sections 250BB and 250BC of the Corporations Act are 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 (ie. as directed);
- 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;
- 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 (ie. 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 (ie. 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 a 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; or
 - 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.

Proxies on Resolutions 1, 5, 6 and 7

If you appoint the Chairman as your proxy (or the Chairman is appointed by default) and you do not complete any of the boxes "For", "Against" or "Abstain" opposite Resolutions 1, 5, 6 or 7 on the Proxy Form, you will be expressly authorising the Chairman to vote on Resolutions 1, 5, 6 and 7 in accordance with the Chairman's stated voting intention, even though those Resolutions are connected directly or indirectly with the remuneration of a member of KMP. The Chairman intends to vote (where appropriately authorised) all available undirected proxies in favour of all Resolutions.

If you appoint the Chairman as your proxy and wish to direct him how to vote, you can do so by marking the box for Resolutions 1, 5, 6 and 7 (ie. by directing him to vote "For", "Against" or "Abstain").

If you appoint a member of KMP (other than the Chairman), or any Closely Related Party of a member of KMP as your proxy, you must direct that person how to vote on Resolutions 1, 5, 6 and 7 if you want your Shares to be voted on those Resolutions. If you appoint a

member of KMP, or any Closely Related Party of a member of KMP, and you do not direct them how to vote on Resolutions 1, 5, 6 and 7, such a person must not cast your votes on those Resolutions and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions.

Lodgement of proxy documents

For an appointment of a proxy for the Meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (ie. a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the start of the Meeting (ie. by 3.00pm on Sunday, 17 November 2019). Proxy appointments received after this time will be invalid for the Meeting.

The following methods are specified for the purposes of receipt of proxies:

By Post

Sheffield Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Online

www.linkmarketservices.com.au.

Select 'Investor Login' and enter Sheffield Resources Limited or the ASX code (SFX) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your Proxy Form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

In Person

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By Facsimile

(within Australia) (02) 9287 0309
(outside Australia) (+612) 9287 0309

Bodies corporate

A Shareholder which is a body corporate, may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment must comply with section 250D of the Corporations Act. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Shareholders can download and fill out the 'Appointment of Corporate Representation' form from Link Market Services Limited's website – www.linkmarketservices.com.au. Hover over 'Resources' and click on 'Forms' and then select 'Holding Management'.

DEFINED TERMS

Capitalised terms in this Notice of Meeting and Explanatory Statement are defined either in the "Glossary" Section.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's Report (which includes the Remuneration Report) and the Auditor's Report.

Note: There is no requirement for Shareholders to approve these reports.

2. 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, the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2019 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders should note that the Chairman intends to vote any undirected proxies in favour of the Resolution.

Voting prohibition statement

The Company will disregard any votes cast on Resolution 1 in any capacity by or on behalf of either:

- (a) a member of KMP of the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

unless it is cast by:

- (c) a person as a proxy for a person entitled to vote on Resolution 1 appointed by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) the Chairman as proxy for a person entitled to vote of Resolution 1 and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – JOHN RICHARDS

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

"That John Richards, who ceases to hold office in accordance with clause 13.4 of the Constitution and, being eligible, offers himself for election, be elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – IAN MACLIVER

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

“That Ian Macliver, who ceases to hold office in accordance with clause 13.4 of the Constitution and, being eligible, offers himself for election, be elected as a Director.”

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – DAVID ARCHER

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

“That David Archer, who retires as a Director in accordance with clause 13.2 of the Constitution, and being eligible for re-election, be re-elected as a Director.”

6. RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTOR - JOHN RICHARDS

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 10.11 and for all other purposes, Shareholders approve the issue of 480,000 Options (exercisable at \$0.65 each on or before 30 November 2023) to John Richards (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of John Richards (and his nominee), and any person who is an associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

Voting prohibition statement

The Company will disregard any votes cast on Resolution 5 in any capacity by or on behalf of either:

- (a) a member of KMP of the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

unless it is cast by:

- (c) a person as a proxy for a person entitled to vote on Resolution 5 appointed by writing that specifies the way the proxy is to vote on Resolution 5; or
- (d) the Chairman as proxy for a person entitled to vote of Resolution 5 and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on Resolution 5; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP.

7. RESOLUTION 6 – ISSUE OF OPTIONS TO DIRECTOR - IAN MACLIVER

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 10.11 and for all other purposes, Shareholders approve the issue of 480,000 Options (exercisable at \$0.65 each on or before 30 November 2023) to Ian Macliver (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Ian Macliver (and his nominee), and any person who is an associate of those persons.

However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

Voting prohibition statement

The Company will disregard any votes cast on Resolution 6 in any capacity by or on behalf of either:

- (a) a member of KMP of the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

unless it is cast by:

- (c) a person as a proxy for a person entitled to vote on Resolution 6 appointed by writing that specifies the way the proxy is to vote on Resolution 6; or
- (d) the Chairman as proxy for a person entitled to vote of Resolution 6 and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on Resolution 6; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 6 is connected directly or indirectly with the remuneration of a member of the KMP.

8. RESOLUTION 7 – INCREASE TO NON-EXECUTIVE DIRECTOR'S REMUNERATION

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

“That for the purposes of clause 13.7 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum total aggregate fixed sum per annum to be paid to non-executive Directors be increased by \$350,000, from \$250,000 per annum to \$600,000 per annum, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a Director and any person who is an associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

Voting prohibition statement

The Company will disregard any votes cast on Resolution 7 in any capacity by or on behalf of either:

- (a) a member of KMP of the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

unless it is cast by:

- (c) a person as a proxy for a person entitled to vote on Resolution 7 appointed by writing that specifies the way the proxy is to vote on Resolution 7; or
- (d) the Chairman as proxy for a person entitled to vote of Resolution 7 and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on Resolution 7; and
 - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 7 is connected directly or indirectly with the remuneration of a member of the KMP.

9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

Subject to the Company being an Eligible Entity as at the date of the Meeting, to consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) any person who is expected to participate in the issue of equity securities under this Resolution, or who will obtain a material benefit as a result if the Resolution is passed (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) their respective associates.

However, the Company need not disregard a vote if the vote is cast by:

- (c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) 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.

Dated: 10 October 2019

By order of the Board



**BRUCE MCFADZEAN
MANAGING DIRECTOR**

EXPLANATORY STATEMENT

This Explanatory Statement provides information about the items of business to be considered at the Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting and Proxy Form.

10. FINANCIAL STATEMENTS AND REPORTS

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 2019 together with the declaration of the Directors, the Directors' Report (which includes the Remuneration Report) and the Auditor's Report.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Auditor about the:

- (a) preparation and content of the Auditor's Report;
 - (b) conduct of the audit;
 - (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (d) independence of the Auditor in relation to the conduct of the audit,
- may be submitted no later than five business days before the date of the Annual General Meeting to the Company Secretary (that is, by 5.00pm (WST) on 12 November 2019).

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

11. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

11.1 General

Pursuant to the Corporations Act, the Directors have included the Remuneration Report in their Directors' Report for the year ended 30 June 2019. The Remuneration Report is set out in the Annual Report. Shareholders can view the Annual Report on the Company's website at <http://www.sheffieldresources.com.au/>.

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 shareholders at that meeting. However, such a resolution is advisory only and does not bind the relevant company or its directors. The Company has put Resolution 1 to a vote to satisfy such requirements.

Of itself, a failure of members to vote in favour of Resolution 1 will not require the Directors to alter any of the arrangements contemplated by the Remuneration Report. However, the Corporations Act requires that, if a company's remuneration report receives an "against" vote of 25% or more at two consecutive annual general meetings, a resolution must be put at the later of the two annual general meetings that another meeting of Shareholders be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. In summary, members will be entitled to vote on whether a general meeting to re-elect the Board should be held if the Remuneration Report receives "two strikes".

By way of summary, the Remuneration Report:

- explains the Company's remuneration policy and the process for determining the remuneration of the Directors and executive officers;
- addresses the relationship between the Company's remuneration policy and the Company's performance; and
- sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2019.

The Company's remuneration report did not receive an "against" vote of 25% or more at the Company's previous annual general meeting held on 29 November 2018.

There will be a reasonable opportunity for members to comment on and ask questions about the Remuneration Report at the Meeting.

Note that a voting exclusion applies to Resolution 1 on the terms set out in the Notice. If you choose to appoint a proxy for the Meeting, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the Proxy Form.

12. RESOLUTION 2 – ELECTION OF DIRECTOR – JOHN RICHARDS

12.1 General

Resolution 2 seeks approval for the election of Mr John Richards as a Director, with effect from the end of the Meeting.

Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Richards was appointed to the Board as a non-executive director on 2 August 2019. His appointment follows the announcement of the retirement of Mr Bruce McQuitty, which will take effect from the end of this Meeting. Mr Richards retires from office in accordance with the requirements of clause 13.4 of the Constitution and submits himself for election in accordance with clause 13.3 of the Constitution.

12.2 Qualifications and material directorships

Mr Richards is an economist with more than 35 years' experience in the resources industry. He holds a Bachelor of Economics (Hons) from the University of Queensland and a Diploma from the Securities Institute of Australia. During this time, he has held strategy and business development positions within mining companies as well as in investment banks and private equity groups. He has been involved in a wide range of mining M&A transactions in multiple jurisdictions.

Mr Richards has previously held positions including Group Executive - Strategy and Business Development at Normandy Mining Ltd, Head of Mining and Metals Advisory (Australia) at Standard Bank, Managing Director at Buka Minerals Ltd and Operating Partner at Global Natural Resources Investments.

Mr Richards joined the board of Saracen Mineral Holdings Ltd (**Saracen**) in 2019 as a non-executive director and is the Chair of Saracen's Audit Committee and a member of Saracen's Remuneration & Nomination Committee.

12.3 Independence

The Board considers Mr Richards to be an independent director.

12.4 Board recommendation on Resolution 2

The Directors (other than Mr Richards, whose election is the subject of Resolution 2) recommends that Shareholders vote in favour of Resolution 2.

13. RESOLUTION 3 – ELECTION OF DIRECTOR – IAN MACLIVER

13.1 General

Resolution 3 seeks approval for the election of Mr Ian Macliver as a Director, with effect from the end of the Meeting.

Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Macliver was appointed to the Board as a non-executive director on 2 August 2019. His appointment follows the announcement of the retirement of Mr Bruce McQuitty, which will take effect from the end of this Meeting. Mr Macliver retires from office in accordance with the requirements of clause 13.4 of the Constitution and submits himself for election in accordance with clause 13.3 of the Constitution.

13.2 Qualifications and material directorships

Mr Macliver is the Executive Chairman of Grange Consulting Group Pty Ltd and Grange Capital Partners (**Grange**). Prior to establishing Grange, he held positions over nine years in a general manager or executive director position for various listed and corporate advisory companies. His experience covers all areas of corporate activity including capital raisings, acquisitions, divestments, takeovers, business and strategic planning, debt and equity reconstructions, operating projects and financial reviews and valuations. Mr Macliver has established

contacts with many venture capital and broking institutions. He holds a Bachelor of Commerce from the University of Western Australia and is a member of the Institute of Chartered Accountants of Australia & New Zealand.

Mr Macliver is the non-executive Chairman of nickel miner Western Areas Ltd and is also a non-executive director of oil and gas company Otto Energy Ltd.

13.3 Independence

The Board considers Mr Macliver to be an independent director.

13.4 Board recommendation on Resolution 3

The Directors (other than Mr Macliver, whose election is the subject of Resolution 3) recommends that Shareholders vote in favour of Resolution 3.

14. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – DAVID ARCHER

14.1 General

Pursuant to clause 13.2 of the Constitution, Mr David Archer, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

In accordance with clause 13.2 of the Constitution, Mr Archer, who has served as a Director since 14 December 2009 and was last-re-elected on 22 November 2017, retires by rotation at the Meeting and, being eligible, seeks re-election.

14.2 Qualifications and material directorships

Mr Archer is a geologist with 32 years' experience in exploration and mining in Australia. He holds a Bachelor of Science (Hons) from the University of Tasmania. He has held senior positions with major Australian mining companies, including Renison Goldfields Consolidated Limited, and has spent the last twelve years as a director of Archer Geological Consulting specialising in project generation, geological mapping and project evaluation. Mr Archer was a consultant to Atlas Iron Limited and Warwick Resources Limited and was responsible for significant iron ore discoveries for both companies in the Pilbara. He was also involved in the discovery of the Magellan lead mine and the Raleigh and Paradigm gold mines.

Mr Archer is currently a non-executive director of Carawine Resources Limited.

14.3 Independence

Due to his executive capacity and tenure with the Company, the Board does not consider Mr Archer to be an independent director.

14.4 Board recommendation on Resolution 4

The Directors (other than Mr Archer, whose election is the subject of Resolution 4) recommends that Shareholders vote in favour of Resolution 4.

15. RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTOR - JOHN RICHARDS

15.1 Background

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 480,000 Options (exercisable at \$0.65 each on or before 30 November 2023) to Mr John Richards (or his nominee).

The proposed issue of Options will encourage Mr Richards to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Mr Richards) that the incentives intended for Mr Richards represented by the issue of these Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number and terms of Options to be issued to Mr Richards (or his nominee) has been determined based upon a consideration of:

- (a) the remuneration of Mr Richards relative to applicable market standards;
- (b) the extensive experience and reputation of Mr Richards within the mining industry;
- (c) the Directors' wish to ensure that the remuneration offered is competitive with market standards and/or practice. The Directors (in the absence of Mr Richards) have considered the proposed number of Options to be issued and will ensure that Mr Richards' overall remuneration is in line with market practice; and
- (d) incentives to attract and ensure continuity of service of Mr Richards, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

The quantity of Options was determined by applying 60% of the annual fee payable to Mr Richards over the four-year exercise term of the Options, divided by the Share price of \$0.40 per Share (being the closing market price on 18 September 2019). The current indicative value of the Options proposed to be granted to Mr Richards is equal to \$85,294 utilising the Black and Scholes pricing model. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.40
Exercise price	\$0.65
Risk Free Interest Rate	0.68%
Volatility	0.75
Time (years to expiry)	4 years

Based upon the factors outlined in (a) – (d) above and receipt of external advice, the Directors are of the view that these Options form part of reasonable remuneration for Mr Richards.

15.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

As the proposed issue of Options to Mr Richards involves the issue of Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required in the circumstances, unless an exception in ASX Listing Rule 10.12 applies. It is the view of the Directors that none of the exceptions set out in ASX Listing Rule 10.12 apply in the circumstances.

15.3 Technical information required by ASX Listing Rule 10.13

In respect of Resolution 5, the following information is provided in relation to the proposed issue of Options to Mr John Richards (or his nominee), for the purposes of ASX Listing Rule 10.13:

- (a) the Options will be issued to John Richards (or his nominee);
- (b) the maximum number of Options to be issued is 480,000;
- (c) the Options will be issued no later than 1 month after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Options will be issued for nil cash consideration. Accordingly, no funds will be raised from the issue of the Options. If the Options are exercised, the funds will be used for working capital purposes; and
- (e) the terms of the Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required in relation to the proposed issue of Options to Mr Richards (or his nominee), as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Options will not diminish the Company's placement capacity under ASX Listing Rule 7.1.

16. RESOLUTION 6 – ISSUE OF OPTIONS TO DIRECTOR - IAN MACLIVER

16.1 Background

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 480,000 Options (exercisable at \$0.65 each on or before 30 November 2023) to Mr Ian Macliver (or his nominee).

The proposed issue of Options will encourage Mr Macliver to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Mr Macliver) that the incentives intended for Mr Macliver represented by the issue of these Options are a cost effective and efficient means for the Company to provide a reward and

an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number and terms of Options to be issued to Mr Macliver (or his nominee) has been determined based upon a consideration of:

- (a) the remuneration of Mr Macliver relative to applicable market standards;
- (b) the extensive experience and reputation of Mr Macliver within the mining industry;
- (c) the Directors' wish to ensure that the remuneration offered is competitive with market standards and/or practice. The Directors (in the absence of Mr Macliver) have considered the proposed number of Options to be issued and will ensure that Mr Macliver's overall remuneration is in line with market practice; and
- (d) incentives to attract and ensure continuity of service of Mr Macliver, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

The quantity of Options was determined by applying 60% of the annual fee payable to Mr Macliver over the four-year exercise term of the Options, divided by the Share price of \$0.40 per Share (being the closing market price on 18 September 2019). The current indicative value of the Options proposed to be granted to Mr Richards is equal to \$85,294 utilising the Black and Scholes pricing model. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.40
Exercise price	\$0.65
Risk Free Interest Rate	0.68%
Volatility	0.75
Time (years to expiry)	4 years

Based upon the factors outlined in (a) – (d) above and receipt of external advice, the Directors are of the view that these Options form part of reasonable remuneration for Mr Macliver.

16.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

As the proposed issue of Options to Mr Macliver involves the issue of Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule

10.11 is required in the circumstances, unless an exception in ASX Listing Rule 10.12 applies. It is the view of the Directors that none of the exceptions set out in ASX Listing Rule 10.12 apply in the circumstances.

16.3 Technical information required by ASX Listing Rule 10.13

In respect of Resolution 6, the following information is provided in relation to the proposed issue of Options to Mr Ian Macliver (or his nominee), for the purposes of ASX Listing Rule 10.13:

- (a) the Options will be issued to Ian Macliver (or his nominee);
- (b) the maximum number of Options to be issued is 480,000;
- (c) the Options will be issued no later than 1 month after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Options will be issued for nil cash consideration. Accordingly, no funds will be raised from the issue of the Options. If the Options are exercised, the funds will be used for working capital purposes; and
- (e) the terms of the Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required in relation to the proposed issue of Options to Mr Macliver (or his nominee), as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Options will not diminish the Company's placement capacity under ASX Listing Rule 7.1.

17. RESOLUTION 7 – INCREASE TO NON-EXECUTIVE DIRECTOR'S REMUNERATION

Clause 13.7 of the Constitution requires that the maximum total aggregate amount of directors' fees per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the total determined by the Shareholders in general meeting and the total aggregate amount of directors' fees will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

ASX Listing Rule 10.17 provides that an entity must not increase the maximum total aggregate amount of directors' fees payable to all of its non-executive directors, without the approval of holders of its ordinary securities.

The maximum total aggregate amount of directors' fees per annum to be paid to the non-executive Directors has previously been set by Shareholders at \$250,000. Resolution 7 seeks Shareholder approval to increase this figure by \$350,000 to \$600,000.

This amount includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a Director under ASX Listing Rule 10.11 or 10.14 with approval of Shareholders.

The remuneration paid to the non-executive Directors during the financial year ended 30 June 2019 is disclosed in the Remuneration Report.

The maximum total aggregate amount of director's fees per annum to be paid to the non-executive Directors has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new non-executive Directors joining the Board;
- (b) remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

In the past three years, the Company has not issued any securities with prior Shareholder approval under ASX Listing Rules 10.11 or 10.14 to non-executive Directors, or their nominees.

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this ordinary Resolution. The Chairman intends to vote any undirected proxies in favour of the Resolution.

18. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

18.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital as calculated in accordance with the formula in ASX Listing Rule 7.1A.2 (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity under ASX Listing Rule 7.1.

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$120,082,481 (based on the number of Shares on issue and the closing price of Shares on ASX on 30 September 2019). However, the Company will only be permitted to seek approval for the 10% Placement Capacity if it remains an Eligible Entity at the date of the Meeting. Accordingly, if the Company is not an Eligible Entity at the date of the Meeting, Resolution 8 will not be put to, and voted on at, the Meeting.

An **Equity Security** is a share, a unit in a trust, a right to a share or unit in a trust or Option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: SFX).

Subject to the Company being an Eligible Entity and Resolution 8 being put to the Meeting, if Shareholders approve Resolution 8, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present (in person, or by proxy or representative) and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

18.2 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

(a) Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(b) Date of issue

Equity Securities may be issued under the 10% Placement Capacity from the period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

The table below shows the potential dilution of Shareholders calculated in accordance with the formula in ASX Listing Rule 7.1A.2 (assuming Resolution 8 is passed by Shareholders), on the basis of the market price of Shares and the number of Shares on issue as at 30 September 2019.

The table assumes differing numbers of Shares on issue (ie variable "A" in the above formula) and issue prices for Shares over three scenarios, but in each scenario it is assumed that the Company issues the maximum number of Shares available under the 10% Placement Capacity. For example:

- Variable 'A' differs across each scenario. Scenario 1 assumes there is no change to the number of Shares on issue. Scenarios 2 and 3 then assume an increase of 50% and 100% (respectively) to the number of Shares on issue.
- Within each scenario, three different issue prices for the Shares are assumed. One of the issue prices is the closing price on 30 September 2019 (being the last practicable trading day prior to the date of this Notice). The other two issue prices then assume a 50% decrease to that closing Share price and a 100% increase to that price.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.2075 50% decrease in Issue Price	0.4150 Issue Price	0.6225 50% increase in Issue Price
289,355,376 (Current Variable 'A')	Shares issued - 10% voting dilution	28,935,538 Shares	28,935,538 Shares	28,935,538 Shares
	Funds raised	\$6,004,124	\$12,008,248	\$18,012,372
434,033,064 (50% increase in Variable 'A')	Shares issued - 10% voting dilution	43,403,306 Shares	43,403,306 Shares	43,403,306 Shares
	Funds raised	\$9,006,186	\$18,012,372	\$27,018,558
578,710,752 (100% increase in Variable 'A')	Shares issued - 10% voting dilution	57,871,075 Shares	57,871,075 Shares	57,871,075 Shares
	Funds raised	\$12,008,248	\$24,016,496	\$36,024,744

*The number of Shares on issue (Variable 'A' in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. The number of Shares on issue is 289,355,376, which was the number of Shares the Company had on issue as at 30 September 2019.
2. The issue price set out above is the closing price of the Shares on the ASX on 30 September 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue,

which may have an effect on the amount of funds raised by the issue of the Shares.

(d) **Purpose of issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) for cash consideration in which case the Company intends to use funds raised for the development of the Company's Thunderbird Mineral Sands Project, continued exploration expenditure and/or general working capital; or
- (ii) for non-cash consideration for the acquisition of new assets or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The identity of the recipients of the Equity Securities to be issued under the 10% Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;

- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2018 (**Previous Approval**).

As at the date of this Notice, the Company has issued 23,145,109 Equity Securities pursuant to the Previous Approval.

For the purposes of ASX Listing Rule 7.3A.6(a), the Company notes that, as at the date of this Notice, the Company has issued Shares, Options and performance rights during the 12 month period preceding the date of the Meeting, being on and from 19 November 2018 to 19 November 2019.

As at the date of this Notice, the total number of Equity Securities issued in the 12 months preceding the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period are as follows:

	Equity securities
Number of securities on issue at commencement of 12 month period	230,471,056 Shares 11,901,667 Options 3,554,016 Performance Rights Total = 245,926,739
Securities issued during 12 month period (as at the date of this Notice)	58,884,320 Shares Nil Options 5,784,343 Performance Rights Total = 64,668,663
Percentage that Equity Securities issued represent of total number of Equity Securities on issue at commencement of 12 month period	Shares = 23.94% Options = 0.00% Performance Rights = 2.35% Total = 26.30%

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2 as at the date of this Notice.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

18.3 Board recommendation on Resolution 8

The Directors recommend that members vote in favour of Resolution 8.

19. ENQUIRIES

Shareholders are requested to contact Sheffield's Company Secretary on (+ 61 8) 6555 8777 if they have any queries in respect of the matters set out in this Notice.

GLOSSARY

\$ means Australian dollars.

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

Annual Report means the annual report of the Company for the year ended 30 June 2019.

Auditor means the Company's auditor from time to time.

Auditor's Report means the report of the Auditor contained in the Annual Report.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

Business Day means a day on which banks are open for business in Perth, Western Australia, other than a Saturday, Sunday or public holiday in Perth, Western Australia.

Chairman means the chairman of the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act*.

Company or **Sheffield** 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.

Directors' Report means the report of the Directors contained in the Annual Report.

Eligible Entity has the meaning given in paragraph 18.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

Equity Security has the meaning given in paragraph 18.1.

KMP has the meaning as given to the term "key management personnel" in the Corporations Act, which includes those persons having authority and responsibility for planning, directing and controlling the activities of a company, or if the company is part of a consolidated entity, of the consolidated entity, either directly or indirectly, including any director (whether executive or otherwise) of the company, or if the company is part of a consolidated entity, of an entity within the consolidated group.

Meeting means the annual general meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of 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.

Remuneration Report means the remuneration report set out in the Annual Report.

Resolution means a resolution set out in the Notice.

S&P/ASX 300 Index means the S&P/ASX 300 Index as published by Standard & Poors from time to time.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

VWAP means volume weighted average price.

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

SCHEDULE 1 - OPTION TERMS

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (WST) on 30 November 2023 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each Option is \$0.65 (**Exercise Price**).
- (d) 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.
- (e) 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**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) 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.
- (h) Subject to the ASX Listing Rules, all applicable laws and any restriction or escrow arrangements, the Options may be transferred at any time prior to the Expiry Date.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares then on issue.
- (j) The Company will not apply for quotation of the Options on ASX. If admitted to the official list of ASX at the time, 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.
- (k) If at any time the issued capital of the Company is reconstructed or reorganised, 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 or reorganisation.
- (l) 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.
- (m) Subject to paragraph (k), 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.

SCHEDULE 2 - ISSUES OF EQUITY SECURITIES SINCE 19 NOVEMBER 2018

Date of issue	Quantity	Class	Name of Recipients / Basis on which Recipient were determined	Issue price and discount to closing market price on issue date (if applicable) ¹	Form of consideration
16 Sep 2019	26,550,002	Shares ²	Professional and sophisticated investors	\$0.39 per share (representing a 8.2% discount to market price)	Cash amount raised = \$10,354,501 Amount spent = Nil Use of funds = N/A Proposed use of remaining funds: to progress the Thunderbird Mineral Sands Project activities and for working capital purposes
1 Aug 2019	2,250,000	Shares ²	Taurus Mining Finance L.P and Taurus Mining Annex Finance L. P	Deemed issue price of nil per share (representing a 100% discount to market price)	Non-cash consideration: partial satisfaction of front-end fee associated with the bridge facility mandate executed on 25 June 2019 Current value: \$933,750 ⁴
20 Mar 2019	2,531,803	Shares ²	Taurus Mining Finance L.P and Taurus Mining Annex Finance L. P	Deemed issue price of \$0.567 per share (representing a nil discount to market price)	Non-cash consideration: partial satisfaction of commitment fees associated with the syndicated facility agreement dated 12 November 2018. Current value: \$1,050,698 ⁴
15 Feb 2019	1,565,570	Shares ²	Azure Capital investments Pty Ltd & Azure Capital Limited	Deemed issue price of \$0.613 per share (representing a 4.2% discount to market price)	Non-cash consideration: financial consulting and advisory services provided to the Company in relation to securing debt and project financing for the Thunderbird Mineral Sands Project during 2017 and 2018. Current value: \$649,786 ⁴
1 Feb 2019	1,016,133	Shares ²	Shareholder who participated in the Share Purchase Plan	\$0.65 per share (representing a 1.5% increase to market price)	Cash amount raised = \$660,486 Amount spent = \$660,486 Use of funds: advancement of the Thunderbird Mineral Sands Project activities and for

Date of issue	Quantity	Class	Name of Recipients / Basis on which Recipient were determined	Issue price and discount to closing market price on issue date (if applicable) ¹	Form of consideration
					working capital purposes. Proposed use of remaining funds: N/A
13 Dec 2018	24,970,812	Shares ²	Professional and sophisticated investors	\$0.65 per share. (representing a 2.9% discount to market price)	Cash amount raised = \$16,231,108 Amount spent = \$16,231,108 Use of funds: activities to advance the Thunderbird Mineral Sands Project ⁵ and for working capital purposes. Proposed use of remaining funds: N/A

The total number of equity securities issued since 19 November 2018 is described on page 23 at Section 18.2(f).

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchanged traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: SFX (terms are set out in the Constitution).
3. These Shares were issued upon the exercise of unquoted remuneration Options, exercisable at \$0.001 each, on or before 30 November 2021. A summary of the terms and conditions of the issue of the Options were disclosed in the notice of meeting for the shareholder meeting held on 22 November 2017.
4. Current value is measured using the closing market price on the 30 September 2019.
5. Activities to advance the Thunderbird Mineral Sands Project include:
 - a. detailed processing & infrastructure engineering and design work in conjunction with the nominated EPC contractor (GR Engineering Services Limited) and other third party consultants; and
 - b. design, scheduling, licencing and related construction support activities ahead of future construction of the mine accommodation village and mine site access roads.



SheffieldResources
LIMITED
ACN 125 811 083

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Sheffield Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

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

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



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 **3:00pm (WST) on Tuesday, 19 November 2019 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 1,5,6 and 7: 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 1,5,6 and 7, 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 .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Issue of Options to Director - John Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – John Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of Options to Director - Ian Macliver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Ian Macliver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Increase to Non-Executive Director's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director – David Archer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval of 10% Placement Capacity	<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 PRX1902C



HOW TO COMPLETE THIS 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" must 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.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (WST) on Sunday, 17 November 2019**, 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).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Sheffield Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**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.**