

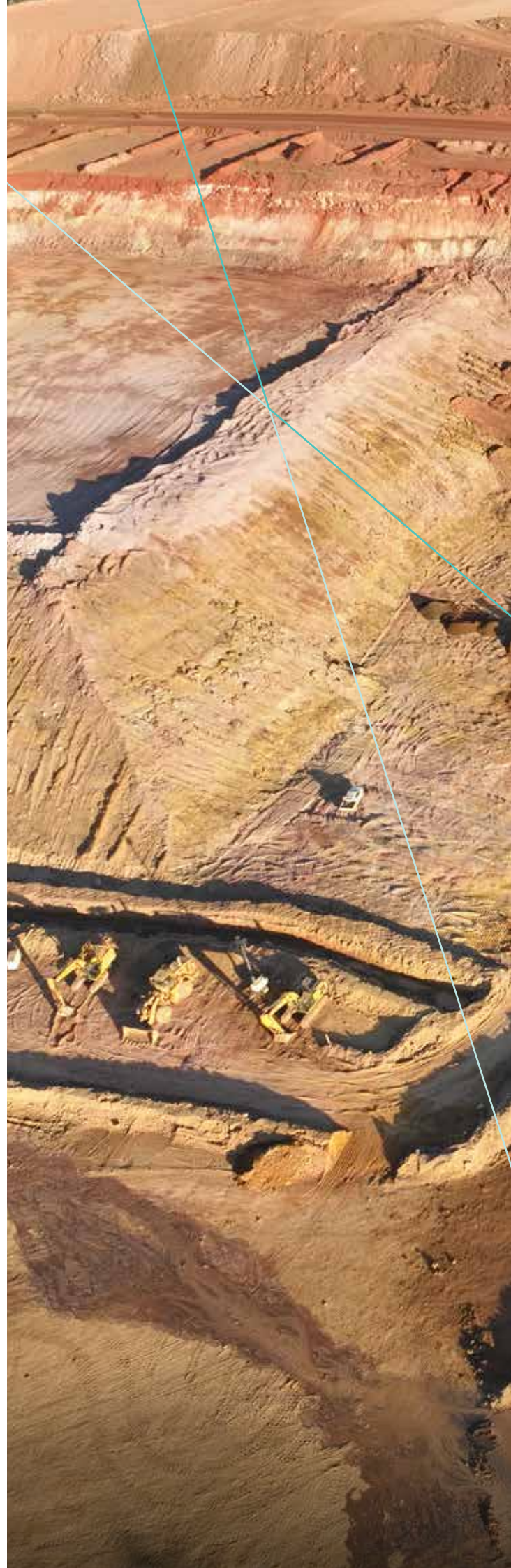


SheffieldResources
LIMITED

ANNUAL REPORT 2025

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Sheffield Resources is focused on the operation of the flagship Thunderbird Mineral Sands Mine, one of the world's largest zircon-rich mineral sands deposits.

Chair's Report

Dear Shareholders,

The 2025 financial year saw the first full year of production from the Thunderbird Mineral Sands Mine, which began operations in October 2023.



The Thunderbird Mineral Sands Mine is a long life world class mineral sands mine, and we look forward to continued growth in our mineral sands business over the coming years.

The health, safety and environmental performance at Thunderbird is impressive. With over 750,000 hours of work completed throughout this year, we have achieved a restricted work injury frequency rate of 1.32, well below comparable mining industry benchmarks. This is an outstanding achievement by the Kimberley Mineral Sands (KMS) team and all contractors involved with the Thunderbird Mine.

Operations at Thunderbird throughout 2025 were not without their challenges. Higher than expected oversize material continued to be observed, constraining Dry Mining Unit (DMU) output available to feed the processing plant. Productivity was also challenged by lower waste mining rates compared to plan, and greater than expected DMU maintenance requirements impacting upon DMU availability.

Addressing this challenge, the KMS team implemented a business improvement initiative during the financial year, geared toward maximising throughput to the process plant. Waste mining capacity and productivity grew via the implementation of a drill and blast program and mobilisation of a new waste mining contractor with a larger excavation and trucking fleet during the second

half of the year, to accommodate greater volumes of waste movement. Modifications to the DMU to improve oversize handling and overall DMU availability were also completed. By the end of the 2025 financial year, the mining operations were achieving an annualised production rate of 12mtpa, consistent with the revised business plan. The business improvement initiative also led to a reduction in KMS workforce requirements which regrettably resulted in approximately 20% of KMS staff and some contractors leaving the business. KMS provided impacted personnel with appropriate support during this difficult process.

Looking forward to FY2026, the focus of the Thunderbird team will be upon continuing business initiatives to increase production in line with the revised business plan. During the year, KMS undertook a series of production trials that successfully demonstrated that the existing fleet of dozers and DMU could sustain a mining rate equivalent to 16mtpa. Based upon this, KMS has developed an operating plan to progressively increase mine production capacity to 16mtpa by the second half of FY2026. KMS plans to then vary mine production to allow for variations in the ore body to ensure sufficient feed to fill the process plant which is designed to process 1085tph of rougher head feed, and this should result in a concentrate production rate of 900,000 – 950,000 tpa of ilmenite concentrate and 220,000 – 240,000 tpa of zircon concentrate by the second half of FY2026.

KMS continue to focus on employing as many local people as possible and maintain a residential workforce and their families within the Kimberley region. This approach ensures local economic benefit is maximised. As of 30 June 2025, 85% of the direct workforce are permanent residents of Broome, Derby and surrounding



West Kimberley communities, reflecting the commitment to a locally based workforce. Kimberley Mineral Sands employs a workforce comprising 30% Aboriginal employees within its direct workforce with 23% of the workforce represented by female employees.

In addition to our investment in Kimberley Mineral Sands, we continued to advance our interest in the South Atlantic Project in Brazil and also made a further investment in Capital Metals Plc (AIM: CMET), the owner of the Taprobane Minerals Project in Sri Lanka. A maiden Mineral Resource estimate of 771Mt @ 3.0% THM (Indicated and Inferred) for 23Mt of contained THM for the combined Retiro and Bujuru projects was completed at the South Atlantic Project. Rio Grande Mineração S/A (RGM) has also been granted an Installation Licence for Central Retiro, part of the greater Retiro deposit, paving the way for RGM to progress a Mining Decree for the initial project area.

With the Thunderbird mine continuing to grow production, we expect 2026 will see your Company achieve robust mineral sands production, delivering mineral sands concentrate products to a wide range of customers. I would like to thank my fellow Directors, our employees, the Kimberley Mineral Sands team and their contractors, our joint venture partner Yansteel, along with our financiers NAIF and Orion for their continued efforts and support during a significant year for Sheffield, where we put in place the foundations for strong performance in the years to come.

In closing, I sincerely thank Sheffield's shareholders for your ongoing support as we look forward to growing production at Thunderbird in 2026.

Bruce Griffin
Executive Chair

Review of Operations



Thunderbird Process Plant and stockpile area

KIMBERLEY MINERAL SANDS (KMS)

During the reporting period, through its 50% interest in Kimberley Mineral Sands Pty Ltd (**KMS**), Sheffield Resources Limited (**Sheffield, the Company or the Group**) completed the first full year of production from the Thunderbird Mineral Sands Mine (Thunderbird) in the Kimberley region of Western Australia.

KMS is a 50/50 joint venture between Sheffield and YGH Australia Investment Pty Ltd (Yansteel). Yansteel is a wholly-owned subsidiary of Tangshan Yanshan Iron & Steel

Co. Ltd, a privately owned steel manufacturer headquartered in Hebei, China producing approximately 10mt per annum of steel products.

Thunderbird is one of the largest and highest-grade zircon mineral sands deposits in the world and contains valuable minerals including ilmenite, zircon and leucoxene, which are extracted and exported as concentrates via the Port of Broome to offtake partners in China. Construction activities at Thunderbird were completed during 2023, ahead of schedule and within

the original \$484 million budget. The maiden shipment of Thunderbird products to customers was completed in January 2024, with the first bulk shipment departing Broome in March 2024.

Throughout the first full production period for the 2025 financial year, Thunderbird produced 741,826 tonnes of concentrate products, mining in excess of 10 million tonnes of ore. From commencement of operations through to the end of June 2025, Thunderbird had shipped in excess of 1,000,000 tonnes of concentrate products to its offtake customers in China.

Health and Safety

A strong safe working culture for all employees and contractors is essential within the KMS operating environment. Reflecting the robust safety culture, the restricted work injury frequency rate as at the end of June 2025 was 1.32, with one lost time injuries occurring during the reporting period.

KMS safety performance metrics for the Thunderbird mine are outlined below:

754,975 Operations Hours Worked

Restricted Work Injury Frequency Rate

1.32

Environmental, Social and Governance (ESG)

Minimising environmental impacts is integral to the long-term success of Kimberley Mineral Sands, and all activities are undertaken in a considered and measured approach, spanning Thunderbird's active mine life and beyond.

With climate reporting mandates for Australian companies having commenced on 1 January 2025, KMS is focused on ensuring that it meets the disclosure requirements relative to the Australian Sustainability Reporting Standards (ASRS) and Australian Accounting Standards Board (AASB S2) climate related disclosure standard anticipated to be required in the 2027 financial year. The first report under Division 3 of Part 2 of the National Greenhouse and Energy Response Reporting Act (NGER), 2007 was submitted to the Clean Energy Regulator (CER) in October 2024.

The Commonwealth Government's Net Zero Plan will guide Australia's transition to the legislated target of reducing emissions by 43% by 2030 and achieving net zero greenhouse gas emissions by 2050. KMS is adopting the Science Based Targets Initiative (SBTi), the world's only science backed framework for corporate net zero target setting. This SBTi provides near-term and long-term emissions reduction targets, validated against the latest climate science.

The draft Net Zero Strategy has been progressed in the current reporting period, in preparation for adoption during the 2026 financial year. Reductions in Scope 1 and 2 emissions will be prioritised through increased operational efficiency and guided by frameworks from the Clean Energy Finance Corporation (CEFC) and Minerals Research Institute of WA (MRIWA).



Thunderbird Mine – seedling and plant nursery

Review of Operations



Thunderbird Process Plant

KMS is committed to supporting the Kimberley community through employment, community engagement, and local and Aboriginal business opportunities. During the 2025 financial year, KMS committed over \$60 million amongst over 100 local West Kimberley based businesses, on a range of products and services from civil contracting, fuel supplies, mobile plant hire, and office services. The vast majority was committed with Aboriginal owned businesses, of which over \$12 million was contracted with Joombarburu Traditional Owner businesses, exceeding initial targets of \$10 million per year by 2031.

During the 2025 financial year, excellent progress was made in achieving Aboriginal employment targets across the KMS business. As at 30 June 2025, KMS employed a workforce comprising over 30% Aboriginal employees, and a female workforce population of 23% within its overall direct workforce of 102 people. 85% of employees are permanent residents of Broome,

Derby and surrounding West Kimberley communities, reflecting the KMS commitment to a locally based workforce.

Thunderbird Operational and Financial Performance

Total ore mined for the reporting period was 10.4 million tonnes, with concentrate production totalling 741,826 tonnes for the reporting period. Dry Mining Unit (DMU) operating performance continues to achieve an annualised mining rate between 10Mt to 12Mt per annum, with the maximum expected throughput rate of up to 16mtpa by the end of the 2026 financial year.

For the reporting period, the Heavy Mineral (HM) grade of the feed to the process plant (Rougher Head Feed or RHF) was 20.1% compared with 19.7% expected from the Mineral Resource block model. Rougher Head Feed volumes achieved were approximately 75% of basis of design per tonne of ore mined, driven by observed oversize material, and had reached approximately 80% of the

basis of design by the end of the year. The process plant is performing strongly, with TiO_2 and ZrO_2 recovery consistently at or above basis of design.

Product shipments totalled 757,592 dry metric tonnes for the reporting period, including a record 226,940 tonnes shipped during the March 2025 quarter. Whilst subdued zircon concentrate markets were experienced during the reporting period, KMS has secured government approvals for a wide range of approved offtake customers during the financial year, broadening the customer base, with continued healthy demand for zircon concentrate.

A Business Improvement Initiative to identify and implement opportunities to reduce costs and increase productivity was launched during the reporting period. This resulted in several cost saving initiatives being identified, including a reduction in KMS workforce requirements which regrettably resulted in approximately

THUNDERBIRD MINE – 2025 FINANCIAL YEAR PERFORMANCE METRICS (100% basis)

	1H 2025	2H 2025	Full Year 2025
Ore Mined ('000 tonnes)	5,040	5,369	10,409
Wet Concentrator – Rougher Head Feed (HM Grade %)	21.7	18.9	20.1
Production – Ilmenite Concentrate (tonnes)	280,178	306,465	586,643
Production – Zircon Concentrate (tonnes)	71,626	82,397	154,023
Sales – Ilmenite Concentrate (tonnes)	307,041	287,234	594,275
Sales – Zircon Concentrate (tonnes)	23,199	121,322	144,521
Ilmenite Concentrate Realised Sales Price (US\$/dmt)	126	132	129
Zircon Concentrate Realised Sales Price (US\$/dmt)	545	550	549
Average Realised Sales Price (A\$/dmt)	230	392	322
C1 Cash Costs (A\$/t Produced)	198	385	296

20% of KMS staff and some contractors leaving the business. KMS provided impacted personnel with appropriate support during this difficult process.

During the reporting period, the business improvement initiative has seen KMS complete a series of production trials that successfully demonstrated that the existing fleet of dozers and DMU could sustain a mining rate equivalent to 16mtpa. Based upon this, KMS has developed an operating plan to progressively increase mine production capacity to 16mtpa by the end of the 2026 financial year. In conjunction with this approach, KMS transitioned to drill and blast waste mining and mobilised a new waste mining contractor with a larger excavator and truck waste mining fleet. Drill & blast activities commenced in January 2025, with mining and in-pit processing plans continue to be developed to achieve mining cost reduction and increase throughput rates and RHF to the process plant.

Sales

Product shipments of ilmenite concentrate totalled 594,275 metric tonnes under the offtake agreement to joint venture partner, Yansteel. Product pricing is fixed price per percent of TiO₂ content contained within the ilmenite concentrate, with realised pricing of approximately US\$129/t for the reporting period.

Zircon concentrate shipments totaled 144,521 metric tonnes, with shipments to a wide range of offtake customers throughout the reporting period. The average realised price achieved for zircon concentrate was US\$549/t.

Financial

At the end of June 2025, KMS cash reserves totalled \$15m. During the reporting period, KMS arranged offtake prepayment facilities with Yansteel to assist with near term working capital requirements. As at the end of June 2025, offtake prepayments totalled \$31m, which shall be repaid from delivered ilmenite concentrate volumes during the 2026 financial year and may be renewed by mutual agreement.

KMS had fully utilised debt facilities from NAIF Facility A (A\$120 million), NAIF Facility B (A\$40 million), and Orion Mineral Resource Fund (US\$110 million). In accordance with the terms of the Orion facility agreement, the initial amortisation payment of US\$11 million was made on 30 June 2025. As at the balance date, the total outstanding balance on the Orion facility was US\$99 million. Quarterly interest payment instalments were made throughout the financial year to both NAIF and Orion in the ordinary course of business.

C1 cash costs per tonne produced were \$296/tonne of concentrate for the reporting period. C1 costs may differ from previously reported quarterly interim results due to cost reconciliation and reallocations that have occurred during 2025. Finished goods inventory comprises approximately 70,000 tonnes of ilmenite concentrate and over 20,000 tonnes of zircon concentrate available for shipment as at the end of the reporting period.

Review of Operations



Port of Broome – vessel loading operations

KMS Outlook

Looking ahead to the 2026 financial year, the focus for KMS and Thunderbird will be in the following areas:

- initiatives to increase production and shipping, reduce debt, and implement operational improvements and efficiencies at Thunderbird;
- delivering value to shareholders and both economic and social benefits to our Traditional Owners and the West Kimberley through disciplined financial management, operational efficiency, and continued investment in our people, infrastructure and local community; and
- strong financial management transitioning into a sustainable business generating cash flows for shareholders.

KMS Environmental Regulation

KMS is subject to various environmental regulations in respect to its exploration, development and production activities.

In the course of its normal mining and exploration activities, KMS adheres to all environmental regulations imposed upon it by the relevant regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna.

KMS Greenhouse Gas and Energy Data Reporting Requirements

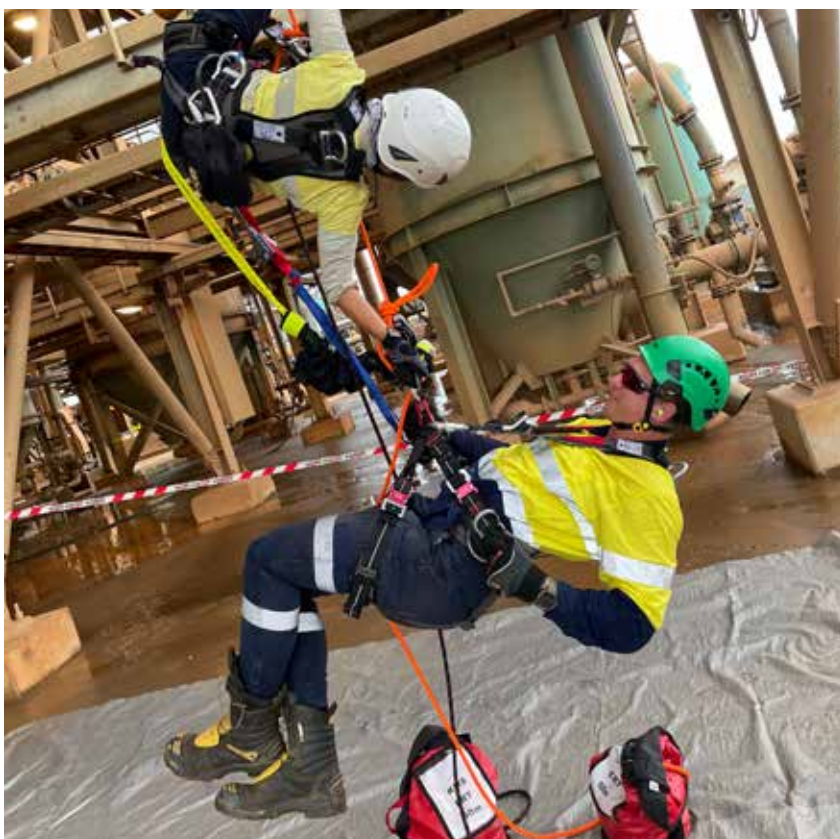
KMS has considered compliance with the National Greenhouse and Energy Reporting Act (NGER), 2007 (Cth) which requires entities to report annual greenhouse gas emissions and energy use in Australia. For the measurement period, the first report under Division 3 of Part 2 of the NGER was submitted to the Clean Energy Regulator during October 2024.

External Factors and Risks Affecting the Company's Results

Sheffield operates in an uncertain economic environment, but these uncertainties are minimised through the application of a rigorous risk management framework and clearly defined risk appetite, defined by the Board. Consequently, the Board and management monitor these uncertainties and, where possible, mitigate the associated risk of adverse outcomes. The following external factors are all capable of having a material adverse effect on the Sheffield business and may affect the prospects of business units, including the Thunderbird mine, for future financial years.

Exposure to Economic, Environment and Social Risks

Sheffield has material exposure to economic, environmental and social risks, including changes in community expectations, and environmental, social and



Emergency response training exercise

governance legislation (including, for example, those matters related to climate change). At the Thunderbird mine, reasonable steps are taken via the employment of suitably qualified personnel to assist with the management of its exposure to these risks.

During the operation of the Thunderbird mine, KMS must comply and remain compliant with its Mining License conditions and Australian Mining Codes in order to retain prospecting and mining rights. Any failure to satisfy these requirements could jeopardise any prospecting or mining rights held and impede the ability to acquire, develop or maintain any additional prospecting and mining rights, all of which could have a material adverse effect on the Sheffield and KMS business, results of operations, financial condition, cash flows and/or prospects.

Risks related to mining operational activities

Thunderbird's operations comprise mining and development with a primary focus on the development of high-grade deposits within the mineral sands sector. Operations generally involve a high degree of risk and are subject to all the hazards and risks normally encountered in the mining and development of mineral deposits. These include unstable ground conditions, adverse weather conditions, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risks are, and will continue to be, taken, Thunderbird's operations are subject to risks which may result in environmental pollution and possible liability.

Thunderbird is an established mining operation. Expenditures made or further drilling results are no guarantee for further developments or discoveries of profitable commercial mining operations. Lack of availability of drilling rigs could cause increased project expenditures and/or project delays. Heavy mineral operational development of Thunderbird involves significant risks to develop metallurgical processes and to construct mining and processing facilities. Although adequate precautions to minimize risks are, and will continue to be, taken, Thunderbird is subject to risks which may result in delays or potential performance below expectations.

Sheffield, through its interests, may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

In the event that any of these potential risks occur, Sheffield's operational and financial performance may be adversely affected.

Processing Risks

Processing of ore takes place at the Thunderbird mine site and the processing is subject to interruption risk, equipment failure, ore variability, labour risk and other risks associated with mineral extraction and processing. The outcome of this has the potential to materially affect Sheffield results and profitability.

Review of Operations



Mine Accommodation area

Access to Export Infrastructure

KMS exports products through the Port of Broome, which is not owned or operated by KMS, and experiences significantly higher activity in the dry season as cruise ships and livestock vessels increase their berthing frequency. This port has limited capacity and is not always available for timely export of available inventory, which affects timing of operating cash inflows.

Oversize Material

A significantly higher percentage of oversize material (>12mm) is rejected at the DMU than was initially modelled and predicted. A consequence of the increased oversize material is a potential displacement of heavy-mineral-bearing sand and potential increased operating cost per tonne of ore produced or potential decrease in Ore Reserves. Any expected impact is currently unknown and under review.

Exploration Risk

The exploration for and development of mineral deposits involves significant risks which even careful evaluation, experience and knowledge may not eliminate. While the discovery of minerals may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expense may be incurred to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is not possible to ensure that the exploration or development programs planned by Sheffield will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, commodity prices which are highly cyclical, government regulations, including regulations relating to prices, taxes, royalties, land tenure,

land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Sheffield not receiving an adequate return on invested capital. If any adverse event relating to exploration, mining and/or development should occur, then it could have a material adverse effect on the Sheffield business, financial condition, results of operations, cash flows and/or prospects.

Risk of Inaccurate Estimates

There is considerable uncertainty inherent in estimating the size and value of Mineral Resources and Ore Reserves. The techniques are subjective and an inexact process where the estimation of the accumulation of Mineral Resources and Ore Reserves cannot be accurately measured. To evaluate the recoverable mineral volumes, a number of geological, geophysical, technical and production data must be evaluated. The evaluation conducted in relation to the mineral sands operations may later prove to be inaccurate, and there is a real risk that estimated Mineral Resources and Ore Reserves may be adjusted downward. For example, mineral sands mined may be of a different quality, tonnage or strip ratio from the estimates. Mineral Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustment to the estimates of Mineral Resources and Ore Reserves could affect development and mining plans, which could have a materially adverse effect on the Sheffield business, financial condition, results of operations, cash flows and/or prospects.

Risk of Uninsured Losses

Sheffield is exposed to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, unusual or unexpected geological conditions, contamination, changes in the regulatory environment and natural

phenomena such as inclement weather conditions or floods. Such occurrences could have a material adverse effect on the Sheffield business, operating result or financial condition.

At Thunderbird, KMS holds comprehensive property and equipment insurance, as well as business interruption insurance to protect against certain risks in such amounts as it considers reasonable. Insurance may not cover all the potential risks associated with the Company's operations.

Contractual Risks

The ability to efficiently conduct Sheffield business in several respects depends upon third party product and service providers and contracts. Accordingly, in some circumstances, contractual arrangements have been entered into by KMS. As in any contractual relationship, the ability for KMS to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for KMS to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly, and no guarantee can be given by KMS or Sheffield that a legal remedy will ultimately be granted on appropriate terms.

Additionally, some existing contractual arrangements that have been entered into by Sheffield and its subsidiaries may be subject to the consent of third parties being obtained to enable controlled entities to carry on all of its planned business and other activities and to obtain full contractual benefits. No assurance can be given that any such required consent will be forthcoming. Failure by Sheffield to obtain such consent may result in Sheffield not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent.



Thunderbird Mining Operations

Commodity Prices

The prices that KMS obtains for its products are a key driver of business performance, and fluctuations in these markets affects its results, including cash flows and shareholder returns. 2025 financial year operating cash flows were sourced from the sale of materials from Thunderbird. Each of these commodities are priced contractually or by external markets and, as Sheffield or KMS are not a price maker with respect to the materials available for sale, it is susceptible to adverse price movements. Commodity prices experienced volatility in the 2025 financial year. KMS purchases material amounts of fuel that is subject to global pricing conditions and KMS has not hedged its exposure to fuel price volatility during the financial year.

Interest Rates

Interest rate movements affect both returns on funds on deposit as well as the cost of borrowings. Interest rate risk may be hedged in certain circumstances, however, no interest rate hedging occurred during the past year.

Currency Exchange Rates

The functional currency of KMS and Sheffield is Australian Dollars (AUD). KMS cash inflows are in United States dollars (USD), which is the currency of denominated material sales and inflows may therefore be subject to fluctuations in the exchange rate with respect to sales or ad hoc expenditures in currencies that are not AUD. Both KMS and Sheffield did not enter into any currency exchange hedging during the past year.

Review of Operations

SOUTH ATLANTIC PROJECT

The South Atlantic Project is located within the Rio Grande do Sul Coastal Plain, a region located in the southernmost state of Brazil, Rio Grande do Sul, along the coast of the Atlantic Ocean.

Sheffield has in place an investment agreement (RGM Option Agreement) with Mineração Santa Elina Indústria e Comércio S/A. and Kromus Xi Fundo De Investimento Em Participações, current owners of Rio Grande Mineração S/A (**RGM**), providing Sheffield with an option to acquire a 20% interest in RGM, the 100% owner of the South Atlantic Project in Brazil, via an initial option contribution of US\$4m, with further staged payments totalling US\$11m subject to the achievement of key milestones. Subject to various other conditions being satisfied, Sheffield may increase its interest in RGM up to 80% (refer ASX announcement dated 28 February 2023 for further details). As at the end of the reporting period, Sheffield had contributed a total of US\$2.5m, with funding applied toward an exploration drilling program, detailed technical studies, mineral resource estimation and permitting activities.

Maiden Mineral Resource estimates for Retiro and Bujuru were completed during the reporting period. The South Atlantic Project comprises a Mineral Resource estimate of 771Mt @ 3.0% THM (Indicated and Inferred) for 23Mt of contained THM for the combined Retiro and Bujuru projects (Refer ASX announcement dated 25 June 2025 for further information). In addition to the Mineral Resource estimate, RGM has been granted an Installation Licence for the Central Retiro area of interest, part of the greater Retiro deposit, paving the way for RGM to progress a Mining Decree for the initial project area.

Ongoing activities at RGM are focused on securing the Central Retiro mining decree, progressing project related approvals and the pre-feasibility study. Sheffield expects that the timeframe to conclude licencing and regulatory approvals processes for the South Atlantic Project will extend beyond timeframes previously anticipated, with any material contribution by the Company to acquire a 20% interest in RGM likely to be deployed over an extended time period. Sheffield will continue to provide stakeholders with relevant updates to the proposed RGM work program going forward.

CAPITAL METALS PLC

Sheffield retains a 10% interest in Capital Metals Plc (AIM: **CMET**), the owner of the Taprobane Minerals Project in Sri Lanka. CMET is progressing in-country activities within Sri Lanka toward development of the Taprobane Minerals Project. During the reporting period, Sheffield participated in a CMET share placement alongside a strategic investor, contributing a \$419,000 share subscription to maintain its 10% interest in CMET and associated rights.





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YEAR IN REVIEW

DIRECTORS' REPORT

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CORPORATE DIRECTORY

Board of Directors and Company Secretary

The Directors and Company Secretary of the Company during and until the date of this report are:



Bruce Griffin

Executive Chair

B.Ch.Eng, B.A.Econ, MBA

Appointed

10 June 2020

(Previously Commercial Director, appointed Executive Chair 13 April 2021)

Experience

Mr Griffin previously held the position of Senior Vice President Strategic Development of Lomon Billions Group, the world's third largest producer of high-quality titanium dioxide pigments. Bruce previously held executive management positions in several resource companies, including acting as the Chief Executive Officer and a director of TZ Minerals International Pty. Ltd. (TZMI), the leading independent consultant on the global mineral sands industry, Chief Executive Officer and a director of World Titanium Resources Ltd, a development stage titanium project in Africa and as Vice President Titanium for BHP Billiton.

Responsibilities

Member of the Board

Interest in shares, options and rights

2,664,662 ordinary shares
1,953,125 performance rights
405,391 options

Other current directorships

CVW CleanTech Inc. (since 2019)
Savannah Resources Plc (appointed 12 September 2023)
Capital Metals Plc (appointed 2 April 2024)

Past directorships last 3 years

Mawson Gold Limited (resigned 23 January 2025)



John Richards

Lead Independent Director

B. Econ (Hons)

Appointed

1 August 2019

(Previously Non-Executive Chair, appointed Lead Independent Director 13 April 2021)

Experience

Mr Richards is an economist with more than 40 years' experience in the resources industry; holding various positions within mining companies, investment banks and private equity groups. He has been involved in a wide range of mining M&A transaction in multiple jurisdictions. Mr Richards is an Independent Non-Executive Director; holding previous positions at Normandy Mining Ltd, Standard Bank, Buka Minerals and Global Natural Resource Investments; he is Non-Executive Chair of Sandfire Resources Limited.

Responsibilities

Member of the Board
Chair of the Remuneration & Nomination Committee
Member of the Audit & Risk Committee

Interest in shares, options and rights

400,000 ordinary shares

Other current directorships

Sandfire Resources Limited (appointed 1 January 2021)

Past directorships last 3 years

Northern Star Resources Limited (resigned 31 July 20)



Ian Macliver

Non-Executive Director

BCom

Appointed

1 August 2019

Experience

Mr Macliver is a highly regarded and experienced director within the mining sector. Mr Macliver's executive and director experience covers all areas of corporate activity, including acquisitions, divestments, takeovers, business and strategic planning, debt and equity structuring, operating projects and financial reviews and valuations. Mr Macliver was Chairman of MMA Offshore Limited from 2020 to 2024 (prior to its acquisition by Cyan Renewables) and Non-Executive Chairman of Western Areas Limited from 2011 to 2022. Previously, Mr Macliver was also a Non-Executive Director of Otto Energy Limited and Mount Gibson Iron Limited. Mr Macliver holds a Bachelor of Commerce from the University of Western Australia, a Post Graduate Diploma from the Securities Institute of Australia and qualified as a Chartered Accountant.

Responsibilities

Member of the Board
Chair of the Audit & Risk Committee
Member of the Remuneration & Nomination Committee

Interest in shares, options and rights

107,142 ordinary shares

Other current directorships

Emeco Holdings Limited (appointed 1 December 2024)
Wright Prospecting Pty Ltd (appointed Alternate Director December 2022)

Past directorships last 3 years

Western Areas Limited (resigned June 2022)
MMA Offshore Limited (resigned 24 July 2024)



Gordon Cowe

Non-Executive Director

BSc (Hons) Mechanical Engineering, GAICD

Appointed

12 March 2021

Experience

Gordon Cowe is a qualified mechanical engineer with over 30 years' experience. Mr Cowe has had significant involvement in leading business start-up, planning and delivery of multiple complex projects including Mining & Mineral Processing, Oil & Gas and Resources based infrastructure projects globally. He has enjoyed an extensive career with leading contractors (including Bechtel and Worley Parsons) and project owners on a wide range of projects.

Responsibilities

Member of the Board
Member of the Audit & Risk Committee

Interest in shares, options and rights

480,000 options

Other current directorships

None

Past directorships last 3 years

None



Vanessa Kickett

Non-Executive Director

Appointed

1 January 2022

Experience

Vanessa Kickett has extensive experience and involvement with Aboriginal engagement, native title and heritage matters throughout Western Australia. A member of the Whadjuk Noongar community, Mrs Kickett is currently Deputy Chief Executive Officer of the South West Aboriginal Land and Sea Council, responsible for the recent implementation and operation of the South West (Western Australia) native title settlement. Mrs Kickett has also held a variety of roles in the public sector, leading the development of heritage and native title policy and frameworks on behalf of Water Corporation in Western Australia.

Responsibilities

Member of the Board
Member of the Remuneration & Nomination Committee

Interest in shares, options and rights

480,000 options

Other current directorships

None

Past directorships last 3 years

None



Mark Di Silvio

Company Secretary

B.Bus, CPA, MBA, GAICD

Appointed

15 February 2016

Experience

Mark Di Silvio is a CPA and MBA qualified finance professional with over 30 years' resources industry experience. Mr Di Silvio's professional career includes operations and project development experience both in Australia and overseas, including senior finance roles with Woodside Petroleum Limited in Australia and Africa prior to joining Central Petroleum Limited and Centamin Plc as CFO. Mr Di Silvio has significant commercial and financial management experience including project financing, commercial agreement structuring and product offtake agreements.



Directors' Report

The Directors present their report on Sheffield Resources Limited (**Sheffield, parent entity or the Company**) and its controlled entities (**collectively known as the Group or consolidated entity**) for the year ended 30 June 2025.

Principal activities

The principal activities during the year were mineral sands operations in Australia and mineral sands evaluation in Brazil and Sri Lanka.

Directors and Company secretary

Please refer to page 14 and 15.

Directors' meetings

The number of meetings held and attended by each Director during the year are as follows:

	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
B Griffin	7	7	–	–	–	–
J Richards	7	7	2	2	1	1
I Macliver	7	7	2	2	1	1
G Cowe	7	6	2	1	–	–
V Kickett	7	5	–	–	1	1

Options

Total unlisted options on issue at the date of this report are as follows:

Date of expiry	Grant date	Exercise price	Number under options
30 November 2025	25 November 2021	\$0.65	480,000
30 October 2026	25 November 2021	\$0.33	214,200
30 November 2026	22 November 2022	\$0.84	480,000
1 December 2028	22 November 2023	\$0.68	465,515
			1,639,715

Performance rights

Total unlisted performance rights on issue at the date of this report are as follows:

Date of expiry	Grant date	Exercise price	Number under rights
30 October 2026	25 November 2021	Nil	1,649,023
1 December 2027	22 November 2022	Nil	119,023
1 December 2028	22 November 2023	Nil	19,014
29 November 2029	20 November 2024	Nil	3,108,189
8 August 2030	8 August 2025	Nil	2,731,640
			7,626,889

Directors' Report

continued

Operating and financial review

The Group's operations during the year ended 30 June 2025 are set out in the Review of Operations and Ore Reserves and Mineral Resources sections. The Group recorded a net loss after tax for the year ended 30 June 2025 of \$22.1m (2024: net loss after tax of \$32.2m). At 30 June 2025, the Group had \$7.1m in cash and cash equivalents (2024: \$9.9m) and the Group's net assets were \$116.6m (2024: \$138.1m).

Dividends

No dividends were paid or declared during the year ended 30 June 2025.

Corporate Governance Statement

The Corporate Governance Statement is available on the Company's website at www.sheffieldresources.com.au.

Likely developments and expected results

Sheffield intends to continue its exploration, development and production activities on its existing projects and to assess and consider growth opportunities within the mineral sands sector.

Environmental regulation

The Group's exploration and mining activities are governed by environmental regulation. To the best of the Directors' knowledge the Group believes it has adequate systems in place to ensure the compliance with applicable environmental legislation and is not aware of any material breach of those requirements during the year and up to the date of the Directors' Report.

Indemnification and insurance of Directors and Officers

The Company agreed to indemnify all the Directors and Key Management Personnel of the Company for any liabilities to another person (other than the company or related body corporate) that may arise from their designated position of the Company, except where the liability arises out of conduct involving a lack of good faith. During the year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*.

Indemnification of insurance of Auditor

The Company has not, during or since the end of the year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

During the year the Company has not used its auditors, HLB Mann Judd, to complete any non-audit related work (2024: nil).

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the class order applies.



Auditor's Independence

This Auditor's Independence Declaration is set out on page 40 and forms part of the Directors' report for the year ended 30 June 2025.

Events subsequent to reporting period

There has been no matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Remuneration Report (audited)

This report sets out the remuneration strategy and arrangements for Key Management Personnel (**KMP**) of Sheffield Resources Limited for year ended 30 June 2025. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

This report contains the following sections:

Section 1: Key Management Personnel	20
Section 2: Remuneration Principles	20
Section 3: 2025 Financial Year Remuneration Summary	21
Section 4: Remuneration Governance	22
Section 5: 2025 Financial Year Senior Executive KMP Remuneration	22
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Section 8: Statutory Remuneration Disclosure Tables	30
Section 9: 2026 Financial Year Planned Remuneration Changes	33

SECTION 1: KEY MANAGEMENT PERSONNEL (KMP)

For the purposes of this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company and are detailed in the table below. The Executive Chair and other executive management listed in the table below are collectively defined as the **Senior Executive KMPs** for the purposes of this report.

Name	Position	Term as KMP
Non-Executive Directors		
John Richards	Lead Independent Non-Executive Director	Full Year
Ian Macliver	Non-Executive Director	Full Year
Gordon Cowe	Non-Executive Director	Full Year
Vanessa Kickett	Non-Executive Director	Full Year
Senior Executive KMPs		
Bruce Griffin	Executive Chair	Full Year
Mark Di Silvio	Chief Financial Officer and Company Secretary	Full Year

SECTION 2: REMUNERATION PRINCIPLES

Sheffield is committed to aligning Senior Executive KMP remuneration to long term shareholder returns. To this end, the Company's remuneration practices are designed to attract and retain employees by identifying and rewarding high performers and recognising their contribution to the continued growth and success of the organisation.

The key objectives of Sheffield's remuneration policy and practices are to:

- provide total remuneration and employment conditions which will enable the Company to attract and retain high quality Senior Executive KMPs to the business;
- align remuneration with the creation and maximisation of shareholder value and the achievement of Company strategy, business objectives and core values;
- ensure the structure and quantum of remuneration is competitive and reflective of the external market in which the Company operates;
- provide a mix of fixed and variable, performance-based remuneration to drive superior performance;
- reward the achievement of individual and Company objectives, thus promoting a balance of individual performance and teamwork across the executive management team;
- provide a fair, equitable and scalable system that allows for sustainable business growth and is regularly reviewed for relevance and reliability; and
- be transparent, easily understood and is acceptable to shareholders.

The Board's specific remuneration aims for the year ended 30 June 2025 were to:

- retain a core group of Senior Executive KMPs at an early stage in the Company's joint venture operations;
- ensure cash preservation measures were set in place across the Company;
- maintain a Long Term Incentive scheme designed to create alignment with the Kimberley Mineral Sands objectives and maximise overall shareholder value;
- ensure effective benchmarking of fixed and variable remuneration for Senior Executive KMPs for a clearly defined peer group of similar companies to ensure remuneration is fair and competitive; and
- retain total remuneration at or approximately the 66th percentile of market.

SECTION 3: 2025 FINANCIAL YEAR REMUNERATION SUMMARY

The summary table below provides an overview of the 2025 financial year remuneration outcomes per element. Where adjustments have been made, these have been further specified.

Total Fixed Annual Remuneration (TFR)	No changes occurred during the year	<p>During the year under review, the TFR applicable to the Executive Chair and Chief Financial Officer was reviewed by the Remuneration Committee.</p> <p>No changes have been proposed by the Remuneration Committee.</p> <p><i>See Section 8: Statutory Remuneration Disclosure Tables, for further detail.</i></p>
Short Term Incentive (STI) outcomes	Average Senior Executive KMP outcome of 70% of maximum awarded	<p>The 2025 financial year corporate performance measures include the following:</p> <ul style="list-style-type: none"> – Production from the Thunderbird Mineral Sands Mine – Thunderbird Per Tonne Unit Operating Costs – Thunderbird Health, Safety & Environmental Performance <p>The above performance measures are further qualified by the following factors:</p> <ul style="list-style-type: none"> – Health, Safety, Environmental and Governance objectives being met; and – The Senior Executive KMP needing to be employed during the entire period <p>Assessment of these measures resulted in an average 70% STI outcome, relative to the STI targets set.</p> <p><i>See Section 5: 2025 Financial Year Senior Executive KMP Remuneration, for further detail.</i></p>
Long Term Incentive (LTI) outcomes	<p>Grant of Performance Rights: 2,985,078</p> <p>Grant of Share Options: Nil</p>	<p>2,985,078 LTI performance rights were granted to Senior Executive KMPs during the year, with the performance period spanning three years ending on 30 June 2027. The next grant of LTI performance rights is scheduled in the 2026 Financial Year, spanning an equivalent three year performance period ending on 30 June 2028.</p> <p>For the year ended 30 June 2025, no share options were granted to Senior Executive KMPs during the year. The Company has designed an incentive program geared toward performance rights with appropriate long term performance hurdles.</p> <p><i>See Section 5: 2025 Financial Year Senior Executive KMP Remuneration, for further detail.</i></p>
Non-Executive Director (NED) fees	No changes	<p>During the 2025 financial year, there was a review undertaken of the NED fee structure (including the related policy on base and committee fees). It was determined that no change to the NED fee pool is required at this time.</p> <p><i>See Section 7: Non-Executive Directors Remuneration, for further detail.</i></p>
Other Changes to Senior Executive KMP Remuneration	No changes	<p>No other changes to Senior Executive KMP remuneration were made during the 2025 financial year.</p>

Remuneration Report (audited)

continued

SECTION 4: REMUNERATION GOVERNANCE

Decision making relating to KMP remuneration is guided by the below remuneration governance framework:

Board of Directors (Board)	<p>The Board is:</p> <ul style="list-style-type: none">– responsible for the nomination and appointment of Directors and the remuneration of its Directors, Managing Director and Senior Executive KMPs– determines the remuneration of Senior Executive KMPs, following the recommendation of the Remuneration and Nomination Committee.
Remuneration and Nomination Committee (the Committee)	<p>The Committee assists the Board in meeting its remuneration obligations and helps to address all matters pertaining to Board nominations and Senior Executive KMP remuneration. The Committee's responsibilities include the following:</p> <ul style="list-style-type: none">– ensures that the Company's remuneration policies and practices attract and retain Executives and Directors who will create long-term value for shareholders– retains responsibility for oversight of the remuneration policies– evaluates and monitors the performance of the Senior Executive KMPs
External Remuneration Consultants	<p>To ensure the Committee and Board are fully informed when making remuneration decisions, it may seek external, independent remuneration advice on remuneration related issues. As a result, remuneration consultants may be engaged directly by the Committee.</p> <p>During the 2025 financial year, the Committee engaged the services of a remuneration consultant (The Reward Practice Pty Ltd (TRP)) to assist with general governance and remuneration reporting practices. Additionally, during the prior 2024 financial year, the Committee engaged TRP to provide benchmarking and market data analysis, in relation to the remuneration of Senior Executive KMPs and Non-Executive Directors and specifically, to assess the competitiveness of remuneration arrangements. TRP was engaged by the Committee Chair and reported to the Committee and the Board. The Committee and the Board considered the information provided by The Reward Practice, along with other factors, in making their respective concluding remuneration decisions.</p> <p>The Board is satisfied that the interactions between The Reward Practice and the Senior Executive KMPs were negligible, involving the provision of remuneration data and related payroll information for consideration. The Reward Practice has relevant procedures in place to minimise potential opportunities for collaboration or undue influence from Senior Executive KMPs. The Board is therefore satisfied that the market data provided was free from undue influence from Senior Executive KMPs.</p> <p>Total fees paid to The Reward Practice for services during the year ended 30 June 2025 were \$8,250 (2024: \$27,650).</p> <p>No remuneration recommendations as defined in section 9B of the <i>Corporations Act 2001</i> were provided by the consultant during the period.</p>

SECTION 5: 2025 FINANCIAL YEAR SENIOR EXECUTIVE KMP REMUNERATION

Sheffield's Senior Executive KMP remuneration is comprised of both Fixed (Base Salary plus Superannuation) and Variable (consisting of both Short and Long Term Incentives that are performance driven) remuneration elements.

Remuneration Mix

Senior Executive **KMP** remuneration consists of Total Fixed Annual Remuneration (**TFR**), Short Term Incentives (**STI**) and Long Term Incentives (**LTI**). A description of the Remuneration Mix applicable for the 2025 financial year is set out below:

How is the mix of fixed and at-risk remuneration determined?	<p>The mix of fixed and at-risk remuneration may vary and is dependent upon the organisational seniority of an Executive. It also considers Company and individual performance factors. For instance, the Executive Chair has a greater proportion of remuneration that is at-risk, compared to other Senior Executive KMPs.</p> <p>For all Senior Executive KMPs, it may be possible that during a particular year, no at-risk remuneration will be earned, with fixed remuneration representing 100% of their total remuneration.</p>
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For the year ended 30 June 2025, the outcomes and relative proportions of fixed and at-risk remuneration of Senior Executive KMPs are described within Section 6 of this Remuneration Report.

Total Fixed Annual Remuneration (TFR)

A description of TFR applicable for the 2025 financial year is set out below:

What is included in fixed remuneration?	TFR consists of base salary and is inclusive of superannuation. Allowances and other benefits may be provided, including additional superannuation provided that, in the case of extra superannuation, no extra cost is incurred by the Company.
How is fixed remuneration determined and reviewed?	<p>The level of TFR is set to provide a base level of remuneration which is both appropriate to the position and is competitive within the market. TFR is reviewed annually with any adjustments to TFR for Senior Executive KMPs ultimately approved by the Board, following consideration by the Committee.</p> <p>Sheffield seeks to position TFR at the 66th market percentile of salaries for comparable companies within the mining industry, utilising information provided by independent remuneration consultants.</p>

Short Term Incentive (STI)

A description of Short Term Incentive applicable for the 2025 financial year is set out below:

Who is eligible to participate in Short Term Incentives?	The Committee shall nominate eligible STI participants for Board approval. Typically, individuals classified as Senior Executive KMP shall be eligible to participate, in conjunction with selected employees of the Company that management considers capable of influencing STI objectives.
What is the performance period?	Short Term Incentives are measured across an annual time horizon (or as otherwise determined by the Committee and Board).
What is the purpose of Short Term Incentives?	<p>At-risk remuneration strengthens the bond between pay and performance. The purpose of providing STIs is to incentivise and reward Senior Executive KMPs for annual performance, relative to the expectations of their respective role accountabilities and associated KPIs, required behaviours, as well as for the successful execution of annual business plans.</p> <p>A remuneration and benefits structure that provides at-risk remuneration is also a necessary part of competitive remuneration arrangements within the Australian and global marketplace for Executives.</p>
What happens to the Short Term Incentive opportunity if a Senior Executive KMP ceases employment?	<p>Unless the Board determines otherwise, where a participant ceases to be employed by the Company, their award opportunity for the applicable financial year will be reduced to reflect the portion of the financial year not completed at the end of their employment.</p> <p>For the purposes of determining the actual STI award, assessment of the extent of their achievement of individual criteria will be based on performance up to the cessation of their employment, while the extent of achievement of the corporate criteria will be assessed by the Board in the ordinary course at the conclusion of the financial year.</p>
Do the Short Term Incentives consider variable performance levels compared to objectives?	<p>Yes. The quantum of any STI award is linked to the extent of achievement of applicable performance criteria.</p> <p>Performance levels for each performance criteria are set at the following three levels:</p> <ul style="list-style-type: none"> – Threshold – a performance level representative of minimum achievement. It represents the minimum level of performance for which a minimum STI award would be payable above this level. The STI is designed such that there is a >75% probability the Executive will meet or exceed this level of achievement. – Target – a performance level that represents a challenging but achievable level of performance. The STI is designed such that there is a 50% probability of achievement in any given year. – Stretch – a performance level that represents the upper limit of what may be achievable. The STI is designed such that there is a less than 25% probability the Executive will reach or exceed this level of achievement.

Remuneration Report (audited)

continued

What are the Short Term Incentive performance criteria for the year ended 30 June 2025?	<p>For the 2025 financial year, the following performance financial and non-financial measures were reviewed and considered by the Remuneration & Nomination Committee to be appropriate, aligned with the Company's strategy:</p> <ul style="list-style-type: none"> - Production - Achievement of product throughput quantity milestones in relation to the Thunderbird Mineral Sands Mine, in accordance with the Board approved budget. - Per Tonne Unit Operating Costs - Achievement of targeted cost of production in relation to the Thunderbird Mineral Sands Mine, in accordance with the Board approved budget. - Health, Safety & Environmental Performance - satisfactory achievement of health, safety and environmental performance targets across the Thunderbird Mineral Sands Mine.
Are there any gateways or other conditions?	<p>The Committee also recommended that the above performance measures should be further qualified by the following factors:</p> <ul style="list-style-type: none"> - Health, Safety, Environmental and Governance objectives being met. In the event of a fatality or other catastrophic event, the Board would be expected to exercise its discretion to award no STI cash or equity bonus for the period; and - In addition to the above, the Senior Executive KMP must be employed during the entire period to be eligible for the award (noting that applicable good leaver provisions may apply).
How much value is ascribed to the Short Term Incentive opportunity?	<p>The Executive Chair has a target STI opportunity of 56% of TFR, with a maximum opportunity (if the stretch targets are achieved) of 75% of TFR.</p> <p>Other Senior Executive KMPs have a target STI opportunity of 41% of TFR, with a maximum opportunity (if the stretch targets are achieved) of 55% of TFR.</p> <p>STI opportunity levels are determined based on mining industry benchmark data with a market position set at the 66th percentile for the 2025 financial year.</p>
What is the Short Term Incentive assessment process?	<p>Based upon objective performance measures and data points collected, the Board determines the extent to which the corporate performance criteria has been satisfied and achieved.</p>
How is the Short Term Incentive paid?	<p>STI award outcomes are typically paid as cash remuneration to an employee. However, to provide greater alignment with shareholder value, Sheffield provides 50% of the STI award in cash, with the remaining 50% balance awarded via vesting of performance rights, subject to shareholder approval provisions.</p>
Are there any malus or claw back provisions associated with a Short Term Incentive Award?	<p>Yes. Where, in the opinion of the Board, a Senior Executive KMP acts fraudulently or dishonestly, is grossly negligent or has his or her employment or office terminated due to serious or willful misconduct or otherwise for cause without notice, the Board may undertake necessary steps to annul, cancel or seek commensurate compensation for any performance rights granted in favor of the Senior Executive KMP associated with the Short Term Incentive award.</p>
How is the Short Term Incentive Award treated upon a Change of Control?	<p>For the 2025 financial year, for the portion of STI award applicable by way of the granting of performance rights in favour of the Senior Executive KMP, performance rights shall automatically vest.</p> <p>In relation to the cash component of any STI award, the Board may exercise its direction to determine a commensurate STI award (if any), taking into account any conditions or information that may be relevant.</p>

2025 STI Performance Criteria

The STI performance criteria for the 2025 financial year were set at the following levels:

Performance Hurdle	Nil award	Minimum Performance (for a STI award above 0%)	Threshold Performance (50% award)	Target Performance (75% of award)	Stretch Performance (100% of award)
Production	>10% below target performance	10% below target performance	3.5% below target performance	Meets Board approved budgeted product throughput quantity milestones	10% above target performance
Per Tonne Unit Operating Costs	Costs >10% above target performance	Costs 10% above target performance	Costs 3.3% above target performance	Meets Board approved budgeted costs of production	Costs 7.5% below target performance
Health, Safety & Environmental Performance	Increase on year-on-year baseline HSE performance target by >10%	Increase on year-on-year baseline HSE performance target by <10%	50% achievement of year-on-year baseline HSE performance targets	Achievement of year-on-year baseline HSE performance targets	Superior performance relative to prior year baseline targets

Where actual performance achievement falls between performance hurdle intervals (e.g., between Minimum, Threshold and Target performance), the actual award outcome will be determined on a sliding scale basis. For example, where actual production performance is 5% below target performance and thereby falls between Threshold and Target performance, the actual award associated with the Production performance hurdle would equate to 62.5% of the maximum award.

Going forward into the 2026 Financial Year, the Committee has reviewed the above STI arrangement. This has been discussed further within *Section 9 – 2026 Financial Year Planned Remuneration Structure*.

2025 STI Performance Outcomes

Following the end of the 2025 financial year, the Committee considered actual performance and achievements compared to the 2025 STI Performance Criteria described in the above table.

Following the Committee's consideration, the Board resolved to award 70% of the maximum award outcome, with Health, Safety & Environmental performance and unit cost performance accounting for the majority of the award. Production performance hurdles achieved above Threshold performance, but below Target performance. Awards were majority settled in cash In lieu of equity following Committee consideration.

Remuneration Report (audited)

continued

Senior Executive KMP – Long Term Incentive (LTI)

A description of the Long Term Incentive applicable for the 2025 financial year is set out below:

What is the purpose of Long Term Incentives?	<p>Provision of LTI's provide the Company with the opportunity to:</p> <ul style="list-style-type: none"> – Align the interest of Senior Executive KMPs more closely with the interests of Shareholders by providing an opportunity to earn shares in the Company; – Provide Senior Executive KMPs with the opportunity to share in any future growth in the value of the Company; and – Provide greater incentive for Senior Executive KMPs to focus on the Company's longer-term goals.
Who is eligible to participate in Long Term Incentives?	The Committee shall nominate eligible LTI participants for Board approval. Typically, individuals classified as Senior Executive KMPs shall be eligible to participate, in conjunction with selected employees of the Company that management considers capable of influencing LTI objectives.
What is the Long Term Incentive performance period?	Each LTI grant on 1 July (or any other appropriate date as determined by the Board) and is followed by a 3-year performance period, with testing occurring at the final day of the performance period.
What types of equity may be granted under the LTI Plan?	<p>Performance rights are granted under the LTI program.</p> <p>Performance rights represent a right to be allocated one share in Sheffield, subject to satisfying any specified thresholds, standards and performance criteria. A participant is not entitled to participate in or receive any dividends or other shareholder benefits until the performance right has vested and been exercised and a share has been allocated to the participant.</p> <p>Share Options are an option to be allocated one share in Sheffield, subject to satisfying any specified thresholds, standards and performance criteria. A participant is not entitled to participate in or receive any dividends or other shareholder benefits until the share option has vested and been exercised and a share has been allocated to the participant.</p> <p>The Company has a preference to grant performance rights in favour of share options.</p>
How much value is ascribed to the LTI opportunity?	The Executive Chair is awarded performance rights worth 125% of TFR. Other Senior Executive KMPs are awarded performance rights worth 85% of their TFR. LTI performance criteria are designed to target 50% vesting of awarded performance rights over time. Award opportunities and targeted vesting outcomes are based on industry benchmarks to achieve the remuneration policy intent of positioning TFR at the 66th market percentile.
What were the LTI performance criteria for the year ended 30 June 2025?	<p>Share Options: (performance period 1 July 2022 to 30 June 2025):</p> <ul style="list-style-type: none"> – Superior performance of Compound Annual Growth Rate (CAGR) calculated in respect of the Company's share price, less the percentage CAGR calculated in respect of the S&P/ASX 300 Materials Index, calculated for the period commencing between 1 July 2022 and ending on 30 June 2025. Please refer to page 19 of the ASX Announcement titled "Notice of Annual General Meeting/Proxy Form" dated 14 October 2022 for further details. <p>No Performance Rights were granted for the applicable triennium commencing 1 July 2022 to 30 June 2025.</p>
What happens to LTIs when a participant ceases employment?	Where a participant ceases to be employed by the Company, unvested LTIs are typically automatically forfeited. In limited circumstances in accordance with the Incentive Performance Rights Plan, the Board may exercise discretion as to whether any unvested LTIs remain on foot and become capable of vesting in accordance with the Incentive Performance Rights Plan rules. Reasons may include, but are not limited to, death, total and permanent disablement, retirement or redundancy.
How is the Long Term Incentive Award treated upon a Change of Control?	<p>Following 1 July 2024 and going forward, the Board has resolved that vesting conditions attached to LTIs shall not be deemed to be automatically waived in the circumstances where a Change of Control occurs, such that all LTIs will proportionately vest and become capable of being exercised based upon the elapsed period of time between date of grant and the date that a Change of Control has occurred.</p> <p>Historically, for the period up to and including 30 June 2024, and in accordance with the Incentive Performance Rights Plan rules, vesting conditions attached to LTIs will be deemed to be automatically waived in the circumstances where a Change of Control occurs, such that all LTIs will vest and become capable of being exercised.</p>

Are there any malus or clawback provisions associated with a Long Term Incentive Award?	Yes. Where, in the opinion of the Board, a Senior Executive KMP acts fraudulently or dishonestly, is grossly negligent or has his or her employment or office terminated due to serious or willful misconduct or otherwise for cause without notice, the Board may undertake necessary steps to annul, cancel or seek commensurate compensation for any Performance Rights or Share Options granted in favour of the Senior Executive KMP associated with the Long Term Incentive award.
Does the Company have a policy in relation to hedging at-risk remuneration?	Yes, the Incentive Performance Rights Plan rules prohibit participants from entering an arrangement where the effect would result in limiting their exposure to risk relating to Performance Rights that have not vested.
What other rights of participation exist in relation to Performance Rights and Share Options?	There are no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. All shares allotted upon the exercise of options will rank pari passu in respect with other shares.
How does the Company consider industry benchmarks when granting Long Term Incentives?	In the case of the current financial year, the Company considered a range of ASX-listed resource peer companies by market capitalisation and sector similarity. The benchmark comparator group for the year ended 30 June 2025 is described below, in the table titled "ASX Companies – Comparator Group".

ASX Companies – Comparator Group

Arafura Rare Earths Limited	Cobalt Blue Holdings Limited	Northern Minerals Limited
AIC Mines Limited	Global Lithium Resources Limited	Ora Banda Mining Limited
Aurelia Metals Limited	Image Resources NL	Pantoro Limited
Australian Strategic Materials Ltd	Jupiter Mines Limited	Sovereign Metals Limited
BCI Minerals Limited	Lindian Resources Limited	Meteoric Resources NL
VHM Limited		

Remuneration Report (audited)

continued

SECTION 6: 2025 FINANCIAL YEAR REMUNERATION & PERFORMANCE OUTCOMES

Overview of Company Performance

The table below sets out summary of information about the movements in shareholder wealth for the following financial periods:

	2025	2024	2023	2022	2021
Profit / (loss) before tax (\$'000)	(22,050)	(32,191)	(8,610)	24,991	29,096
Net profit / (loss) after tax (\$'000)	(22,050)	(32,191)	(8,610)	26,079	28,008
Dividend (cents)	–	–	–	–	–
Basic earnings / (loss) per share (cents)	(5.59)	(8.19)	(2.39)	7.53	8.19
Diluted earnings / (loss) per share (cents)	(5.59)	(8.19)	(2.39)	7.44	7.82
Share price at year end (cents)	16.0	35.0	47.5	48.0	35.5

Fixed Remuneration Outcomes of Key Management Personnel

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed remuneration		Remuneration linked to performance	
	2025	2024	2025	2024
Non-Executive Directors				
J Richards	100%	100%	–	–
I Macliver	100%	100%	–	–
G Cowe	100%	100%	–	–
V Kickett	100%	100%	–	–
Senior Executive KMPs				
B Griffin	66%	53%	34%	47%
M Di Silvio	67%	51%	33%	49%

Senior Executive Employment Agreements

Remuneration and other terms of employment for the following KMP are formalised in employment agreements. All contracts with Senior Executives may be terminated early by either party with notice, per individual agreement, and subject to the termination payments as detailed below:

Name	Position	Commencement date	Total Fixed Remuneration	Termination benefit
B Griffin	Executive Chair	10 June 2020	\$500,000	1 months' notice
M Di Silvio	CFO & Company Secretary	15 February 2016	\$388,500	4 months' notice

2025 Financial Year Variable Remuneration Outcomes

The tables below describe the variable remuneration outcomes for Senior Executive KMPs for the 2025 financial year.

Share Options – 2025 Financial Year Movement

The table below outlines the movement of the Share Options held by each Senior Executive KMP during the 2025 financial year:

Name	Opening Balance	Granted	Lapsed ¹	Exercised	Closing Balance	Vested & exercisable
B Griffin	881,483	–	(252,363)	–	629,120	–
M Di Silvio	705,303	–	(233,437)	–	471,866	–
	1,586,786	–	(485,800)	–	1,100,986	–

Note 1: Relates to Share Options granted in the 2022 financial year.

The grant of Share Options to Senior Executive KMPs described in the above table are aligned with relative Compound Annual Growth Rate (CAGR) share price performance compared to the S&P/ASX300 Materials Index, spanning a three year period.

Performance Rights – 2025 Financial Year Movement

The table below outlines the movement of the Performance Rights held by each Senior Executive KMP during the 2025 financial year:

Name	Opening Balance	Granted	Lapsed	Exercised	Closing Balance	Vested & exercisable
B Griffin ¹	1,820,188	2,539,063	(185,145)	(1,635,043)	2,539,063	–
M Di Silvio	2,421,398	1,365,820	(128,046)	–	3,659,172	2,293,352
	4,241,586	3,904,883	(313,191)	(1,635,043)	6,198,235	2,293,352

Detail relating to the Performance Rights:

919,805 Performance Rights were granted to Senior Executive KMPs, in the form of Short Term Incentives for the 2025 financial year. 2,985,078 Performance Rights were granted to Senior Executive KMPs during the year in the form of Long Term Incentives, with the performance period commencing on 1 July 2024 and ending on 30 June 2027.

49,602 Short Term Incentive Performance Rights vested in favour of Senior Executive KMPs, following the measurement of the 2024 financial year performance outcomes. Of this amount, 30,588 Performance Rights were exercised, with a further 19,014 made available for exercise.

3,253,478 Long Term Incentive Performance Rights vested in favour of Senior Executive KMPs, following the measurement of the 2024 financial year performance outcomes, primarily in relation to the successful commissioning and construction of the Thunderbird Mineral Sands Mine. Of this amount, 1,604,455 Performance Rights were exercised, with a further 1,649,023 made available for exercise.

SECTION 7: NON-EXECUTIVE DIRECTORS' REMUNERATION

The structure of Non-Executive Director and Senior Executive KMP remuneration is separate and distinct. Shareholders approve the aggregate or total fees payable to Non-Executive Directors, with the current approved limit being \$600,000 (excluding share-based payments). The fees paid to Non-Executive Directors are set at levels that reflect both the responsibilities of, and the time commitments required from each Non-Executive Director to discharge their duties and are not linked to the performance of the Company.

All Non-Executive Directors have their indemnity insurance paid by the Company. Non-Executive Directors receive fixed remuneration consisting of a base fee and any applicable statutory superannuation contributions as set out below:

	2025 \$	2024 \$
Base fees, including statutory superannuation		
Lead Independent Non-Executive Director	111,500	111,000
Other Non-Executive Directors	89,200	88,800

Remuneration Report (audited)

continued

SECTION 8: STATUTORY REMUNERATION DISCLOSURE TABLES

The tables below show the fixed and variable remuneration for KMP:

	Short-term			Post-employment	Share based payments	
2025	Salary & fees \$	Bonus \$	Non-monetary ² \$	Superannuation \$	Options & rights ¹ \$	Total \$
Non-Executive Directors						
J Richards	100,000	–	15,759	11,500	–	127,259
I Macliver	80,000	–	15,759	9,200	–	104,959
G Cowe ³	119,999	–	15,759	9,200	–	144,958
V Kickett	80,000	–	15,759	9,200	–	104,959
Senior Executive KMPs						
B Griffin ⁴	500,000	20,800	15,759	–	281,027	817,586
M Di Silvio	359,500	12,929	15,759	29,000	201,909	619,097
	1,239,499	33,729	94,554	68,100	482,936	1,918,818

Note 1: The fair value is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuation which comprised of a hybrid option pricing model incorporating a Monte-Carlo simulation. Please refer to Note 17 in the consolidated financial statements for further details.

Note 2: Non-monetary benefits include either cost to the Company in providing fringe benefits and/or attributable non-cash benefit applied by virtue of the Company's Directors and Officer Liability policy.

Note 3: Compensation included \$39,999 consulting fees paid to Mr Cowe. Further details disclosed in Other Transactions with KMP and their Related Parties section, which forms part of the Directors' Report.

Note 4: Further details disclosed in Other Transactions with KMP and their Related Parties section, which forms part of the Directors' Report.

2024	Short-term			Post-employment	Share based payments	Total \$
	Salary & fees \$	Bonus \$	Non-monetary ² \$	Superannuation \$	Options & rights ¹ \$	
Non-Executive Directors						
J Richards	111,000	–	14,614	–	–	125,614
I Macliver	80,000	–	14,614	8,800	–	103,414
G Cowe ³	120,000	–	14,614	8,800	–	143,414
V Kickett	80,000	–	14,614	8,800	–	103,414
Senior Executive KMPs						
B Griffin ⁴	500,000	74,561	14,614	–	382,736	971,911
M Di Silvio	361,000	70,223	14,614	27,500	324,470	797,807
	1,252,000	144,784	87,684	53,900	707,206	2,245,574

Note 1: The fair value is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuation which comprised of a hybrid option pricing model incorporating a Monte-Carlo simulation. Please refer to Note 17 in the consolidated financial statements for further details.

Note 2: Non-monetary benefits include either cost to the Company in providing fringe benefits and/or attributable non-cash benefit applied by virtue of the Company's Directors and Officer Liability policy.

Note 3: Compensation included \$40,000 consulting fees paid to Mr Cowe. Further details disclosed in Other Transactions with KMP and their Related Parties section, which forms part of the Directors' Report.

Note 4: Compensation included consulting fees paid to Mr Griffin. Mr Griffin's Total Fixed Remuneration (TFR) was amended from \$300,000 per annum to \$500,000 per annum effective 1 April 2023. There was no change to Mr Griffin's TFR during the 2024 financial year. Further details disclosed in Other Transactions with KMP and their Related Parties section, which forms part of the Directors' Report.

Additional Remuneration Disclosures

Share Options

The table below outlines the movement of the options held by each KMP:

2025	Opening balance	Granted	Exercised	Lapsed	Closing balance	Vested & exercisable	Unvested
Non-Executive Directors							
J Richards	-	-	-	-	-	-	-
I Macliver	-	-	-	-	-	-	-
G Cowe	480,000	-	-	-	480,000	480,000	-
V Kickett	480,000	-	-	-	480,000	480,000	-
Senior Executive KMPs							
B Griffin	881,483	-	-	(252,363)	629,120	111,273	517,847
M Di Silvio	705,303	-	-	(233,437)	471,866	102,927	368,939
	2,546,786	-	-	(485,800)	2,060,986	1,174,200	886,786

Performance Rights

The table below outlines the movement of the rights held by each KMP:

2025	Year granted	Opening balance	Granted	Rights to deferred shares				Closing balance (unvested)	Closing balance (vested)	Value yet to vest
				Vested & Exercised	Forfeited/Lapsed					
		Number	Number	Number	%	Number	%	Number	Number	\$
Non-Executive Directors										
J Richards	-	-	-	-	-	-	-	-	-	-
I Macliver	-	-	-	-	-	-	-	-	-	-
G Cowe	-	-	-	-	-	-	-	-	-	-
V Kickett	-	-	-	-	-	-	-	-	-	-
Senior Executive KMPs										
B Griffin	2024	1,820,188	2,539,063	(1,635,043)	90%	(185,145)	10%	2,539,063	-	119,814
M Di Silvio	2024	2,421,398	1,365,820	-	-	(128,046)	5%	1,365,820	2,293,352	63,305
		4,241,586	3,904,883	(1,635,043)	39%	(313,191)	7%	3,904,883	2,293,352	183,119

Remuneration Report (audited)

continued

Shareholdings

The table below outlines the relevant interest of each KMP in the share capital (held directly or indirectly of the Company) as at 30 June 2025:

2025	Opening balance	Granted as remuneration	Received on exercise	Other changes ¹	Closing balance
Non-Executive Directors					
J Richards	400,000	-	-	-	400,000
I Macliver	107,142	-	-	-	107,142
G Cowe	-	-	-	-	-
V Kickett	-	-	-	-	-
Senior Executive KMPs					
B Griffin ^{1,2}	514,558	-	1,635,043	299,000	2,448,601
M Di Silvio ³	671,854	-	-	-	671,854
	1,693,554	-	1,635,043	299,000	3,627,597

Note 1: Include on-market purchases by KMP.

Note 2: 220,000 shares held by Mr Griffin's spouse.

Note 3: 103,076 shares held by Mr Di Silvio's spouse.

Other Transactions with KMP and their Related Parties

The table below represents consultancy service fees that were paid by Sheffield to other entities external to the Company for the 2025 financial year. In either instance, the Executive Chair and a Non-Executive Director have a controlling interest within each entity. The details concerning these consultancy fees have been outlined in the table below and are accompanied by supporting explanations.

	2025 \$	2024 \$
Farview Solutions Limited ¹	312,467	574,561
Ozscot Trust (Ozscot) ²	39,999	40,000

Note 1: Farview Solutions Limited (Farview) ceased providing consultancy services to the Group on 31 January 2025. Mr Griffin is a director and controlling shareholder of Farview and also serves as the Executive Chair of Sheffield. This payment was also disclosed in the KMP remuneration disclosure table, which forms part of the Directors' Report.

Note 2: Ozscot Trust (Ozscot) provides directorship services to the Group, including service as a director of Kimberley Mineral Sands Pty Ltd. Mr Cowe is a director of Ozscot and also serves as a Non-Executive Director of Sheffield. This payment was also disclosed in the KMP remuneration disclosure table, which forms part of the Directors' Report.

Loans to Key Management Personnel

No loans were granted to KMP during the 2025 financial year.

SECTION 9: 2026 FINANCIAL YEAR PLANNED REMUNERATION STRUCTURE

Via the Committee during the prior 2024 financial year, the Company engaged a third-party consultant to perform a remuneration benchmarking study in relation to Key Management Personnel. The study considered market-based peer analysis of both fixed and variable remuneration, with proposed amendments to policy and remuneration arrangements subsequently adopted and approved by the Board. Principal outcomes of the policy structure for the 2024 financial year and applicable for subsequent financial years are as follows:

Policy Structure	<ul style="list-style-type: none"> - Suspension of Share Option grants in favour of Performance Rights. - Pro-rata STI and LTI vesting shall take place upon a Change of Control event, replacing the historical treatment of automatic vesting. - Removal of the individual performance scorecard due to a small management team. Outcomes will be solely aligned to company performance, going forward. - Board discretion to be considered in the event of a material reputation damaging event
Total Fixed Remuneration	No amendments to Total Fixed Remuneration are proposed.
Short Term Incentive (STI)	<p>STI based upon annual performance targets attributable to the operation of the Thunderbird Mineral Sands Mine, payable 50% in cash and 50% in the form of Performance Rights which vest (subject to the successful attainment of performance objectives, as determined by the Board) following the end of the annual performance period. These will have a total life spanning 5 years.</p> <p>A maximum of three performance measures, aligned to Production, Cost and, Health, Safety Environmental and Governance performance will be considered.</p>
Long Term Incentive (LTI)	<p>LTI's linked to market-based measures including, but not limited to, absolute and relative total shareholder return measures.</p> <p>An annual LTI grant, spanning a three-year performance period, subject to the achievement of total shareholder return performance criteria.</p>
Non-Executive Directors	No amendments to the fee structure are proposed.

END OF AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the Directors, made pursuant to S298(2) of the *Corporations Act 2001*.

For and on behalf of the Directors



Bruce Griffin

Executive Chair
Perth, Western Australia

18 September 2025

Ore Reserves and Mineral Resources

Ore Reserve for Dampier Project held by Kimberley Mineral Sands Pty Ltd as at 30 June 2025¹ (Sheffield interest – 50%)

Dampier Project Ore Reserve

Deposit	Ore Reserve Category	Ore Tonnes (million)	HM Grade (%)	OS (%)	Adj. OS (%) ²	Slimes (%)	Valuable HM Grade (In-situ)						Mineral Assemblage			
							Zircon (%)	HiTi Leuc (%)	Leuc (%)	Ilmenite (%)	Zircon (%)	HiTi Leuc (%)	Leuc (%)	Ilmenite (%)	Leuc (%)	Ilmenite (%)
Thunderbird	Proved	205	13.6	15	44	16	1.00	0.29	0.27	3.6	7.4	2.2	2.0	26		
	Probable	510	10.1	11	36	14	0.79	0.26	0.27	2.9	7.8	2.6	2.6	28		
	Total	710	11.1	12	38	15	0.85	0.27	0.27	3.1	7.6	2.4	2.4	28		

Note 1: End of period mining pickups occur on 25th of the month. Mining physicals between 26th – 30th are not material in relation to the overall Ore Reserve and are within rounding tolerances.

Note 2: An adjustment has been made to the oversize contents to align this with production data. Adjusted oversize is estimated on a block model cell basis based on the MRE estimated oversize (OS) and the formula $(OS \times 2 + 15)\%$. Adjusted oversize has not been reported in previous estimates.

Previous Ore Reserve for Dampier Project held by Kimberley Mineral Sands Pty Ltd as at 30 June 2024

Dampier Project Ore Reserve

Deposit	Ore Reserve Category	Ore Tonnes (millions)	HM Grade (%)	Oversize (%)	Slimes (%)	Zircon (%)	HiTi Leuc (%)	Leuc (%)	Ilmenite (%)	Zircon (%)	HiTi Leuc (%)	Leuc (%)	Ilmenite (%)	Mineral Assemblage			
Thunderbird	Proved	235	12.9	13	16	0.95	0.29	0.28	3.4	7.4	2.2	2.2	27				
	Probable	515	10.1	11	15	0.78	0.26	0.27	2.9	7.8	2.6	2.6	28				
	Total	750	11.0	11	15	0.84	0.27	0.27	3.0	7.7	2.4	2.5	28				

The 30 June 2025 and 30 June 2024 estimates have been rounded to 5Mt for ore tonnes, 0.1% for HM and 2 significant figures for oversize, slimes, zircon, HiTi, leucosene and ilmenite. Valuable Mineral Assemblage is expressed both as % in ore and % in HM. Ore Reserves are reported as material within pit designs but limited to below a top-of-ore surface generated from consideration of the optimisation value modelling, discard strategy and current geological domain interpretation.

Note 1: Tonnages and grades are rounded to reflect the relative uncertainty of the estimate, thus the sum of columns may not equal.

Note 2: HM is within the 38µm to 1mm size fraction and reported as a percentage of the total material, slimes is the -38µm fraction and oversize is the +1mm fraction.

Ore Reserves - Commentary:

Detailed comparison (before appropriate rounding for tabulation) has been performed between the 2024 Ore Reserve and this updated estimate by considering changes in Ore, Heavy Mineral (HM) and Valuable Heavy Mineral (VHM) tonnages between estimates. The main variance, in terms of ore tonnage, is due to changes in T1 (lower grade) feed strategy for consistency with the current life of mine plan and scale up assumptions to a second DMU as per recently disclosed business improvement initiatives. In aggregate, these changes remove 27 Mt @ 4.6% HM of ore material in the updated Ore Reserve compared to the previous disclosure. A 10Mt reduction in ore tonnes is due to mining depletion and a 1Mt reduction due to sterilisation and exclusion of material below the finished floor and required for pit road access within the current disturbance area limitations. The largest reduction between this updated estimate and the prior disclosure, in terms of contained VHM, is associated with mining depletion for the reporting period. The removal of the lower grade T1 feed material represents a 1.7% reduction in contained VHM over the previous disclosed Ore Reserve and is not considered material. There are no material differences in primary in-situ grades or mineral assemblage between estimates, other than the inclusion of the adjusted oversize estimate used for enhanced mine planning.

The Ore Reserve estimate was prepared by Entech Pty Ltd, an experienced and prominent mining engineering consultancy with appropriate mineral sands experience in accordance with the JORC Code (2012 Edition). The Ore Reserve is estimated using all available geological and relevant drill hole and assay data, including mineralogical sampling and test work on mineral recoveries and final product qualities. Measured and Indicated Resources were converted to Proved and Probable Ore Reserves respectively, subject to mine design, modifying factors and economic valuation.

The Company is not aware of any new information or data that materially affects the information included in the Ore Reserve estimate.

Ore Reserves and Mineral Resources

continued

Mineral Resources for Dampier Project held by Kimberley Mineral Sands Pty Ltd as at 30 June 2025

Dampier Project Mineral Resources^{1,2,3,4,5,6,7}

Deposit (cut-off)	Mineral Resource Category	Cut-off (THM%)	Material Tonnes (millions)	HM Grade (%)	Mineral Assemblage					Adjusted Oversize (%)	Slimes (%)
					Zircon (%)	HiTi Leuc ⁶ (%)	Leuc (%)	Ilmenite (%)	Oversize (%)		
Thunderbird ^{4,7}	Measured	3.0	470	8.8	8.0	2.3	2.1	27	12	39	18
	Indicated	3.0	2,040	6.6	8.3	2.7	3.0	28	8	32	15
	Inferred	3.0	480	6.2	8.1	2.7	3.2	27	7	30	14
	Total	3.0	2,990	6.8	8.2	2.6	2.9	28	9	33	16
Night Train	Inferred	2.0	50	5.9	14	5.6	49	18	2	2	10
	Total	2.0	50	5.9	14	5.6	49	18	2	2	10
All Dampier (various)	Measured	3.0	470	8.9	8.0	2.3	2.2	27	12	39	18
	Indicated	3.0	2,040	6.6	8.4	2.7	3.1	28	9	32	16
	Inferred	Various	530	6.1	8.6	2.9	7.4	27	7	27	14
	Total	Various	3,040	6.8	8.3	2.7	3.5	27	9	32	16

Note 1: Night Train: The Mineral Resources estimate was prepared by Optiro Pty Ltd (now Snowden Optiro) and first disclosed under the JORC Code (2012). Thunderbird: The Mineral Resource estimate was prepared by Optiro Pty Ltd (now Snowden Optiro) and first disclosed under the JORC Code (2012). The Dampier Project Mineral Resources are reported inclusive of (not additional to) Ore Reserves.

Note 2: HM is within the 38µm to 1mm size fraction and reported as a percentage of the total material, slimes is the <38µm fraction and oversize is the >1mm fraction.

Note 3: Tonnes and grades have been rounded to reflect the relative accuracy and confidence level of the estimate, thus the sum of columns may not equal.

Note 4: Thunderbird: Estimates of Mineral Assemblage are presented as percentages of the Heavy Mineral (HM) component of the deposit, as determined by magnetic separation, QEMSCANTM and XRF. Magnetic fractions were analysed by QEMSCANTM for mineral determination as follows: Ilmenite: 40-70% TiO₂ >90% Liberation; Leucoxene: 70-94% TiO₂ >90% Liberation; High Titanium Leucoxene (HiTi Leucoxene): >94% TiO₂ >90% Liberation; and Zircon: 66.7% ZrO₂+HfO₂ >90% Liberation. The non-magnetic fraction was submitted for XRF analysis and minerals determined as follows: Zircon: ZrO₂+HfO₂/0.667 and High Titanium Leucoxene (HiTi Leucoxene): TiO₂/0.94. An adjustment has been made to the oversize contents to align this with production data.

Note 5: Night Train: Estimates of Mineral Assemblage are presented as percentages of the Heavy Mineral (HM) component of the deposit, as determined by magnetic separation, QEMSCANTM and XRF for one of 12 composite samples. Magnetic fractions were analysed by QEMSCANTM for mineral determination as follows: Ilmenite: 40-70% TiO₂ >90% Liberation; Leucoxene: 70-90% TiO₂ >90% Liberation; High Titanium Leucoxene (HiTi Leucoxene) and Rutile 90% TiO₂ >90% Liberation, and Zircon: 66.7% ZrO₂+HfO₂ >90% Liberation. The non-magnetic fraction was submitted for XRF analysis and minerals determined as follows: Zircon: ZrO₂+HfO₂/0.667 and High Titanium Leucoxene (HiTi Leucoxene): TiO₂/0.94. HM assemblage determination- was by the QEMSCANTM process for 11 of 12 composite samples which uses observed mass and chemistry to classify particles according to their average chemistry, and then report mineral abundance by dominant % mass in particle. For the TiO₂ minerals the following breakpoints were used to distinguish between Ilmenite 40% to 70% TiO₂, Leucoxene 70% to 90% TiO₂, High Titanium Leucoxene and Rutile > 90%, Screening of the heavy mineral was not required.

Note 6: HiTi Leucoxene and Rutile (%) combined for Night Train at a >90% TiO₂ (as one assemblage sample utilised=> 90% rutile and HiTi Leucoxene), HiTi Leucoxene for Thunderbird > 94% TiO₂

Note 7: Mineral Resources at Thunderbird are depleted for mining to 25 June 2025. End of period mining pickups occur on 25th of the month. Mining physicals between 26th - 30th are not material in relation to the overall Ore Reserve and are within rounding tolerances.

Mineral Resources – Commentary:

The Thunderbird Mineral Resource estimate as of June 2024 was 3.01 billion tonnes at 6.9% total heavy mineral (HM) for 207 Mt of contained HM. The Mineral Resource estimate has been updated to include data from the 2024 grade control drilling, has been depleted for mining to 25 June 2025, and excludes areas sterilised due to Aboriginal heritage protection considerations and mining. The Thunderbird Mineral Resource estimate as of 30 June 2025 is 2.99 billion tonnes at 6.8% total HM for 205 Mt of contained HM. The Mineral Resource at Thunderbird is estimated and reported in accordance with the guidelines of the JORC Code (2012).

Reconciliation analysis was undertaken by Snowden Optiro (responsible for the Mineral Resource estimate) and Entech (responsible for the Ore Reserve estimate). This indicates that there continues to exist a high degree of uncertainty with respect to oversize estimates modelled when compared with the actual proportion of oversize experienced in mining to date. Reconciliation work undertaken in respect of the updated Mineral Resource and Ore Reserve estimates has noted poor reconcile between HM tonnes modelled and that reported at the concentrator RHF, with the model appearing to significantly overestimate the contained HM. However, acceptable reconciliation is observed when considering aggregate $\text{TiO}_2 + \text{ZrO}_2$.

Drilling and sample preparation of the exploration samples resulted in oversize material being crushed and incorporated into the sand fraction. It is postulated that the model HM is overestimated by the inclusion of more trash (non-valuable) HM from the higher observed oversize and which is then reject at, or prior to the DMU, resulting in a WCP feed with a higher valuable HM (VHM). The mineral assemblage components are reported as a percentage of the total HM fraction and so adjustments to HM, to exclude non-valuable HM from the crushed oversize fraction, would also require corresponding adjustment in the mineral assemblage estimation. The modelled mineral assemblage data includes consideration of non-valuable HM in the coarser material (including the additional crushed oversize fraction). Composite HM samples were screened at 106µm and each fraction weighted. Analysis was undertaken on the -106µm fraction, and the mineral assemblage of the total HM fraction reported by assuming non-valuable HM in the +106µm fraction.

The oversize contents in the updated Mineral Resource have been adjusted to align with production data, however, this will have to be monitored and may require further revision as more data becomes available. Provision has been made in the Ore Reserve estimate, by allowing for increased oversize quantity, both in determining rehandle volumes and cost and also in estimating RHF rates at the concentrator for scheduling within installed design process capacity constraints.

At this stage there is insufficient data to make adjustments to the modelled HM, to account for the non-valuable HM in the additional oversize fraction, and it is not yet clear if adjustments are required to the mineral assemblage data. Work to better understand the relationship between modelled/estimated oversize, HM and VHM with actual observed quantities remains ongoing. Mining to date has been limited to a relatively small and near surface region within the global Mineral Resource and it is not yet established whether experiences from mining to date can be confidently applied to the broader Mineral Resource.

The Night Train Mineral Resource estimate has not changed since 30 June 2024.

Governance And Internal Controls

Mineral Resource and Ore Reserve are compiled by qualified Kimberley Mineral Sands Pty Ltd personnel and/or independent consultants following industry standard methodology and techniques. The underlying data, methodology, techniques and assumptions on which estimates are prepared are subject to internal peer review by senior Company personnel, as is JORC compliance. Where deemed necessary or appropriate, estimates are reviewed by independent consultants. Competent Persons named by the Company are members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code 2012.

Ore Reserves and Mineral Resources

continued

Competent Persons And Compliance Statements

The Company's Ore Reserves and Mineral Resources Statement is based on information first reported in previous ASX announcements by the Company. These announcements are listed below and are available to view on Sheffield's website www.sheffieldresources.com.au. Mineral Resources and Ore Reserves reported for the Dampier Project are prepared and disclosed under the JORC Code 2012. Other than known and reported mine operating cost increases as a result of increased induration and inflationary cost pressures, the Company confirms that it is not aware of any new information materially affecting the information included in the relevant original market announcements and that all material assumptions parameters underpinning the estimates in the relevant original market announcement continue to apply and have not materially changed.

The information in this report that relates to Ore Reserves is based on information and supporting documentation prepared by Mr. Per Scrimshaw. Mr. Scrimshaw is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Scrimshaw is employed by Entech, a mining consultancy engaged by KMS to prepare Ore Reserves estimation for the Thunderbird Project. Mr. Scrimshaw has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Scrimshaw has visited the Thunderbird site on multiple occasions, the most recent being in August 2025. During this visit Mr Scrimshaw viewed the active mining areas, processing and tailings facilities. Mr Scrimshaw also met with key KMS operational personnel tasked with mining, geology and processing aspects at the Thunderbird site and collated supporting information and data to support this Ore Reserve estimate update. Mr Scrimshaw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the estimation of the Mineral Resources is based on information compiled by Mrs Christine Standing, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Mrs Standing is an employee of Datamine Australia Pty Ltd (Snowden Optiro) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Standing consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

The Competent Persons for reporting of Mineral Resources and Ore Reserves in the relevant original market announcements are listed below. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcement.

Supporting Information Required Under Asx Listing Rules, Chapter 5

The supporting information below is required, under Chapter 5 of the ASX Listing Rules, to be included in market announcements reporting estimates of Mineral Resources and Ore Reserves.

Previously Reported Information

This report includes information that relates to Exploration Results, Mineral Resources and Ore Reserves prepared and first disclosed under the JORC Code 2012 and a Bankable Feasibility Study. The information was extracted from the Company's previous ASX announcements as follows:

- Mineral Resource and Ore Reserve Statement: "MINERAL RESOURCE AND ORE RESERVE STATEMENT" 24 September 2019
- Thunderbird Ore Reserve Update: "THUNDERBIRD ORE RESERVE UPDATE" 24 March 2022
- Thunderbird BFS Update: "THUNDERBIRD BFS, FINANCING AND PROJECT UPDATE", 24 March 2022
- Night Train Inferred Resource and Mineral Assemblage results "HIGH GRADE MAIDEN MINERAL RESOURCE AT NIGHT TRAIN" 31 January 2019
- Thunderbird Mineral Resource: "SHEFFIELD DOUBLES MEASURED MINERAL RESOURCE AT THUNDERBIRD" 5 July 2016
- Thunderbird drilling: "EXCEPTIONALLY HIGH GRADES FROM INFILL DRILLING AT THUNDERBIRD MINERAL SANDS PROJECT" 9 February 2015

These announcements are available to view on Sheffield's website at www.sheffieldresources.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements, other than known reported mine operating cost increases as a result of increased induration and inflationary cost pressures and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements.

Ore Reserves and Mineral Resources prepared and first disclosed under the JORC Code (2012):

Item	Report title	Report Date	Competent Person(s)
Ore Reserve estimation	Thunderbird Ore Reserve Update	24 March 2022	P. Scrimshaw
Mineral Resource estimation and reporting	Sheffield Doubles Measured Mineral Resource at Thunderbird	5 July 2016	M. Teakle, C. Standing
Mineral Resource estimation	High Grade Maiden Mineral Resource at Night Train	31 January 2019	C. Standing

Item	Name	Company	Professional Affiliation
Mineral Resource reporting	Mr Mark Teakle	Thunderbird Operations	MAIG, MAusIMM
Mineral Resource estimation	Mrs Christine Standing	Snowden Optiro	MAIG
Ore Reserve estimation	Mr Per Scrimshaw	Entech	MAusIMM

Forward Looking, Cautionary Statements And Risk Factors

The contents of this report reflect various technical and economic conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those contained in this report.

Some statements in this report regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Sheffield Resources Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
18 September 2025

A handwritten signature in blue ink, appearing to read 'D I Buckley', written over a light blue rectangular background.

D I Buckley
Partner

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Continuing operations			
Interest income		362	1,050
Share of joint venture results	8	(20,472)	(27,638)
Other corporate expenses		(1,017)	(1,833)
Employee benefits expenses		(1,528)	(1,701)
Net fair value change in financial assets	12	1,090	(1,361)
Share-based payments expenses	17	(483)	(706)
Bank fees and finance charges		(2)	(2)
Net loss before income tax		(22,050)	(32,191)
Income tax benefit	9	-	-
Net loss after income tax		(22,050)	(32,191)
Other comprehensive income / (loss)		-	-
Total comprehensive loss for the year, net of tax		(22,050)	(32,191)
Loss per share attributable to ordinary equity holders			
Basic loss per share (cents per share)	19	(5.59)	(8.19)
Diluted loss per share (cents per share)	19	(5.59)	(8.19)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	7,088	9,878
Trade and other receivables	11	35	53
Total Current Assets		7,123	9,931
Non-current assets			
Investment in joint venture	8	103,328	123,800
Financial assets at fair value through profit or loss - CMET	12	2,581	1,072
Exploration and evaluation assets	13	3,774	3,774
Total non-current assets		109,683	128,646
TOTAL ASSETS		116,806	138,577
LIABILITIES			
Current liabilities			
Trade and other payables	14	116	304
Provisions	15	127	143
Total current liabilities		243	447
Total liabilities		243	447
Net assets		116,563	138,130
Equity			
Issued capital	16	156,224	155,674
Reserves	17	13,965	14,032
Accumulated losses	18	(53,626)	(31,576)
Total equity		116,563	138,130

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2025

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance as at 1 July 2024	155,674	14,032	(31,576)	138,130
Comprehensive income / loss				
Net loss for the year	-	-	(22,050)	(22,050)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(22,050)	(22,050)
Transactions with owners				
Shares issued	550	(550)	-	-
Share-based payments	-	483	-	483
Total transactions with owners	550	(67)	-	483
Balance as at 30 June 2025	156,224	13,965	(53,626)	116,563

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance as at 1 July 2023	155,309	13,691	615	169,615
Comprehensive income / loss				
Net loss for the year	-	-	(32,191)	(32,191)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(32,191)	(32,191)
Transactions with owners				
Shares issued	365	(365)	-	-
Share-based payments	-	706	-	706
Total transactions with owners	365	341	-	706
Balance as at 30 June 2024	155,674	14,032	(31,576)	138,130

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Payments to employees		(1,563)	(1,716)
Payments to suppliers		(1,167)	(1,663)
Interest received		362	1,076
Bank fees and finance charges		(2)	(2)
Net cash flows used in operating activities	10	(2,370)	(2,305)
Cash flows from investing activities			
Investment in financial assets		(420)	(2,433)
Investment in joint venture		-	(7,500)
Payments for exploration and evaluation expenditure		-	(2,260)
Net cash flows used in investing activities		(420)	(12,193)
Cash flows from financing activities			
Payments for share issue costs		-	(31)
Net cash flows used in financing activities		-	(31)
Net decrease in cash and cash equivalents		(2,790)	(14,529)
Cash and cash equivalents at beginning of period		9,878	24,407
Cash and cash equivalents at end of year	10	7,088	9,878

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

1. Corporate information

The consolidated financial report for the year ended 30 June 2025 covers Sheffield Resources Limited (Sheffield, parent entity or the Company) and its controlled entities (collectively known as the Group or consolidated entity). The principal activities during the year were mineral sands operations in Australia and mineral sands evaluation in Brazil and Sri Lanka.

Sheffield is a for-profit company limited by shares whose shares are publicly traded on the Australian Securities Exchange. The Company and its controlled entities were incorporated and domiciled in Australia. The registered office and principal place of business of the Company is Level 1, 45 Ventnor Avenue, West Perth, WA 6005.

The consolidated financial report of Sheffield for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 17 September 2025.

2. Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a going concern basis.

(a) Functional and presentation currency

Both the functional and presentation currency of Sheffield is Australian Dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that currency.

(b) Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) pursuant to the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which this class order applies.

(c) Going concern

The financial statements have been prepared on a going concern basis. The Group recorded a net loss after tax for the year ended 30 June 2025 of \$22.1m (2024: net loss after tax of \$32.2m). At 30 June 2025, the Group had \$7.1m in cash and cash equivalents (2024: \$9.9m). The Group's net assets were \$116.6m (2024: \$138.1) and the net cash outflows from operating activities were \$2.4m (2024: \$2.3m).

Kimberley Mineral Sands Pty Ltd (KMS) became jointly owned by Sheffield and YGH Australia Investment Pty Ltd (Yansteel) as at 12 March 2021. The Thunderbird mineral sands project (Thunderbird) was previously held by Sheffield through its 100% owned subsidiary KMS prior to the formation of the joint venture. The project is located in north-west Western Australia. KMS made a Final Investment Decision (FID) to construct and develop the Thunderbird project on 7 October 2022. KMS reached financial close on a combined \$315m senior loan facilities provided by Northern Australia Infrastructure Facility (NAIF) and OMRF (Th) LLC, a related entity of Orion Mineral Royalty Fund (Orion). The Thunderbird project was fully funded through to first production.

Operations at Thunderbird continued to observe higher than expected oversize material, constraining Dry Mining Unit (DMU) output available to feed the processing plant. Productivity was also challenged by lower waste mining rates compared to plan greater than expected DMU maintenance requirements impacting DMU availability. The KMS team implemented a business improvement initiative during the financial year, geared toward maximizing throughput to the process plant. Waste mining capacity and productivity grew and modifications to the DMU to improve oversize handling and overall DMU availability were also completed. By the end of the 2025 financial year, the mining operations were achieving an annualised production rate of 12mtpa, consistent with business the revised business plan.

The Directors have prepared a cash flow forecast for the next 12 month period. Whilst the Directors are confident that any potential future funding requirements for the Group will be successfully covered, the timing and costs of any additional funding remains uncertain. Should the Company be unsuccessful in obtaining such funding, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors have discretion regarding the level and timing of expenditure to be incurred against forecast expenditure. Steps can be taken to contain operating and investment activities, ensuring the Group's ability to manage the timing of cash flows to meet committed obligations of the business as and when they fall due.

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the financial results reported in the consolidated financial statements.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used, and different conditions existed.

The Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods.

Share-based payments transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuation which comprised of a hybrid option pricing model incorporating a Monte Carlo simulation.

Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if rights to tenure of the area of interest are current and activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Investment in joint venture

The Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and carrying value, and then recognises the loss within "Share of joint venture results" in the statement of profit or loss.

Upon loss of significant influence or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4. New and revised accounting standards and interpretations

The Group adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and are mandatory for the current financial reporting period beginning 1 July 2024. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board. Current taxes and deferred taxes are not allocated to the segments as they are managed on a group basis.

The Group's operating segments are as follows:

- South Atlantic Project – Project consists of mineral sands tenements located in Brazil. On 28 February 2023, Sheffield executed a binding investment agreement (RGM Option Agreement) with Mineração Santa Elina Indústria e Comércio S/A. and Kromus Xi Fundo De Investimento Em Participações, owners of Rio Grande Mineração S/A (RGM). Please refer to Note 13 for additional information.
- Thunderbird Project – Thunderbird consists of mineral sands tenements located in the Canning Basin that form part of the Thunderbird mineral sand mining operation held by Thunderbird Operations Pty Ltd, subsidiary of Kimberley Mineral Sands Pty Ltd (KMS). Please refer to Note 8 for additional information.
- Other – Other exploration and evaluation activities, other investments and corporate expenses that are not allocated to operating segments as they are not considered part of the core operation of any segment.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

5. Segment reporting (continued)

2025	South Atlantic Project \$'000	Thunderbird Project \$'000	Other \$'000	Total \$'000
Segment Reporting				
Other income	-	-	362	362
Employee benefits	-	-	(1,528)	(1,528)
Share-based payment	-	-	(483)	(483)
Corporate expenses (other)	-	-	(1,017)	(1,017)
Corporate expenses (bank fees)	-	-	(2)	(2)
Fair value on financial assets (CMET)	-	-	1,090	1,090
Share of joint venture results	-	(20,472)	-	(20,472)
Segment results before tax	-	(20,472)	(1,578)	(22,050)
Segment assets	3,774	103,328	9,704	116,806
Segment liabilities	-	-	243	243
Other disclosures				
Investment in joint venture	-	103,328	-	103,328
Exploration and evaluation expenditure	3,774	-	-	3,774

2024	South Atlantic Project \$'000	Thunderbird Project \$'000	Other \$'000	Total \$'000
Segment Reporting				
Other income	-	-	1,050	1,050
Employee benefits expenses	-	-	(1,701)	(1,701)
Share-based payments expenses	-	-	(706)	(706)
Corporate expenses	-	-	(1,835)	(1,835)
Net fair value change on financial assets	-	-	(1,361)	(1,361)
Share of joint venture results	-	(27,638)	-	(27,638)
Segment results before tax	-	(27,638)	(4,553)	(32,191)
Segment assets	3,774	123,800	11,003	138,577
Segment liabilities	-	-	447	447
Other disclosures				
Investment in joint venture	-	123,800	-	123,800
Exploration and evaluation expenditure	2,266	-	1,072	3,338

6. Financial risk management

The Group have exposure to the following risks from their use of financial instruments:

- Interest rate risk;
- Credit risk;
- Liquidity risk; and
- Foreign currency risk;

Risk management

The Group's principal financial instruments comprise of cash, receivables, payables and investments. The Group monitors and manages its exposure to key financial risks in accordance with the Group's financial management policy.

6. Financial risk management (continued)

Interest rate risk management

The Group is exposed to interest rate risk as the Group holds cash at both fixed and floating interest rates. The Group's exposure to interest rate risk is limited to the amount of interest income it can potentially earn on surplus cash deposits.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's financial instruments are as follows:

							Weighted average interest rate	
2025	Floating interest rate \$'000	<1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Non-interest bearing \$'000	Total \$'000	Fixed	Floating
Financial assets								
Cash and cash equivalents	6,949	-	-	-	139	7,088	-	4.30%
Trade and other receivables	-	30	-	-	5	35	4.85%	-
Financial assets at fair value through profit or loss	-	-	-	-	2,581	2,581		
	6,949	30	-	-	2,725	9,704		
Financial liabilities								
Trade and other payables	-	-	-	-	116	116	-	-
	-	-	-	-	116	116		

							Weighted average interest rate	
2024	Floating interest rate \$'000	<1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Non-interest bearing \$'000	Total \$'000	Fixed	Floating
Financial assets								
Cash and cash equivalents	9,604	-	-	-	274	9,878	5.03%	4.50%
Trade and other receivables	-	30	-	-	23	53	4.94%	-
Financial assets at fair value through profit or loss	-	-	-	-	1,072	1,072		
	9,604	30	-	-	1,369	11,003		
Financial liabilities								
Trade and other payables	-	-	-	-	305	305	-	-
	-	-	-	-	305	305		

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

6. Financial risk management (continued)

The Group's expected contractual outflows and maturities of financial liabilities are as follows:

2025	Current liabilities		Non-current liabilities	
	< 6 months \$'000	6 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000
Financial liabilities				
Trade and other payables	116	-	-	-
	116	-	-	-

2024	Current liabilities		Non-current liabilities	
	< 6 months \$'000	6 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000
Financial liabilities				
Trade and other payables	305	-	-	-
	305	-	-	-

Fair value measurement

The fair value of the financial instruments, excluding cash and cash equivalents, including their level in the measurement hierarchy is as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liability.

2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trade and other receivables	-	35	-	35
Financial assets at fair value through profit or loss	2,581	-	-	2,581
	2,581	35	-	2,616
Financial liabilities				
Trade and other payables	-	116	-	116
	-	116	-	116

2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trade and other receivables	-	53	-	53
Financial assets at fair value through profit or loss	1,072	-	-	1,072
	1,072	53	-	1,125
Financial liabilities				
Trade and other payables	-	305	-	305
	-	305	-	305

7. Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

	Country of incorporation	Ownership interest %	
		2025	2024
Sheffield Resources Limited			
Sheffield Exploration (WA) Pty Ltd	Australia	100%	100%
Sheffield Brazil Holdings Pty Ltd	Australia	100%	100%
Sheffield Brazil Holdings Pty Ltd			
Sheffield Brazil Investments Pty Ltd	Australia	100%	100%

8. Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when the decisions about relevant activities require the unanimous consent of the parties sharing control.

Interest in the investment in joint venture is accounted for using the equity method in the financial statements. Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the share of net assets of the joint venture since the acquisition date. The statement of profit or loss reflects the share of the results of operations of the joint venture.

Kimberley Mineral Sands Pty Ltd Joint Venture

Kimberley Mineral Sands Pty Ltd (KMS) became jointly owned by Sheffield and YGH Australia Investment Pty Ltd (Yansteel) as at 12 March 2021. The Thunderbird mineral sands project (Thunderbird) was previously held by Sheffield through its 100% owned subsidiary KMS prior to the formation of the joint venture. The project is located in north-west Western Australia. Sheffield's interest in KMS is accounted for using the equity method in the consolidated financial statements.

KMS is governed by a four-person Board of Directors with Sheffield and Yansteel each nominating, and being represented by, two directors. Key decisions require unanimous approval of both shareholders.

KMS made a Final Investment Decision (FID) to construct and develop the Thunderbird project on 7 October 2022. KMS reached financial close on a combined \$315m senior loan facilities provided by Northern Australia Infrastructure Facility (NAIF) and OMRF (Th) LLC, a related entity of Orion Mineral Royalty Fund (Orion). The Thunderbird project was fully funded through to first production.

Carrying amount in joint venture investment is as follows:

	2025 \$'000	2024 \$'000
Reconciliation of carrying amount in joint venture investment		
Opening balance of share of joint venture investment	123,800	143,938
Equity contribution in favour of KMS	-	7,500
Share of KMS joint venture loss - 50%	(20,472)	(27,638)
Closing carrying amount of joint venture investment	103,328	123,800

KMS also had commitments and contingent liabilities as at 30 June 2025, for which the Group has corresponding commitments and contingent liabilities as disclosed in Notes 22 and 23.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

8. Investment in joint venture (continued)

Summarised consolidated audited statements of profit or loss and other comprehensive income of KMS for the years ended 30 June 2024 and 2025 are as follows:

	Note	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Revenue from continuing operations	a	243,585	71,958
Other income		-	298
Mining expenses		(117,221)	(57,243)
Processing expenses		(28,442)	(12,115)
Logistics expenses		(44,688)	(19,893)
Non-process infrastructure and maintenance expenses		(14,213)	(15,938)
Site Administration expenses		(711)	(4,979)
Royalty expenses		(12,968)	(4,480)
Change in inventories		(1,993)	32,715
General and administrative expenses		(2,937)	(14,252)
Depreciation and amortisation expenses		(29,534)	(18,212)
Impairment of exploration expenditure		(3,397)	-
Loss before financing costs and income tax		(12,519)	(42,141)
Finance income		156	46
Finance expenses	b	(28,581)	(37,409)
Loss before income tax		(40,944)	(79,504)
Income tax benefit	c	-	24,229
Loss after income tax		(40,944)	(55,275)
Other Comprehensive Income / (loss)		-	-
Total comprehensive loss, net of tax		(40,944)	(55,275)
Reconciliation of share of joint venture results			
Sheffield's share of joint venture results – 50%		(20,472)	(27,638)

8. Investment in joint venture (continued)

Consolidated audited statements of financial position of KMS as at 30 June 2024 and 2025 are as follows:

	Note	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Current assets			
Cash and cash equivalents		14,858	15,350
Trade and other receivables		2,912	24,821
Prepayments		1,195	1,980
Other financial assets		1,562	1,643
Inventories	d	33,852	34,704
Assets held for sale		125	-
Total current assets		54,504	78,498
Non-current assets			
Other financial assets		1,246	1,400
Plant and equipment	e	467,206	255,249
Right of use asset	e	81,619	94,700
Mine properties and development	e	84,714	268,797
Exploration and evaluation assets		5,693	8,947
Deferred tax assets		21,081	21,081
Total non-current assets		661,559	650,174
Total assets		716,063	728,672
Current liabilities			
Trade and other payables		45,253	29,699
Short term financial liability		32,314	-
Lease liabilities	h	11,210	10,224
Borrowings	f	34,911	9,775
Provisions		4,102	4,803
Total current liabilities		127,790	54,501
Non-current liabilities			
Lease liabilities	h	73,515	85,378
Other financial liabilities - royalty make whole	g	93,971	116,527
Borrowings	f	220,721	238,753
Provisions		36,996	29,499
Total non-current liabilities		425,203	470,157
Total liabilities		552,993	524,658
Net assets		163,070	204,014
Equity			
Issued capital		202,660	202,660
Reserves		88,713	88,713
Accumulated losses		(128,303)	(87,359)
Total Equity		163,070	204,014

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

8. Investment in joint venture (continued)

Consolidated audited statements of cash flows of KMS for the years ended 30 June 2024 and 2025 are as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Cash flows from operating activities		
Receipts from customers	253,049	49,708
Interest received	29	40
Payments to employees	(27,651)	(30,458)
Payments to suppliers	(166,707)	(77,724)
Payments of royalties	(11,420)	-
Net Interest and other finance costs paid	(30,207)	(25,799)
Net cash flows from / (used in) operating activities	17,093	(84,233)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	6
Payments for exploration and evaluation expenditure	(798)	(1,633)
Payments for plant and equipment	(3,526)	(10,360)
Payments for mine assets under development expenditure	(19,159)	(81,388)
Payments for bonds and guarantees	(78)	(275)
Net cash flows used in investing activities	(23,561)	(93,650)
Cash flows from financing activities		
Payments for lease liabilities	(18,473)	(14,280)
Repayment of borrowings	(39,121)	
Proceeds from borrowings	64,138	97,342
Proceeds from issue of shares		15,000
Net cash flows from financing activities	6,544	98,062
Net increase/(decrease) in cash and cash equivalents	76	(79,821)
Effect of exchange rates on cash and cash equivalents	(568)	(40)
Cash and cash equivalents at beginning of period	15,350	95,211
Cash and cash equivalents at end of period	14,858	15,350

8. Investment in joint venture (continued)

(a) Joint venture – revenue from continuing operations

KMS primarily generates revenue from the sales of ilmenite and zircon concentrate to customers. Revenue is recognized when control of the product has passed to the customer. For zircon concentrate there are two performance obligations; with the first recognised when the product is loaded onto the ship and the second with revenue from shipping recognised over the period of the journey. For ilmenite concentrate sales, there is only one performance obligation, being the product is loaded onto the ship with revenue recognised at the time of collection.

KMS' revenue from continuing operations is as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Revenue from continuing operations		
Sale of concentrates – ilmenite and zircon	243,503	68,380
Freight revenue	82	3,578
	243,585	71,958

(b) Joint venture – finance costs

KMS' finance costs are as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Finance costs		
Interest on borrowings	(20,596)	(9,991)
Interest accretion on borrowings	(20,733)	(11,425)
Commitment fees on borrowings	-	(102)
Interest on lease liabilities	(8,106)	(6,426)
Revaluation on royalty make whole	23,797	(5,156)
Net foreign exchange loss	(470)	(4,252)
Other	(2,473)	(57)
	(28,581)	(37,409)

(c) Joint venture – income tax benefit

Reconciliation of income tax to prima facie tax for KMS is as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Loss before income tax	(40,944)	(79,505)
Prima facie tax calculated at 30%	(12,283)	(23,852)
Adjusted for the tax effect of:		
Other non-deductible expenses	-	12
Other	-	(389)
Deferred tax assets not recognised	12,283	
Income tax benefit reported in the statement of profit or loss	-	(24,229)

Notes to the Consolidated Financial Statements

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8. Investment in joint venture (continued)

Deferred tax assets and liabilities for KMS have been recognised in respect of the following items:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Deferred tax		
Inventories	(804)	(804)
Right of use asset	(1,087)	(1,087)
Interest deduction carried forward	19,479	19,479
Exploration and evaluation	(2,684)	(2,684)
Other financial liabilities – royalty make whole	1,299	1,299
Development expenditure	(27,392)	(27,392)
Finance lease	1,326	1,326
Employee benefits	1,007	1,007
Tax losses	29,497	29,497
Unrealised foreign exchange	440	440
Deferred tax assets	21,081	21,081

(d) Joint venture – inventories

Heavy mineral concentrate and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Net realisable value (NRV) is the estimated future sales price of the product KMS expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Stores and consumables are also valued at the lower of cost and net realisable value.

KMS' inventories are as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Non-current assets		
Heavy mineral concentrate and other intermediate stockpiles – at NRV	1,141	3,155
Finished goods stockpiles – at NRV	29,581	29,560
Stores and consumables – at cost	3,130	1,989
	33,852	34,704

(e) Joint venture – property, plant and equipment, right of use assets and mine assets under development

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	10 years
Plant and equipment	2 to 10 years
Motor vehicles	4 years
Mining & processing infrastructure	Units of production over economically recoverable reserves of the mine

8. Investment in joint venture (continued)

Right of use assets

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. The Group's lease portfolio includes buildings, plant and equipment, these leases have an average of 10 years as the

An impairment review is undertaken for any right of use lease asset and shows indicators of impairment and an impairment loss is recognised against any right of use lease assets that is impaired. The right of use asset is depreciated over the lease term.

Mine properties and development

Mine development costs are accumulated when economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised exploration and evaluation expenditure in respect of the area of interest, direct costs of construction, overheads and where applicable borrowing costs capitalised during construction. Once mining of the area can commence, the aggregated capitalised costs are classified under non-current assets as an appropriate class of property, plant and equipment. Accumulated mine development costs are depreciated on a units of production (UOP) basis over the economically recoverable reserves of the mine.

KMS' carrying amount of the non-current assets are as follows:

	Joint venture (100%)			
	Property, plant and equipment \$'000 (Audited)	Right of use assets \$'000 (Audited)	Mine assets under development \$'000 (Audited)	Total \$'000 (Audited)
2025				
Non-current assets				
Carrying amount – at cost	495,465	104,648	85,594	685,707
Accumulated depreciation	(28,259)	(23,029)	(880)	(52,168)
	467,206	81,619	84,714	633,539
Reconciliation				
Opening balance at the beginning of the year	255,249	94,700	268,797	618,746
^{1,2,3,4,5} Additions	22,317	1,778	-	24,095
Transfer between asset classes ⁵	204,731		(204,731)	-
Derecognition of right of use asset	-	(1,052)	-	(1,052)
Changes in rehabilitation provision ⁶	-	-	7,368	7,368
Capitalised borrowing costs ⁷	-	-	13,916	13,916
Depreciation expenses	(15,091)	(13,807)	(636)	(29,534)
	467,206	81,619	84,714	633,539

Note 1: Right of Use Assets: The Group entered into lease contracts for various items used in its operations. During the period, the Group mine site light vehicles (LV's) (\$0.2m), staff residential leases (Broome) (\$0.3m) and capital improvements to the DMU ROU asset (\$1.2m).

Note 2: Plant and equipment: The Group recognised a deferred stripping asset of \$0.1m during the period relating to the removal of overburden in the development phase of the mine.

Note 3: Plant and equipment: The Group recognised a stripping activity asset of \$2.5m during the period relating to the removal of overburden in the production phase of the mine.

Note 4: Plant and equipment: The Group recognised purchased additional IT equipment \$0.5m during the period.

Note 5: Plant and equipment: During the period the Group recognised additions to the mine development asset attributable Tailings Storage Facility (TSF) of \$14.8m and the InPit storage facility \$1.2m.

Note 6: Changes in rehabilitation provision: The Group recognised an increase in the rehabilitation provision of \$7.4m due to additional disturbance in the period attributable to the commencement of mining operations.

Note 7: Capitalised borrowing cost: The Group capitalised \$13.9m of interest and interest accretion costs to mine development in line with AASB 123 (Borrowings Costs).

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8. Investment in joint venture (continued)

2024	Joint venture (100%)			
	Property, Plant and equipment \$'000 (Audited)	Right of use assets \$'000 (Audited)	Mine assets under development \$'000 (Audited)	Total \$'000 (Audited)
Non-current assets				
Carrying amount – at cost	268,609	104,264	269,039	641,912
Accumulated depreciation	(13,360)	(9,564)	(242)	(23,166)
	255,249	94,700	268,797	618,746
Reconciliation				
Opening balance at the beginning of the year	22,849	1,739	383,629	408,217
Additions	10,360	101,619	64,825	176,804
Transfer between asset classes	231,352	–	(231,352)	–
Addition to mine rehabilitation asset	–	–	14,188	14,188
Capitalised borrowing costs	–	–	37,749	37,749
Depreciation expenses	(9,312)	(8,658)	(242)	(18,212)
	255,249	94,700	268,797	618,746

(f) Joint venture – borrowings

This Note 8 (f) (Joint venture – borrowings) should be read in conjunction with Note 8 (g) (Joint venture – prepayments and other financial liabilities).

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

KMS' carrying amount of borrowings is as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Current liabilities		
Production linked loan facility – Orion Mineral Royalty Fund	34,911	9,775
	34,911	9,775
Non-current liabilities		
Production linked loan facility – Orion Mineral Royalty Fund	63,275	81,728
Government debt facilities – Northern Australia Infrastructure Facility	157,446	157,025
	220,721	238,753
	255,632	248,528

8. Investment in joint venture (continued)

KMS' breakdowns of the respective borrowings are as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Government debt facilities – Northern Australia Infrastructure Facility		
Opening balance	157,025	93,350
Additions	-	63,275
Capitalised borrowing costs	-	-
Amortisation	421	400
	157,446	157,025
Production linked loan facility – Orion Mineral Royalty Fund		
Opening balance	91,503	136,468
Additions	-	34,068
Repayments	(16,812)	-
Financing costs on royalty obligations	-	(113,687)
Amortisation	26,797	32,560
Foreign exchange movement	(3,302)	2,094
	98,186	91,503
	255,632	248,528

Facility 1 – Government Debt Facilities (Northern Australia Infrastructure Facility)

On 4 October 2022, KMS' wholly owned subsidiary, Thunderbird Operations Pty Ltd (TOPL) entered into a Facility Agreement with the Northern Australia Infrastructure Facility (NAIF) for \$160m inclusive of a term loan and cost overrun facility. The facility is secured against TOPL's assets.

Loan

- The facility comprises of \$120m debt facility (Facility A) and a \$40m cost overrun facility (Facility B).
- Interest charged at a base rate based upon the Commonwealth Government Security cost plus a margin of 3.5% which increases to 8% from year 6 onwards. Interest is payable quarterly in arrears.
- Principal repayments for Facility A are made in line with the repayment schedule commencing 31 December 2027 with the final payment made 31 December 2033.
- Principal repayments for Facility B are required to be paid in advance of Facility A, prior to 31 December 2027.

As at 30 June 2025, both facilities of \$160m were fully drawn. Total interest paid for the year was \$10.6m (2024: \$8.4m).

Facility 2 – Production Linked Loan Facility (Orion Mineral Royalty Fund)

On 30 September 2022, KMS and TOPL entered into a Production Linked Loan Agreement with OMFR (Th) LLC, a related entity of Orion Mineral Royalty Fund (Orion) for US\$110m. The facility comprises of US\$110m debt facility and a production linked royalty. The facility is secured against TOPL's assets.

Loan

- Interest is charged at a margin of 5% plus the higher of a) adjusted term SOFR, and b) 2% per annum.
- Principal repayments are made in line with the repayment schedule commencing 30 June 2025 with the final payment made 31 December 2028.

Royalty

- Quarterly payments commence at the earliest of a) full repayment of the loan or b) 7 years following the date of the loan agreement.
- Royalty payment is 1.60% of FOB gross revenue for the period. Revenue is based upon the quantity, type and price of the commodity extracted. The royalty payment is limited to Stage 1 production capacity capped at an annual production rate of 8.2m tonnes of ore.
- The repayment term is 25 years and is subject to a buyback provision curtailing the term to 12.5 years.

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8. Investment in joint venture (continued)

As at 30 June 2025, the first principal repayment of US\$11m was made, the facility is fully drawn. Total interest paid for the year was US\$11.0m / A\$17.0m (2024: US\$11.2m / A\$16.9m).

Debt Covenant

The following financial covenants apply to all KMS secured debt facilities which are tested on a semi-annual basis.

Compliance ratios:

- Loan Life Cover Ratio is greater than 1.20:1
- Project Life Cover Ratio greater than 1.50:1
- Reserve Tail Ratio is greater than 20%
- Debt Service Cover Ratio is greater than 1.10:1

Assessment:

As at 30 June 2025, the KMS loan life cover ratio was in breach of the covenant, with OMRF & NAIF providing written waivers deferring the requirement to test the covenants. As a result of the waiver being obtained before reporting date, the loan continues to be classified as a non-current liability in these financial statements.

The terms and conditions of outstanding loans are as follows:

	Year of maturity	Currency	2025		2024	
			Face value \$'000 (Audited)	Carrying value \$'000 (Audited)	Face value \$'000 (Audited)	Carrying value \$'000 (Audited)
Facility 1						
Government debt facility A ¹	2033	AUD	120,000	117,446	120,000	117,025
Government debt facility B ^{1,2}	2027	AUD	40,000	40,000	40,000	40,000
		AUD	160,000	157,446	160,000	157,025
Facility 2						
Production linked loan facility ³	2028	AUD	151,145	98,186	166,063	91,503
		AUD	151,145	98,186	166,063	91,503

Note 1: Interest charged at a base rate based upon the Commonwealth Government Security cost plus a margin of 3.5% which increases to 8% from year 6 onwards. Interest is payable quarterly in arrears.

Note 2: Government debt facility B is required to be paid in advance of Government debt facility A, prior to 31 December 2027.

Note 3: Facility 2 is denominated in USD, however, the KMS functional currency is AUD and reported accordingly. Interest is charged at a margin of 5% plus the higher of a) adjusted term SOFR, and b) 2% per annum. Minimum interest rate is 7%.

(g) Joint venture – prepayments and other financial liabilities

This Note 8 (g) (Joint venture – prepayments and other financial liabilities) should be read in conjunction with Note 8 (f) (Joint venture – borrowings).

The Facility 2 Production Linked Loan Facility royalty arrangement contains a “make whole” condition. The key terms for the make whole amount are as below:

- Triggered upon an acceleration (make whole) event occurring, being customary Events of Default for a facility of this type.
- The amount due is the greater of:
 - a. An aggregate amount at that time of all payments made under the agreement including the royalty payments; and
 - b. An amount equal to the NPV of the lenders right to receive all of the payments made under this agreement including the royalty calculated on the basis of the expected price per tonne of each product.

An initial valuation of the make whole condition in conjunction with recognition of a financial liability and a corresponding recognition of a prepaid expense is required as at the issuance date of the loan. When the loan was fully drawn, the said prepaid expense will be recorded against the loan liability as a cost of the loan. The royalty prepayment is required to be recorded as an additional expense to the loan for the purposes of the Effective Interest Rate calculation. The make whole amount is effectively the present value of the expected royalty payment which will be expensed through the life of the loan. On each financial reporting date, the make whole amount is recalculated with any difference recognised through profit or loss.

8. Investment in joint venture (continued)

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Non-current liabilities		
Other Financial Liabilities		
Royalty make whole	116,527	112,696
Revaluation on royalty make whole	(23,797)	5,156
Foreign currency revaluation	1,241	(1,325)
	93,971	116,527

(h) Joint venture – lease liabilities

Lease liabilities of KMS are as follows:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Current liabilities		
Lease liabilities	11,210	10,224
	11,210	10,224
Non-current liabilities		
Lease liabilities	73,515	85,378
	73,515	85,378
	84,725	95,602

KMS reconciliation of movement in interest bearing liabilities to cash flows from financing activities:

	Joint venture (100%) 2025 \$'000 (Audited)	Joint venture (100%) 2024 \$'000 (Audited)
Opening balance	95,602	2,044
¹ Additional finance lease liability – non cash	501	98,797
Accretion of interest	8,106	8,242
Lease modification	-	421
Foreign currency revaluation	682	378
² Derecognition of lease	(1,693)	-
Payments for lease liability	(18,473)	(14,280)
Closing balance	84,725	95,602

Note 1: The Group has entered into lease contracts for various items used in its operations. During the period, the Group recognised lease liabilities mine site light vehicles (LV's) (\$0.2m), and staff residential leases (Broome) (\$0.3m).

Note 2: During the period, the Port of Derby lease was terminated (effective 30 June) and derecognised.

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9. Income tax

The income tax expense or benefit is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The deductible temporary difference and tax losses do not expire under current tax legislation. Deferred tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences except:

- when the deferred tax liability arises from initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Reconciliation of income tax to prima facie tax is as follows:

	2025 \$'000	2024 \$'000
Loss before income tax	(22,050)	(32,191)
Prima facie tax calculated at 30% (2024: 30%)	(6,615)	(9,657)
Adjusted for the tax effect of:		
Prior period adjustments	10	-
Non-deductible share-based payments	145	212
Other non-deductible expenses	6,141	8,406
Movement to unrecognised deferred taxes	319	1,039
Income tax benefit/(loss) reported in the statement of profit or loss	-	-

9. Income tax (continued)

Reconciliation of unrecognised deferred tax balances is as follows:

	2025 \$'000	2024 \$'000
Unrecognised deferred tax assets/(liabilities)		
Investment in joint venture	-	-
Financial assets at fair value through profit or loss	81	408
Carried forward tax losses	17,922	17,008
Other timing differences	224	492
	18,227	17,908

10. Cash and cash equivalents

Cash and cash equivalents are short term and are highly liquid investments. Short-term deposits are usually between one to three months depending on the cash flow requirements of the Group.

The Group's cash and cash equivalents are as follows:

	2025 \$'000	2024 \$'000
ASSETS		
Current assets		
Cash at bank and on hand	7,088	9,878
Short-term deposits	-	-
	7,088	9,878

Reconciliation of cash used in operating activities is as follows:

	2025 \$'000	2024 \$'000
Reconciliation to operating cash flow		
Loss after income tax	(22,050)	(32,191)
Adjustments for non-cash items:		
Share-based payments expenses	483	706
Net fair value on financial assets	(1,090)	1,361
Share of joint venture loss	20,472	27,638
Net foreign exchange (gain)	-	(6)
Changes in assets and liabilities:		
Decrease in trade and other receivables	18	11
Increase / (Decrease) in trade and other payables	(187)	152
Increase / (Decrease) in provisions	(16)	24
Net cash used in operating activities	(2,370)	(2,305)

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11. Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost. Impairment of trade and other receivables is continually reviewed and those that are considered uncollectable are written off by reducing the carrying amount directly.

Security deposits are non-derivative financial assets with various fixed or determinable payments and maturities. They are included in current assets, except for those with maturities greater than 12 months which are then classified as non-current assets.

The Group's trade and other receivables are as follows:

	2025 \$'000	2024 \$'000
ASSETS		
Current assets		
Trade receivables	5	23
Other receivables – security deposits	30	30
	35	53

12. Financial assets at fair value through profit or loss – Investment in Capital Metals Plc

Investments and other financial assets are initially measured at fair value. The fair value of the financial assets is determined with reference to quoted share price traded in active markets at each reporting date. The financial assets are derecognised and the carrying value written off when there is no reasonable expectation of recovering part or all of the financial asset.

Sri Lanka Project

On 18 March 2024, Sheffield acquired 34,500,000 ordinary shares in Capital Metals Plc (AIM: CMET) for a total consideration of £1,250,000. CMET is the owner of the Eastern Minerals Project in Sri Lanka. Sheffield have agreed to conditional terms to fund project development, providing Sheffield with the opportunity to acquire up to 50% of the Eastern Minerals Project.

Sheffield owns approximately 10% of the issued capital of CMET. On 28 May 2025, Sheffield exercised the anti-dilution right and acquired an additional 7,984,000 shares of CMET for a total consideration of £199,600.

The Group's investment is as follows:

	2025 \$'000	2024 \$'000
Non-current assets		
Listed ordinary shares – financial assets at fair value through profit or loss	2,581	1,072
	2,581	1,072

Reconciliation of the fair value of the investment is as follows:

	2025 \$'000	2024 \$'000
Reconciliation of fair value of investment		
Opening fair value	1,072	–
Additions	419	2,433
Net fair value change on financial assets recognised in profit or loss	1,090	(1,361)
	2,581	1,072

13. Exploration and evaluation assets

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss, if any.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

South Atlantic Project

Sheffield has executed a binding investment agreement (RGM Option Agreement) with Mineração Santa Elina Indústria e Comércio S/A. and Kromos Xi Fundo De Investimento Em Participações, owners of Rio Grande Mineração S/A (RGM). The Project is located within the Rio Grande do Sul Coastal Plain, a region located in the southernmost state of Brazil, Rio Grande do Sul, along the coast of the Atlantic Ocean. The tenements are held by RGM.

Sheffield will provide US\$4.0m to fund project related activities over a 30-month period and earn an option to acquire up to 20% of RGM with the payment of a further US\$11.0m (US\$15.0m in total) to acquire a 20% interest. Should Sheffield elect to exercise the option, subject to various conditions being satisfied, including project financing being obtained and all funds required for project construction being secured, Sheffield may exercise a further option to increase its interest in RGM up to 80%.

Sheffield has considered that whilst the amounts advanced and the protective rights within the RGM Option Agreement meets the criteria within AASB 132 *Financial Instruments: Presentation* and classified and measured under AASB 9 *Financial Instruments*, the RGM Option Agreement may also be viewed as a customary option farm-in arrangement to be recognised under AASB 6 *Exploration for and Evaluation of Mineral Resources*. To that end, Sheffield maintains its disclosure in accordance with AASB 6.

The Group's exploration and evaluation assets are as follows:

	2025 \$'000	2024 \$'000
Non-current assets		
Exploration and evaluation assets – at cost	3,774	1,508
Expenditure incurred	-	2,260
Foreign exchange movement	-	6
	3,774	3,774

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14. Trade and other payables

Trade and other payables represent unsecured liabilities for goods and services provided to the Group. These amounts typically have 30-day payment terms.

The Group's trade and other payables are as follows:

	2025 \$'000	2024 \$'000
LIABILITIES		
Current liabilities		
Trade payables	29	249
Other payables	87	55
	116	304

15. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Liabilities accruing to employees expected to be settled within 12 months of the balance date are recognised as current liabilities in respect of employees' services up to the balance date.

The Group's provisions are as follows:

	2025 \$'000	2024 \$'000
LIABILITIES		
Current liabilities		
Provision for employee benefits	127	143
	127	143

16. Issued capital

Ordinary shares are classified as equity. Costs attributable to the issue of new shares or options are shown in equity as a deduction, net of tax.

Reconciliation of movements in issued capital is as follows:

	2025		2024	
	Number	\$'000	Number	\$'000
Opening balance at the beginning of the year	393,169,907	155,674	392,631,111	155,309
Performance rights redeemed as shares ¹	-	-	194,558	96
Performance rights redeemed as shares ²	-	-	311,981	240
Performance rights redeemed as shares ³	-	-	32,257	29
Performance rights redeemed as shares ⁴	1,635,043	550	-	-
	394,804,950	156,224	393,169,907	155,674

Note 1: On 3 August 2023, Sheffield issued 194,558 fully paid ordinary shares for nil consideration to employees of Sheffield. The shares were issued upon vesting and exercise of performance rights. The consideration has been transferred from Reserves.

Note 2: On 19 January 2024, Sheffield issued 311,981 fully paid ordinary shares for nil consideration to former employees of Sheffield. The former employees exercised the performance rights previously granted to them during their employment with the Company. The consideration has been transferred from Reserves.

Note 3: On 26 April 2024, Sheffield issued 32,257 fully paid ordinary shares for nil consideration to former employees of Sheffield. The former employees exercised the performance rights previously granted to them during their employment with the Company. The consideration has been transferred from Reserves.

Note 4: On 9 August 2024, Sheffield issued 1,635,043 fully paid ordinary shares for nil consideration to a director of Sheffield. The shares were issued upon vesting and exercise of performance rights. The consideration has been transferred from Reserves.

17. Reserves

The Company provides benefits to employees (including Directors) in the form of share-based payments whereby employees render services in exchange for shares or rights over shares (share-based payments). The cost of these share-based payments with employees is measured by reference to the fair value at the date they are granted. The value is determined using an appropriate valuation model.

The cumulative expense is recognised for share-based payments at each reporting date until vesting date and reflects the extent to which the vesting period has expired and the number of awards, that will ultimately vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of a share-based payment are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification as measured at the date of modification.

Where a share-based payment is cancelled (other than cancellation when a vesting condition has not been satisfied), it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is submitted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Reconciliation of movements in reserves is as follows:

	2025 \$'000	2024 \$'000
Equity Reserve		
Opening balance at the beginning of the year	14,032	13,691
Performance rights redeemed as shares (transferred to Issued Capital)	(550)	(365)
Share-based payments expenses	483	706
	13,965	14,032

Employee share option plan

Employees of the Group (including Directors) may be issued with options over ordinary shares of Sheffield. Options are issued for nil consideration and are subject to performance criteria established by the Directors of Sheffield. The objective of the grant of options to employees is to assist in the recruitment, retention, reward and motivation of the employees of the Group.

Options granted may be exercised at any time from the date of vesting to the date of expiry. The exercise price for employee options granted under the Employee Share Option Plan will be fixed by the Directors prior to the grant of the option. Each employee share option converts to one fully paid ordinary share of Sheffield. The options do not provide any dividend or voting rights and are not quoted on the Australian Securities Exchange.

The following options were in place at the end of the year:

Expiry date	Grant date	Exercise price	Number under options
30 November 2025	25 November 2021	\$0.65	480,000
30 October 2026	25 November 2021	\$0.33	214,200
30 November 2026	22 November 2022	\$0.84	480,000
1 December 2027	22 November 2022	\$0.59	421,271
1 December 2028	22 November 2023	\$0.68	465,515
			2,060,986

The weighted average remaining contractual life of the options outstanding as at 30 June 2025 is 1.84 years (2024: 2.74 years).

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

17. Reserves (continued)

Movement in options

Options	2025		2024	
	Options number	Weighted average exercise price	Options number	Weighted average exercise price
Outstanding at the beginning of the year	2,546,786	\$0.54	3,041,271	\$0.55
Granted during the year	-	-	465,515	\$0.68
Exercised during the year	-	-	-	-
Lapsed during the year	(485,800)	\$0.33	(960,000)	\$0.65
Cancelled during the year	-	-	-	-
Outstanding at the end of the year	2,060,986	\$0.66	2,546,786	\$0.54
Exercisable at the end of the year	1,174,200	\$0.67	960,000	\$0.75

Employee incentive plan

The Employee Incentive Plan was established to enable employees of the Group (including Directors) to be issued with performance rights entitling each participant to a fully paid ordinary share. The performance rights issued for nil consideration are issued in accordance with the terms and conditions approved at a General Meeting by shareholders and in accordance with performance criteria established by the Directors. The objective of the Employee Incentive Plan is to assist in the recruitment, reward, retention and motivation of employees of the Group.

Employees do not possess any rights to participate in the Employee Incentive Plan as participation is solely determined by the Directors. Performance rights convert to one fully paid ordinary share in Sheffield at an exercise price of nil upon meeting certain non-market-based performance conditions. The performance rights do not provide any dividend or voting rights and are not quoted on the Australian Securities Exchange. If an employee ceases to be employed by the Group within the period, the unvested performance rights will be forfeited.

The following performance rights were in place at the end of the year and are subject to the Company Performance Rights plan:

Expiry date	Grant date	Exercise price	Number under rights
1 December 2025	30 November 2018	Nil	439,018
30 October 2026	25 November 2021	Nil	67,273
30 October 2026	25 November 2021	Nil	1,649,023
1 December 2027	22 November 2022	Nil	119,023
1 December 2028	22 November 2023	Nil	19,014
29 November 2029	20 November 2024	Nil	3,904,883 ¹
			6,198,234

Note 1: Performance rights issued during the year as part of remuneration to Key Management Personnel, as approved by the 2024 Annual General Meeting of Shareholders. Detailed disclosures regarding vesting conditions of the Performance Rights are also set out in the Remuneration Report, which forms part of the Directors' Report.

17. Reserves (continued)

The table lists the inputs to the model for valuation of performance rights issued during the year:

	20 November 2024	20 November 2024	20 November 2024
Grant date	20 November 2024	20 November 2024	20 November 2024
Vesting date	30 June 2025	30 June 2027	30 June 2027
Expiry date	29 November 2029	29 November 2029	29 November 2029
Number	919,805	1,492,539	1,492,539
Exercise price	Nil	Nil	Nil
Dividend yield	0%	0%	0%
Expected volatility	55%	55%	55%
Risk-free interest rate	4.08%	4.08%	4.08%
Expected life of options	4.78 years	4.78 years	4.78 years
Grant date share price	\$0.17	\$0.17	\$0.17
Fair value at grant date	\$0.17	\$0.05	\$0.11

The weighted average remaining contractual life of the performance rights as at 30 June 2025 is 3.08 years (2024: 2.42 years).

Movement in performance rights

	2025		2024	
Rights	Performance rights number	Weighted average fair value at grant date	Performance rights number	Weighted average grant price
Outstanding at the beginning of the year	4,241,585	\$0.40	4,508,419	\$0.42
Granted during the year	4,093,320	\$0.11	298,089	\$0.68
Exercised during the year	(1,635,043)	\$0.34	(538,796)	\$0.68
Lapsed during the year	(313,191)	\$0.61	(26,127)	\$0.59
Forfeited/Cancelled during the year	(188,437)	-	-	-
Outstanding at the end of the year	6,198,234	\$0.43	4,241,585	\$0.40
Exercisable at the end of the year	2,293,352	\$0.50	625,315	\$0.69

18. Accumulated losses

Reconciliation of movements in accumulated losses at the end of the year is as follows:

	2025 \$'000	2024 \$'000
Equity		
Accumulated losses at the beginning of the year	(31,576)	615
Loss after income tax	(22,050)	(32,191)
	(53,626)	(31,576)

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

19. Loss per share

Basic loss per share is determined by dividing the loss after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusted the figures used in the determination of basic loss per share by taking into account amounts unpaid on ordinary shares and any reduction in loss per share that will probably arise from the exercise of partly paid shares or options outstanding during the year.

The conversion of options and performance rights to shares for purposes of dilutive calculation is not required when the Group is in a loss position because the conversion would cause the loss position to decrease.

The Company's basic and diluted loss per share are as follows:

	2025 Cents per share	2024 Cents per share
From continuing operations		
Basic loss per share	(5.59)	(8.19)
Diluted loss per share ¹	(5.59)	(8.19)

Note 1: The potential ordinary shares are anti-dilutive so no change was made to the basic earnings per share.

The loss after income tax used in the calculation is as follows:

	2025 \$'000	2024 \$'000
Earnings used in calculating earnings per share – continuing operations		
Loss after income tax	(22,050)	(32,191)

The weighted average number of shares used in the calculation is as follows:

	2025 Number ('000)	2024 Number ('000)
Weighted average number of shares used as denominator		
Weighted average number of ordinary shares for basic earnings per share	394,626	392,952
Effects of dilution from:		
– Options	–	226
– Performance rights	4,871	4,185
Weighted average number of ordinary shares for diluted earnings per share	399,497	397,363

20. Related parties

Loans to subsidiaries

Loans made by Sheffield to its controlled entities are made to meet required expenditure. The loans are payable on demand and are not interest bearing.

Transactions with other related parties

Farview Solutions Limited (Farview) provides consultancy services to the Group. Mr Griffin is a director and controlling shareholder of Farview and also serves as Executive Chair of Sheffield. The total amount paid to Farview during the year was \$312,467 (2024: \$574,561). The payment was disclosed in the Key Management Personnel remuneration disclosure table, which forms part of the Directors' Report.

Ozscot Trust (Ozscot) provides general consultancy services to the Group. Mr Cowe is a director of Ozscot and also serves as Non-Executive Director of Sheffield. The total amount paid to Ozscot during the year was \$39,999 (2024: \$40,000). The payment was disclosed in the Key Management Personnel remuneration disclosure table, which forms part of the Directors' Report.

21. Key management personnel

The Key Management Personnel of the Group are as follows:

Name	Position
Non-Executive Directors	
John Richards	Lead Independent Director
Ian Macliver	Non-Executive Director
Gordon Cowe	Non-Executive Director
Vanessa Kickett	Non-Executive Director
Senior Executive KMPs	
Bruce Griffin	Executive Chair
Mark Di Silvio	Chief Financial Officer and Company Secretary

The aggregate compensation made to the Key Management Personnel of the Group is as follows:

	2025 \$	2024 \$
Short-term employee benefits and incentives	1,367,782	1,484,468
Post-employment benefits	68,100	53,900
Share-based payments expenses	482,936	707,207
	1,918,818	2,245,575

Other key management personnel transactions with the company

There were no other Key Management Personnel transactions with the Company other than the fees paid to Farview Solutions Limited and Ozscot Trust as detailed in Note 20.

Loans to key management personnel

No loans were granted to Key Management Personnel during the year.

22. Commitments

Kimberley Mineral Sands Pty Ltd Joint Venture

Kimberley Mineral Sands Pty Ltd (KMS) became jointly owned by Sheffield and YGH Australia Investment Pty Ltd (Yansteel) as at 12 March 2021. The Thunderbird mineral sands project (Thunderbird) was previously held by Sheffield through its 100% owned subsidiary KMS prior to the formation of the joint venture. The project is located in north-west Western Australia. Sheffield's interest in KMS is accounted for using the equity method in the financial statements. KMS reported exploration commitments of \$1.7m for 2025 (2024: \$1.7m). KMS also has no contingent liabilities as at 30 June 2025 (2024: nil).

23. Contingent liabilities

The Group has no other contingent liabilities as at 30 June 2025 (2024: nil).

24. Events subsequent to reporting period

There has been no matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2025

25. Parent entity

	2025 \$'000	2024 \$'000
Assets		
Current assets	7,123	11,003
Non-current assets (include intercompany loan)	109,683	127,575
Total assets	116,806	138,578
Liabilities		
Current liabilities	243	448
Non-current liabilities	-	-
Total liabilities	243	448
Net assets	116,563	138,130
Equity		
Issued capital	156,224	155,674
Reserves	13,965	14,032
Accumulated losses	(53,626)	(31,576)
Total equity	116,563	138,130
Financial performance		
Loss after income tax	(22,050)	(32,191)
Other comprehensive income	-	-
Total comprehensive loss, net of tax	(22,050)	(32,191)

26. Remuneration of auditors

The auditor of Sheffield is HLB Mann Judd.

	2025 \$	2024 \$
Amounts received or receivable for audit or review of the financial report of the entity	50,591	44,387
	50,591	44,387

Consolidated Entity Disclosure Statement

as at 30 June 2025

Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(a) of the *Corporations Act 2001* and includes the required information for Sheffield Resources Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Name of Entity	Entity type	Country of incorporation	Tax residency	Foreign tax jurisdiction	Ownership interest
Sheffield Resources Limited (parent)	Body corporate	Australia	Australia	N/A	N/A
Sheffield Exploration (WA) Pty Ltd	Body corporate	Australia	Australia	N/A	100%
Sheffield Brazil Holdings Pty Ltd	Body corporate	Australia	Australia	N/A	100%
Sheffield Brazil Investments Pty Ltd	Body corporate	Australia	Australia	N/A	100%

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Directors' Declaration

1. In the opinion of the Directors of the Company:
 - a. the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and correct view of the Group's financial position as at 30 June 2025 and of its performance for the year ended 30 June 2025; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - b. the consolidated entity disclosure statement is true and correct.
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - d. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the year ended 30 June 2025.

This declaration was signed in accordance with a resolution of the Board of Directors.



Bruce Griffin
Executive Chair
Perth, Western Australia

18 September 2025

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Members of Sheffield Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sheffield Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit

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Independent Auditor's Report



of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for the Group's interest in the Kimberley Mineral Sands Pty Ltd Joint Venture Note 8 in the financial statements	
<p>The carrying amount of the investment in the joint venture as at 30 June 2025 is \$103.33 million and the share of joint venture loss for the financial year then ended was \$20.47 million.</p> <p>This accounting for the joint venture was considered a key audit matter as it forms a large component of the overall financial position and result of the Group for the year.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none">• Reviewed management's accounting treatment of the joint arrangement;• Examined the recognition of the share of joint venture loss in comparison to the joint venture's audited financial statements and ensured it has been correctly recorded and disclosed;• Evaluated management's assessment that no indicators of impairment existed for the Group's investment in the Joint Venture; and• Examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and



- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Report of Sheffield Resources Limited for the year ended 30 June 2025 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
18 September 2025

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

Shareholder Information

The Company was admitted to the official list of ASX on 15 December 2010. The shareholder information set out below was applicable as at 4 September 2025.

Distribution of equity securities

Spread of Holdings	Total holders	Number held	Percentage %
1 – 1,000	261	107,913	0.1%
1,001 – 5,000	580	1,612,618	0.4%
5,001 – 10,000	299	2,405,108	0.6%
10,001 – 100,000	967	34,958,706	8.8%
100,001 and over	357	356,442,957	90.1%
Total	2,464	395,527,302	100.0%

Unmarketable parcels amount to 902,710 shares held by 648 shareholders.

Substantial shareholders

Ordinary shareholders – fully paid ordinary shares	Number held	Percentage %
YGH AUSTRALIA INVESTMENT PTY LTD	38,870,771	9.8%
MR WALTER MICK GEORGE YOVICH	31,596,135	8.0%
BLACKROCK INVESTMENT MANAGEMENT (UK)	25,161,397	6.4%
Total	95,628,303	24.2%

Restricted securities

There were no restricted securities.

Voting rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

Unlisted options

Expiry date	Grant date	Exercise price	Number under options
30 November 2025	25 November 2021	\$0.65	480,000
30 October 2026	25 November 2021	\$0.33	214,200
30 November 2026	22 November 2022	\$0.84	480,000
1 December 2028	22 November 2023	\$0.68	465,515
Total			1,639,715

Shareholder Information

Unlisted performance rights

Expiry date	Grant date	Exercise price	Number under options
30 October 2026	25 November 2021	Nil	1,649,023
1 December 2027	22 November 2022	Nil	119,023
1 December 2028	22 November 2023	Nil	19,014
29 November 2029	20 November 2024	Nil	3,108,189
8 August 2030	8 August 2025	Nil	2,731,640
Total			7,626,889

Twenty largest shareholders

Details of the twenty largest shareholders by registered shareholding are as follows:

Ordinary shareholders – fully paid ordinary shares	Number held	Percentage %
YGH AUSTRALIA INVESTMENT PTY LTD	38,870,771	9.83
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,790,414	9.30
BNP PARIBAS NOMS (NZ) LTD	17,913,741	4.53
MR WALTER MICK GEORGE YOVICH	17,375,524	4.39
MR WALTER MICK GEORGE YOVICH	14,220,611	3.60
UBS NOMINEES PTY LTD	13,695,112	3.46
BNP PARIBAS NOMINEES PTY LTD	12,616,580	3.19
BRAZIL FARMING PTY LTD	10,482,584	2.65
TUCARNDI PTY LTD	8,000,000	2.02
MR WILLIAM BURBURY	7,474,000	1.89
SATORI INTERNATIONAL PTY LTD	7,399,954	1.87
MR BRUCE MORRISON MCQUITTY	6,905,204	1.75
CITICORP NOMINEES PTY LIMITED	6,783,380	1.72
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,087,096	1.54
SPRINGTIDE CAPITAL PTY LTD	5,928,800	1.50
ARCHER ENTERPRISES (WA) PTY LTD	4,900,000	1.24
SEVEN FOUR SEVEN PTY LTD	3,580,000	0.91
BNP PARIBAS NOMS PTY LTD	3,459,282	0.87
CLARKSON'S BOATHOUSE PTY LTD	3,116,467	0.79
MR DAVID LINDSAY ARCHER & MRS SIMONE ELIZABETH ARCHER	2,590,000	0.65
Total	228,189,520	57.69

Tenement Schedule

Kimberley Mineral Sands Pty Ltd Joint Venture (Sheffield interest – 50%)¹

Project	Tenement	Holder	Interest	Location	Status
Mineral Sands	E04/2081	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2083	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2084	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2171	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2349	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2390	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2456	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2478	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2494	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2509	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2540	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2554	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2571	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	E04/2597	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/82	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/83	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/84	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/85	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/86	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/92	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	L01/93	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted
Mineral Sands	M04/459	Thunderbird Operations Pty Ltd	100%	Canning Basin	Granted

Note 1: Thunderbird Operations Pty Ltd is a wholly owned subsidiary of Kimberley Mineral Sands Pty Ltd (KMS). KMS is a 50/50 joint venture between Sheffield Resources Ltd and YGH Australia Investment Pty Ltd (Yansteel).

Corporate Directory

Directors

Mr Bruce Griffin

Executive Chair

Mr John Richards

Lead Independent Non-Executive Director

Mr Ian MacIver

Non-Executive Director

Mr Gordon Cowe

Non-Executive Director

Mrs Vanessa Kickett

Non-Executive Director

Company Secretary

Mr Mark Di Silvio

Registered Office

45 Ventnor Avenue
West Perth WA 6005

T: +61 8 9215 6500

W: www.sheffieldresources.com.au

Postal Address

45 Ventnor Avenue
West Perth WA 6005

Share Register

MUFG Corporate Markets (AU) Limited

Level 12 QV1 Building
250 St Georges Terrace
Perth WA 6000

T: +61 8 9211 6670

Auditors

HLB Mann Judd

Level 4, 130 Stirling Street
Perth WA 6000

Securities Exchange

Australian Securities Exchange

Level 40 Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code: **SFX**

Solicitors

HWL Ebsworth Lawyers

Level 20, 240 St Georges Terrace
Perth WA 6000

Norton Rose Fulbright Australia

Level 30, 108 St Georges Terrace
Perth WA 6000

Bankers

Australia and New Zealand Banking Group Ltd (ANZ)

Level 5, 240 St Georges Terrace
Perth WA 6000

Australian Business Number (ABN)

29 125 811 083



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