

1 December 2015

THIS IS AN IMPORTANT DOCUMENT THAT REQUIRES YOUR ATTENTION

Dear Shareholder,

Share Purchase Plan

On behalf of Sheffield Resources Limited (Sheffield or the Company), I am pleased to offer you the opportunity to increase your investment in Sheffield through a Share Purchase Plan (SPP).

This is a very exciting time for the Company as we commence the Bankable Feasibility Study (BFS) for the Company's world class Thunderbird mineral sands project. The funds raised under this Share Purchase Plan will be used to progress a high quality Bankable Feasibility Study at Thunderbird, to accelerate offtake and financing negotiations, to undertake regional exploration at the Dampier Mineral Sands project and the Red Bull Nickel project (Fraser Range) and for general working capital purposes.

Share Purchase Plan

- The SPP is being offered to shareholders who are registered holders of shares in the Company at 4:00pm (Perth time) on 26 November 2015 (Record Date) and whose registered address is in Australia or New Zealand (Eligible Shareholder).
- The issue price of 44 cents (AU \$0.44) per share is the same issue price as Sheffield's share placement announced on 27 November 2015 and represents a 9% discount to the volume weighted average market price (VWAP) for shares over the last 5 days in which sales in the share were recorded immediately prior to the announcement of the SPP (being \$0.482).
- The SPP has been structured to comply with ASIC Class Order CO 09/425, therefore the maximum amount which may be applied for under this SPP is \$15,000 per Eligible Shareholder (subject to the rules applying to custodians and multiple holdings).
- The maximum amount to be raised under the Offer is \$2,000,000 being 4,545,454 Shares (Sheffield will retain discretion to accept oversubscriptions subject to any limitations of the ASX Listing Rules).
- The SPP provides Eligible Shareholders with an opportunity to buy a parcel of new shares in Sheffield at application amounts of either \$2,000, \$5,000, \$10,000 or \$15,000 irrespective of the size of their shareholdings. Details of the payment methods are set out on the personalised application form.
- The SPP opens on 1 December 2015, and is expected to close at 5pm (AEDT) on 16 December 2015 (Closing Date). The directors of Sheffield reserve the right to extend the Closing Date.
- Participation in the SPP is entirely voluntary. No brokerage costs apply to purchases under the SPP. The issue of shares under the SPP is expected to occur on 23 December 2015 (Issue Date) and quotation on ASX on 24 December 2015.
- The Company also reserves the right (in its absolute discretion) to scale back applications on a pro rata basis, should total applications under the SPP exceed \$2,000,000.
- The SPP meets the criteria set out in Exception 15 of ASX Listing Rule 7.2 and Exception 8 of ASX Listing Rule 10.12 and as such is not subject to shareholder approval.

How to accept this offer

To apply for shares under the SPP, please follow the instructions on the enclosed personalised Application Form.

Further details of the SPP are set out in the enclosed Terms and Conditions. I encourage you to read the enclosed material and seek your own financial advice in relation to the SPP, before you decide whether to participate.

This is an important moment in the Company's history as it marks the commencement of the Bankable Feasibility Study for Thunderbird which represents the next phase of de-risking of the Thunderbird Project. Please see our latest Investor Presentation on our website www.sheffieldresources.com.au for more details on Sheffield and the Thunderbird deposit.

I commend this SPP to you and look forward to your participation and support. On behalf of the Board, I invite you to consider participation in the SPP.

Yours faithfully



Bruce McFadzean
Managing Director – Sheffield Resources Limited

**Sheffield Resources Limited
(ACN 125 811 083)**

Share Purchase Plan – Terms and Conditions

Purpose

The purpose of the Share Purchase Plan (**SPP**) is to offer shareholders of the Company the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$15,000 (when combined with any Shares issued under any arrangement similar to the SPP in the 12 months preceding the date of application under the SPP) subject to the rules applying to custodians and multiple holdings without incurring brokerage or transaction costs (**Offer**).

No disclosure document

The offer of Shares under the SPP is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth).

Eligible Shareholders

Shareholders who are registered as holders of Shares at the Record Date and whose registered address is in Australian or New Zealand are eligible to apply under the SPP, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders (or beneficial holders) resident in countries other than Australia or New Zealand to be offered the opportunity to participate in the SPP.

Invitation to participate in SPP

The Company will send an invitation to participate in the SPP to Eligible Shareholders. These terms and conditions and an application form will be enclosed with the invitation. The Offer is non-renounceable. The invitation will set out details about the issue price of Shares to be issued under the SPP, the maximum dollar amount and maximum number of Shares to be issued under the SPP, key dates for the SPP (i.e. Record Date, Closing Date, Issue Date).

Shortfall Placement

In the event that less than \$2,000,000 is applied for, the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with the necessary legal requirements.

Oversubscriptions

In the event total applications for more than \$2,000,000 are received, the Board may exercise its discretion to accept oversubscriptions subject to any limitations of the ASX Listing Rules.

Application Amounts

Eligible Shareholders may apply for one of the amounts set out in the letter of invitation and the application form accompanying these terms and conditions with a maximum amount of \$15,000 subject to the rules applying to custodians and multiple holdings. The maximum amount is determined with reference to any Shares issued under any arrangement similar to the SPP in the 12 months preceding the date of application under the SPP.

The number of Shares that would be issued for each of the application amounts will be determined by dividing the application amount by the issue price rounded down to the nearest whole Share.

Application Procedure

Payment for applications can be made by BPAY® or cheque, bank draft or money order. If paying by BPAY payment must be received by the Closing Date and you do not need to return the Application Form. If paying by cheque, bank draft or money order payment and your Application Form must be received by the Closing Date. Applications will not be accepted after the Closing Date. Applicants should not forward cash and direct bank transfers are not permitted. Please refer to the Application Form for further details.

Once an application has been made it cannot be revoked.

Scale back

The directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. If the Company rejects or scales-back an application or purported application, the Company will promptly return to that applicant the relevant application monies, without interest.

Agreement to be bound by constitution

Applicants agree to be bound by the Company's constitution in respect of the Shares issued to them under the SPP.

Rejection of applications

The Company reserves the right to reject any application under the SPP to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these terms and conditions.

Issue date

Shares issued under the SPP will be issued after the Closing Date in accordance with the ASX Listing Rules and will, from the date of issue, rank equally in all respects with all other fully paid ordinary shares in the Company. In addition, shareholding statements or CHESS notification will be issued in respect of all Shares issued under the SPP.

Application for quotation

Application for quotation on ASX of the Shares issued under the SPP will be made immediately following the issue of those Shares.

Relationship of issue price with market price

The market price of Shares may change between the date of the Offer and the date when Shares are issued under the SPP.

By making an application under the SPP the applicant acknowledges that although the issue price of Shares issued under the SPP is at a discount to the price traded on ASX at the time of announcement of the SPP, Shares are a speculative investment and the price of Shares on ASX may change which means the value of the Shares received under the SPP may rise or fall accordingly.

The Company recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares prior to making an application under this Offer.

New Zealand Shareholders

The Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with a registered address in New Zealand at the Record Date and who continue to hold Shares as at the opening date of the Offer and to whom the SPP is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Restrictions outside Australia and New Zealand

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) you may apply for up to the maximum application amount of new Shares for each beneficiary for whom you act as custodian provided you return to the Company with your Application Form a certificate (**Custodian Certificate**) with the following information:

- you held Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you to apply for Shares under the SPP on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application amount for Shares applied under the SPP for each Participating Beneficiary for whom you act plus the application amount for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$15,000;
- that a copy of the written letter of invitation and terms of conditions of the SPP was given to each Participating Beneficiary; and
- where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder:

- that holds an Australian financial services licence that:
 - covers the provision of a custodian or depositary service with the meaning given by section 766E of the Corporations Act 2001; or
 - covers the operation of an IDPS (as defined in ASIC Class Order [13/763]); or
- that is exempt under:
 - paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the **Regulations**); or
 - paragraph 7.6.01(1)(na) of the Regulations; or
 - ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
 - ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313] (the **Class Orders**); or
 - an individual instrument of relief granted by ASIC to the person in terms similar to one of the Class Orders; or
 - paragraph 911A(2)(h) of the Corporations Act 2001;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or

- that is a trustee of a:
 - self managed superannuation fund; or
 - superannuation master trusts; or
- that is a responsible entity of an IDPS-like scheme;
- that is the registered holder of Shares and is noted on the Company's register of members as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple holdings apply. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's Offer Information Line.

Multiple holdings

The maximum investment any Eligible Shareholder may apply for will remain \$15,000 even if an Eligible Shareholder receives more than one letter of invitation and accompanying application form (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate application amount paid under the SPP or any similar arrangement in the 12 months prior to the date of application under the SPP does not exceed \$15,000.

Notices

Notices and statements made by the Company to participants may be given in any manner prescribed by the Company's constitution.

Modification and termination of the SPP

The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the SPP if the issue of Shares applied for would contravene any applicable law or the ASX Listing Rules.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these terms and conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

SRN/HIN:
Entitlement Number:
Record Date: 26 November 2015
Offer Opens: 1 December 2015

Offer Closes 5:00pm (AEDT):	16 December 2015
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SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (AEDT) on 16 December 2015. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment. If you make a payment by BPAY® and Sheffield Resources Limited receives an amount which is not equal to either A\$2,000, A\$5,000, A\$10,000 or A\$15,000, Sheffield Resources Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,000.



Billers Code: 889444
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
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Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- Tick the box beside the amount you wish to apply for, either A\$2,000, A\$5,000, A\$10,000 or A\$15,000.
- Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Sheffield Resources Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$2,000, A\$5,000, A\$10,000 or A\$15,000, Sheffield Resources Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,000.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



SRN/HIN:
Entitlement Number:



A I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

<input type="checkbox"/>	A\$2,000	OR	<input type="checkbox"/>	A\$5,000	OR	<input type="checkbox"/>	A\$10,000	OR	<input type="checkbox"/>	A\$15,000
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B Make your cheque, bank draft or money order payable to "Sheffield Resources Limited" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours Telephone Number – After Hours Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the Sheffield Resources Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. Sheffield Resources Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Sheffield Resources Limited may scaleback applications in its discretion.

SAMPLE

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Sheffield Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

Sheffield Resources Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 16 December 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Sheffield Resources Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the Sheffield Resources Limited SPP Offer Information Line on +61 8 6424 8440.