

31 August 2016

### Issue of Placement Shares and Options

Sheffield Resources Limited (**ASX: SFX**, “Company”) is pleased to advise that subsequent to the announcement on 24 August 2016, the Company has now issued a total of 32,939,994 fully paid ordinary shares (“Placement”) at an issue price of 52 cents per share, raising approximately \$17.1 million before costs.

A total of 18,163,060 shares were issued under the Company’s 15% placement capacity under ASX Listing Rule 7.1 and a total of 14,776,934 shares were issued under the Company’s additional 10% placement capacity pursuant to ASX Listing Rule 7.1A. In addition, as outlined in the announcement of 24 August 2016, the Company has also issued under ASX Listing Rule 7.1 4,000,000 options at an exercise price of 67.6 cents per option, expiring 31 August 2019 (“Options”). The Options have been issued in equal amounts to Bridge Street Capital Partners and Pulse Markets, or their respective nominees, as consideration for their ongoing role as Joint Capital Markets Advisers (“JCMAs”) to the Company.

Funds raised from the Placement will be used, together with existing cash reserves, to complete the Company’s Thunderbird mineral sands project bankable feasibility study and the Company’s exploration activities, and for general working capital.

An Appendix 3B is attached in respect of the Placement and Options.

#### Additional disclosure under ASX Listing Rule 3.10.5A

The Company provides the following additional information as required under ASX Listing Rule 3.10.5A in respect of the shares issued under the Company’s additional 10% placement capacity pursuant to ASX Listing Rule 7.1A:

1. The dilutive effect of the Placement on existing shareholders is as follows:

	<b>Shares</b>	<b>%</b>
Number of shares on issue prior to Placement	147,769,347	82
Dilution as a result of issue under ASX LR7.1A	14,776,934	8
Dilution as a result of issue under ASX LR7.1	18,163,060	10
Number of shares on issue following Placement	180,709,341	100

The shares issued under ASX Listing Rule 7.1A were issued to a new shareholder of the Company.

2. The shares issued under ASX Listing Rule 7.1A were issued to sophisticated and professional investors under the placement, as it was considered by the Board of the Company as the most efficient and effective mechanism to raise capital to fund the Thunderbird mineral sands project bankable feasibility study and the Company’s exploration activities.
3. There were no underwriting arrangements entered into as a part of the Placement.
4. The fee payable by the Company to the JCMAs in connection with the Placement comprises an aggregate cash fee of 6% of the funds raised pursuant to the Placement.

Mr Jeremy Newman  
ASX Compliance Pty Limited  
Level 40, Central Park,  
152-158 St Georges Terrace  
Perth WA 6000

Dear Jeremy,

**Secondary Trading Notification – Notice pursuant to s708A(5)(e) of the Corporations Act 2001 (“the Act”)**

RE: Placement of 32,939,994 fully paid ordinary shares (“New Shares”)

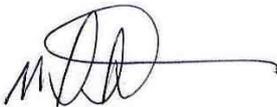
The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under Section 708 or 708A. By the Company providing this notice, on-sale of the New Shares will fall within the exemption offered by Section 708A(5) of the Act.

The Company hereby notifies the ASX (as the operator of the prescribed financial market on which the New Shares are to be quoted) under Section 708A(5)(e) of the Act that:

- a) The Company issued the New Shares without disclosure to investors under Part 6D.2 of the Act;
- b) as at the date of this notice, the Company has complied with:
  - i. the provisions of Chapter 2M of the Act as they apply to the Company; and
  - ii. Section 674 of the Act; and
- c) as at the date of this notice:
  - i. there is no information that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - ii. there is no “excluded information” as defined in sections 708A(7) and (8) of the Act in relation to the Company.

If you have any further questions, please do not hesitate to contact me on 08 6555 8777.

Yours sincerely



**Mark Di Silvio**  
CFO/Company Secretary  
Sheffield Resources Limited

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Sheffield Resources Limited

ABN

29 125 811 083

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | 1. Fully Paid Ordinary Shares<br>2. Unlisted Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 1. 32,939,994<br>2. 4,000,000   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Fully Paid Ordinary Shares<br>2. The Unlisted Options each have an exercise price of 67.6 cents per option and are exercisable on or before 31/8/2019. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>1. Yes</p> <p>2. No. The Unlisted Options do not entitle the holder to participate in dividends or new issues of securities. However, the Unlisted Options will be adjusted in the event of a reconstruction of capital. Shares issued on exercise of Unlisted Options shall rank equally in all respects with the existing Fully Paid Ordinary Shares on issue.</p>
<p>5 Issue price or consideration</p>	<p>1. \$0.52 per share</p> <p>2. Nil cash consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. Issued to sophisticated and professional investors pursuant to a placement announced on 24 August 2016, the proceeds of which will be used to complete the bankable feasibility study at the Thunderbird mineral sands project, exploration activities and for working capital purposes.</p> <p>2. Issued to brokers in satisfaction of a 12 month contractual engagement</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>27 November 2015</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>18,163,060 Fully Paid Ordinary Shares 4,000,000 Unlisted Options</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	14,776,934				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Nil				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>Yes 31 August 2016 15 day VWAP: \$0.673 75% of 15 day VWAP: \$0.5048 Source: Bloomberg</p>				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	31/08/2016				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">180,709,341</td> <td style="vertical-align: top;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	180,709,341	Fully paid ordinary shares
Number	+Class					
180,709,341	Fully paid ordinary shares					

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	1,200,000	Unlisted options (\$0.65, 01/04/2017)
	500,000	Unlisted options (\$0.66, 26/09/2018)
	1,400,000	Unlisted options (\$0.87, 19/03/2019)
	1,600,000	Unlisted options (\$1.16, 19/03/2021)
	3,700,000	Unlisted Performance options (\$0.001, 08/02/2020)
	118,428	Unlisted Remuneration options (\$0.001, 08/02/2020)
	4,000,000	Unlisted options (\$0.676, 31/08/2019)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Issue date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1

(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

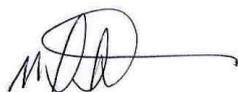
(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company secretary)

Date: 31 August 2016

Print name: Mark Di Silvio

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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	134,430,747
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 <ul style="list-style-type: none"> <li>- 430,000</li> <li>- 242,500</li> <li>- 1,015,929</li> <li>- 184,222</li> <li>- 92,111</li> <li>- 78,952</li> </ul> </li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <ul style="list-style-type: none"> <li>- 10,913,886 (approved 5/2/2016)</li> <li>- 381,000 (approved 5/2/2016)</li> </ul> </li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period <ul style="list-style-type: none"> <li>- Nil</li> </ul> </li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	147,769,347

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 [Note: this value cannot be changed]
<b>Multiply “A” by 0.15</b>	22,165,402
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	18,163,060 (fully paid ordinary shares) 4,000,000 (unlisted options)
<b>“C”</b>	22,163,060
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	22,165,402
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	22,163,060
<b>Total [“A” x 0.15] – “C”</b>	2,342 [Note: this is the remaining placement capacity under rule 7.1]

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	147,769,347
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	14,776,934
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	14,776,934 (fully paid ordinary shares)
<b>“E”</b>	14,776,934
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	14,776,934
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	14,776,934
<b>Total [“A” x 0.10] – “E”</b>	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.