

9 November 2020

Dear Shareholders,

On behalf of the Directors of Sheffield Resources Limited (**Sheffield** or the **Company**), I am pleased to invite you to participate virtually in the Annual General Meeting (**AGM** or **Meeting**) of Sheffield. In light of the COVID-19 pandemic restrictions, the AGM will be held via our online platform only.

The online AGM will be held at **3.00pm on Tuesday, 15 December 2020 (WST)**. Shareholders will be able to participate in our AGM by:

- joining the AGM in real time via our online platform at <https://agmlive.link/SFX20> and watching the presentation given during the AGM;
- asking questions of the Board and our external auditor:
 - before the AGM, by lodging questions online at info@sheffieldresources.com.au; and/or
 - during the AGM via the online platform; and
- voting on the resolutions to be considered at the AGM either by lodging the Proxy Form 48 hours prior to the AGM or by voting online during the AGM

or by a combination of these steps.

We recommend logging onto our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the following instructions:

To log in:

1. Enter <https://agmlive.link/SFX20> into a web browser on a computer, mobile or other online device.
2. Enter your unique access details:
 - **Shareholders** will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN), which is printed at the top of the Proxy Form and registered postcode.
 - **Proxyholders** will need their proxy code which Link Market Services will provide via an email within 24 hours prior to the Meeting.

In accordance with subsection 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**) unless specifically requested to do so. Instead, to review and download the Notice and Virtual Annual General Meeting Online Guide, please visit:

<http://www.sheffieldresources.com.au/irm/content/asx-announcements1.aspx?RID=398>

Should you wish to receive a hard copy of the Notice, please contact the Company Secretary at info@sheffieldresources.com.au or by telephone on (08) 6555 8777.

The Notice explains in detail the items of business you will be asked to consider at the AGM. You should carefully read the Notice and Explanatory Statement before deciding how to vote on the resolutions.

A copy of your Proxy Form is enclosed. Proxy votes may be lodged by no later than 48 hours before the Meeting by any of the methods set out on page 4 of the Notice.

You are also encouraged to submit any questions you may have in writing in advance of the AGM, either online at www.linkmarketservices.com.au, prior to 5:00pm (Perth time) on Tuesday, 8 December 2020.

On behalf of the Board, I would like to thank you for your continued support.

Yours sincerely



John Richards
Non-Executive Chairman
Sheffield Resources Limited

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

TIME: 3.00pm (WST)**DATE:** 15 December 2020**PLACE:** Virtual Meeting (online)
Details on how to access the Virtual Meeting are set out in this Notice.

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.
Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 8777.***

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that a meeting of the Shareholders will be held at 3.00pm (WST) on 15 December 2020 at the offices of the Company, at Level 2, 41-47 Collin Street, West Perth, Western Australia, to be held virtually via an online platform at <https://agmlive.link/SFX20>. Shareholders will not be able to attend the Meeting in person.

Your vote is important

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

Voting eligibility

The Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those persons who are registered Shareholders at 4.00 pm (WST) on 13 December 2020.

Voting by poll

All Resolutions will be decided on a poll (rather than a show of hands) using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who will attend virtually in accordance with the instructions below.

Voting by proxy

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

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

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

Sections 250BB and 250BC of the Corporations Act also apply to voting by proxy. Shareholders and their proxies should be aware of these provisions of the Corporations Act. Generally, these sections provide that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

Further details on sections 250BB and 250BC of the Corporations Act are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

Proxies on Resolutions 1, 7 and 8

If you appoint the Chairman as your proxy (or the Chairman is appointed by default) and you do not complete any of the boxes "For", "Against" or "Abstain" opposite Resolutions 1, 7 and 8 on the Proxy Form, you will be expressly authorising the Chairman to vote on Resolutions 1, 7 and 8 in accordance with the Chairman's stated voting intention, even though those Resolutions are connected directly or indirectly with the remuneration of a member of KMP. The Chairman intends to vote (where appropriately authorised) all available undirected proxies in favour of all Resolutions.

If you appoint the Chairman as your proxy and wish to direct him how to vote, you can do so by marking the box for Resolutions 1, 7 and 8 (ie. by directing him to vote "For", "Against" or "Abstain").

If you appoint a member of KMP (other than the Chairman), or any Closely Related Party of a member of KMP as your proxy, you must direct that person how to vote on Resolutions 1, 7 and 8 if you want your Shares to be voted on those Resolutions. If you appoint a member of KMP, or any Closely Related Party of a member of KMP, and you do not direct them how to vote on Resolutions 1, 7 and 8, such a person must not cast your votes on

those Resolutions and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions.

Lodgement of proxy documents

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

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

must be received by the Company at least 48 hours before the start of the Meeting (ie. by 3.00pm on 13 December 2020). Proxy appointments received after this time will be invalid for the Meeting.

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

By Post

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

Online

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

In Person

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

By Facsimile

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

Virtual Meeting

Due to the ongoing coronavirus (COVID-19) pandemic, this year's AGM will be conducted virtually using an online meeting platform accessible at <https://agmlive.link/SFX20>. Shareholders will not be able to attend the Meeting in person.

Shareholders, proxyholders, attorneys and authorised corporate representatives must log into the online AGM platform to participate in the Meeting. By participating in the AGM online, you will be able to:

- hear the Meeting discussion and view presentation slides;
- submit written questions while the Meeting is progressing; and
- vote during the Meeting.

We recommend logging into the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://agmlive.link/SFX20> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the proxy form and registered postcode; and
- Proxyholders will need their proxy code which Link Market Services will provide via email within 24 hours prior to the Meeting.

Once logged into the online meeting platform, you will be able to ask questions and vote online during the AGM.

Online voting will be open between the commencement of the Meeting and the time at which the Chairman announces voting closure.

You may still attend the Meeting virtually if you have completed a Proxy Form, but the person you have appointed as proxy will cast your vote on your behalf.

Shareholders are also encouraged to submit any questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Company by email at info@sheffieldresources.com.au at least 48 hours prior to the Meeting.

Shareholders will also have the opportunity to submit written questions during the Meeting in respect to the formal items of business, however it would be preferable for them to be submitted to the Company in advance of the Meeting. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting).

Bodies corporate

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

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

DEFINED TERMS

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

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's Report (which includes the Remuneration Report) and the Auditor's Report.

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

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2020 be adopted.”

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

Voting prohibition statement

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

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

unless it is cast by:

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – BRUCE GRIFFIN

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

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

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM BURBURY

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

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

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – JOHN RICHARDS

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

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

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO KIMBERLEY SUSTAINABLE DEVELOPMENT PTY LTD (9 APRIL 2020)

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,836,120 Shares to Kimberley Sustainable Development Pty Ltd (at a deemed issue price of \$1.05780 each) on 9 April 2020, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who participated in the issue the subject of Resolution 5 and any person who is an associate of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES TO YGH AUSTRALIA INVESTMENT PTY LTD (12 AUGUST 2020)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 34,259,421 Shares to YGH Australia Investment Pty Ltd (at an issue price of \$0.376 each) on 12 August 2020, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who participated in the issue the subject of Resolution 6 and any person who is an associate of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 7 – RENEWED APPROVAL OF EMPLOYEE INCENTIVE SCHEME - PERFORMANCE RIGHTS PLAN

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

"That, pursuant to and in accordance with exception 13 of ASX Listing Rule 7.2 and for all other purposes, Shareholders approve the existing employee incentive scheme of the Company known as the "Performance Rights Plan" and the issue of

Performance Rights under that plan, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Performance Rights Plan or any of their respective associates.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

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

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

unless it is cast by:

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

9. RESOLUTION 8 – GRANT OF PERFORMANCE RIGHTS TO BRUCE GRIFFIN

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

“That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 3,000,000 Performance Rights to Bruce Griffin (or his nominee) and the acquisition of Shares by Bruce Griffin upon the vesting and exercise of any such Performance Rights, in accordance with the Company's Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

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

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

unless it is cast by:

- (c) a person as a proxy for a person entitled to vote on Resolution 8 appointed by writing that specifies the way the proxy is to vote on Resolution 8; or
- (d) the Chairman as proxy for a person entitled to vote of Resolution 8 and the proxy appointment:

- (i) does not specify the way the proxy is to vote on Resolution 8; and
- (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 8 is connected directly or indirectly with the remuneration of a member of the KMP.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Bruce Griffin (and his nominees) or any of their respective associates. However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Mr Griffin (or his nominees) or an associate of those persons.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- (a) if at the date of the Meeting, the Company is proposing to make an issue of equity securities under Listing Rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any person who is an associate of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 29 October 2020

By order of the Board



**BRUCE MCFADZEAN
MANAGING DIRECTOR**

EXPLANATORY STATEMENT

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

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

11. FINANCIAL STATEMENTS AND REPORTS

The business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report (which includes the Remuneration Report) and the Auditor's Report.

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

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

- (a) preparation and content of the Auditor's Report;
- (b) conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the date of the Annual General Meeting to the Company Secretary (that is, by 5.00pm (WST) on 8 December 2020).

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

12. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

12.1 General

Pursuant to the Corporations Act, the Directors have included the Remuneration Report in their Directors' Report for the year ended 30 June 2020. The Remuneration Report is set out in the Annual Report. Shareholders can view the Annual Report on the Company's website at <http://www.sheffieldresources.com.au/>.

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

relevant company or its directors. The Company has put Resolution 1 to a vote to satisfy such requirements.

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

By way of summary, the Remuneration Report:

- explains the Company's remuneration policy and the process for determining the remuneration of the Directors and executive officers;
- addresses the relationship between the Company's remuneration policy and the Company's performance; and
- sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2020.

The Company's remuneration report did not receive an "against" vote of 25% or more at the Company's previous annual general meeting held on 19 November 2019.

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

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

13. RESOLUTION 2 – ELECTION OF DIRECTOR – BRUCE GRIFFIN

13.1 General

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

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

Mr Griffin was appointed to the Board as an executive director on 10 June 2020. Mr Griffin retires from office in accordance with the requirements of clause 13.4 of the Constitution and submits himself for election in accordance with clause 13.3 of the Constitution.

13.2 Qualifications and material directorships

Mr Griffin is an engineer with more than 30 years' experience in resources industry. He holds a Bachelor of Engineering, in Chemical and Process Engineering (First Class Honours) from Canterbury University in New Zealand, a Bachelor of Arts (Economics) from Massey University in New Zealand and a Master of Business Administration (Distinction) from Melbourne Business School. Mr Griffin most recently held the position of Senior Vice President Strategic Development of Lomon Billons Group, the world's third largest producer of high-quality titanium dioxide pigments. Mr Griffin has 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, World Titanium Resources, a development stage titanium project in Africa and as Vice President Titanium for BHP Billiton.

13.3 Independence

As Mr Griffin is an executive director, the Board does not consider Mr Griffin to be an independent director.

13.4 Board recommendation on Resolution 2

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

14. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM BURBURY

14.1 General

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

In accordance with clause 13.2 of the Constitution, Mr Burbury, who has served as a Director since 6 June 2007 and was last-re-elected on 29 November 2018, retires by rotation at the Meeting and, being eligible, seeks re-election.

14.2 Qualifications and material directorships

Mr Burbury practised as a corporate lawyer with a leading Australian law firm prior to entering the mining and exploration industry in 2003. During his career, he has been actively involved in the identification and financing of many Australian and African resources projects. He has held senior management positions and served on the boards of several private and listed public companies. Mr Burbury is currently Non-Executive Chairman of Carawine Resources Limited (ASX: CWX) and was Chairman of Warwick Resources Limited prior to its merger with Atlas Iron Limited in 2009. He was also a director of Lonrho Mining Limited (ASX: LOM) and an executive of Nkwe Platinum Ltd (ASX: NKP). He is a founding Director of the Company and has served as Executive Chairman from 2010 to November 2015 and Non-Executive Chairman from November 2015 to March 2020 and continues to serve as a non-executive director.

14.3 Independence

Due to his tenure with the Company, the Board does not consider that Mr Burbury is an independent director.

14.4 Board recommendation on Resolution 3

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

15. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – JOHN RICHARDS

15.1 General

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

In accordance with clause 13.2 of the Constitution, Mr Richards, who has served as a Director since 2 August 2019 and was last elected on 19 November 2019, retires by rotation at the Meeting and, being eligible, seeks re-election.

15.2 Qualifications and material directorships

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

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

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

15.3 Independence

The Board considers Mr Richards to be an independent director.

15.4 Board recommendation on Resolution 4

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

16. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO KIMBERLEY SUSTAINABLE DEVELOPMENT PTY LTD (9 APRIL 2020)

16.1 General

Resolution 5 seeks the approval of Shareholders pursuant to ASX Listing Rule 7.4 for the issue of 2,836,120 Shares to Kimberley Sustainable Development Pty Ltd (**Kimberley**) (at a deemed issue price of \$1.05780 each) on 9 April 2020, as partial consideration, pursuant to the Thunderbird Project Co-existence Agreement executed by the Company on 31 October 2018 (**Co-existence Agreement**).

Whilst the details of the Co-Existence Agreement are confidential and commercial in nature, the agreement contains industry standard royalty payments (calculated as a percentage of gross revenue) to Traditional Owners, local and Aboriginal employment to target 40% indigenous employment by Year 8 of operations, commercial and business commitments to local indigenous businesses and strong protection for Aboriginal heritage and the environment across a projected 40 year mine life.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares to Kimberley.

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue or agreement to issue securities made pursuant to Listing Rule 7.1 (and provided that the previous issue or agreement to issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 5 is not passed, the Shares issued to Kimberley will be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue or agree to issue without Shareholder approval over the 12 month period following the date of issue of such Shares.

Resolution 5 is an ordinary resolution.

16.2 Specific information required by Listing Rule 7.5

The following information in relation to the Shares issued to Kimberley is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) 2,836,120 Shares were issued to Kimberley Sustainable Development Pty Ltd on 9 April 2020;
- (b) the Shares were issued at a deemed issue price of \$1.05780 each;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company, having the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Kimberley, who is not a related party of the Company;
- (e) the Shares were issued for nil cash consideration as they were issued as partial consideration pursuant to the Co-existence Agreement. Accordingly, no funds were raised from the issue. Further information regarding the Co-existence Agreement is contained in Section 16.1; and
- (f) a voting exclusion statement is included in the Notice.

16.3 Board recommendation on Resolution 5

The Directors recommend that members vote in favour of Resolution 5.

17. RESOLUTION 6 - RATIFICATION OF PRIOR ISSUE OF SHARES TO YGH AUSTRALIA INVESTMENT PTY LTD (12 AUGUST 2020)

17.1 General

Resolution 6 seeks the approval of Shareholders pursuant to ASX Listing Rule 7.4 for the issue of 34,259,421 Shares to YGH Australia Investment Pty Ltd (**Yansteel**) (at an issue price of \$0.376 each) on 12 August 2020, under a placement conducted as part of a transaction also involving an ilmenite offtake agreement and potential joint venture in relation to the Company's Thunderbird Mineral Sands Project, further details of which were announced by the Company on 11 August 2020.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares to Yansteel.

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

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue or agreement to issue securities made pursuant to Listing Rule 7.1 (and provided that the previous issue or agreement to issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 6 is not passed, the Shares issued to Yansteel will be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue or agree to issue without Shareholder approval over the 12 month period following the date of issue of such Shares.

Resolution 6 is an ordinary resolution.

17.2 Specific information required by Listing Rule 7.5

The following information in relation to the Shares issued to Yansteel is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) 34,259,421 Shares were issued to YGH Australia Investment Pty Ltd on 12 August 2020;
- (b) the Shares were issued at an issue price of \$0.376 each;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company, having the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Yansteel, who is not a related party of the Company;

- (e) funds raised from the issue will be used to partially fund the early stage development of the Company's Thunderbird Mineral Sands Project and for working capital purposes; and
- (f) a voting exclusion statement is included in the Notice.

17.3 Board recommendation on Resolution 6

The Directors recommend that members vote in favour of Resolution 6.

18. RESOLUTION 7 – RENEWED APPROVAL OF EMPLOYEE INCENTIVE SCHEME - PERFORMANCE RIGHTS PLAN

18.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Performance Rights to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 7 seeks Shareholders' renewed approval for the adoption of the Company's employee incentive scheme titled "Performance Rights Plan" (**Plan**) in accordance with exception 13 of Listing Rule 7.2.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Performance Rights as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 7 is an ordinary resolution.

18.2 Listing Rules 7.1 and exception 13 of Listing Rule 7.2

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

Exception 13 of Listing Rule 7.2 provides an exception to Listing Rule 7.1 such that issues of Performance Rights under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Performance Rights under the scheme as an exception to Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Performance Rights under the Plan to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to issue Performance Rights under the Plan to eligible participants without using the Company's 15% annual placement capacity under Listing Rule 7.1, effectively decreasing the number of Performance Rights the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

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

18.3 Specific information required by exception 13 of Listing Rule 7.2

Pursuant to and in accordance with exception 13 of Listing Rule 7.2, the following information is provided in relation to the Plan:

- (a) the material terms of the Plan are summarised in Schedule 1;
- (b) since the Plan was last approved by Shareholders on 22 November 2017, 9,338,359 Performance Rights have been issued under the terms of the Plan;
- (c) the maximum number of Performance Rights proposed to be issued under the Plan following Shareholder approval (should it be granted) is 17,302,738; and

a voting exclusion statement is included in the Notice.

18.4 Board recommendation on Resolution 7

The Directors recommend that members vote in favour of Resolution 7.

19. RESOLUTION 8 – GRANT OF PERFORMANCE RIGHTS TO BRUCE GRIFFIN

19.1 General

On 10 June 2020, the Company announced that it has entered into a consulting agreement with Farview Solutions Limited (an entity controlled by Bruce Griffin) (**Consulting Agreement**). Under the Consulting Agreement, the Company agreed to grant 3,000,000 Performance Rights to Bruce Griffin or his nominee, subject to obtaining all necessary Shareholder approvals and the terms of the Company's Performance Rights Plan. The material terms of the Consulting Agreement were announced to ASX on 10 June 2020.

Accordingly, pursuant to Resolution 8, Shareholder approval is sought for the grant of 3,000,000 Performance Rights to Mr Griffin or his nominee (and the acquisition of Shares by Mr Griffin (or his nominee) upon the vesting and exercise of any such Performance Rights), under the Company's Performance Rights Plan which was approved by shareholders at the Company's 2017 annual general meeting and for which renewed approval is sought pursuant to Resolution 7.

19.2 Purpose of the Plan and aim of the grant of Performance Rights

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of those persons who are eligible to be granted Performance Rights under the Plan (each such person being an **Eligible Participant**);
- (b) link the reward of Eligible Participants to performance and the creation of Shareholder value;

- (c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;
- (d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

The primary aim of the proposed grant of Performance Rights to Mr Griffin is to incentivise Mr Griffin to execute his executive duties and assist the Company with the realisation of a Final Investment Decision for the development of the Company's Thunderbird Mineral Sands Project, on or before 31 December 2021.

The material terms of the Plan are summarised in Schedule 1. The specific Performance Hurdles (as defined below) that will apply to the Performance Rights to be granted to Mr Griffin are described below.

19.3 Terms of Performance Rights

A Performance Right as provided for by the Plan, is a right to be issued or transferred a Share (or paid a cash payment), upon and subject to the terms of the Plan and the terms of any applicable offer to an Eligible Participant, which may be subject to Vesting Conditions that include meeting any specified performance hurdles (**Performance Hurdles**).

The Performance Rights that are proposed to be granted to Mr Griffin and which are the subject of Resolution 8 will:

- (a) have a nil exercise price and no amount will be payable upon grant or vesting;
- (b) have an expiry date of 31 December 2021 (unless they lapse earlier);
- (c) each, once vested, entitle Mr Griffin, on exercise, to one fully paid ordinary share in the capital of the Company;
- (d) vest upon the Company announcing to ASX, that the Company has made a Final Investment Decision for the development of the Company's Thunderbird Mineral Sands Project, on or before 31 December 2021;
- (e) where the Consulting Agreement is terminated, any unvested Performance Rights will lapse upon the earlier of:
 - (i) the termination of the Consulting Agreement by Farview Solutions Limited (an entity controlled by Bruce Griffin); or
 - (ii) six (6) months after the termination of the Consulting Agreement by the Company; or
 - (iii) 31 December 2021; and
 - (iv) otherwise lapse in accordance with the terms and conditions set out in the Plan; and
- (f) otherwise be granted on terms and conditions set out in the Plan, the material terms of which are summarised in Schedule 1.

It is noted that Mr Griffin holds an indirect interest of 200,000 Shares in the Company.

19.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issue of the Performance Rights falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if Mr Griffin elects for the Performance Rights to be granted to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Griffin and Mr Griffin will be compensated accordingly based on the achievement of the Performance Hurdles set out above.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Griffin and the Company will be required to negotiate and agree other satisfactory forms of compensation with Mr Griffin.

19.5 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) the Performance Rights will be issued under the Plan to Mr Bruce Griffin (or his nominee);
- (b) Mr Griffin is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of Mr Griffin, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (c) 3,000,000 Performance Rights are proposed to be issued to Mr Griffin (or his nominee) under the Plan;
- (d) the current total compensation package payable to Mr Griffin as at the date of this Notice is set out below:
 - (i) a monthly retainer of A\$25,000 (initially reduced to A\$20,000 from the commencement date of the Consulting Agreement);
 - (ii) a cash incentive of A\$300,000 payable upon the Company announcing to ASX, that the Company has made a Final Investment

Decision for the development of the Company's Thunderbird Mineral Sands Project on or before the earlier of:

- (A) the termination of the Consulting Agreement by Farview Solutions Limited (an entity controlled by Bruce Griffin); or
 - (B) six (6) months after the termination of the Consulting Agreement by the Company; or
 - (C) 31 December 2021; and
- (iii) the proposed grant of 3,000,000 Performance Rights, the subject of Resolution 8.
- (e) Mr Griffin has not previously been issued securities under the current Plan;
- (f) the Performance Rights will be issued on the terms and conditions set out in Section 19.3. The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive on the basis that:
- (i) the Performance Rights retain and reward Mr Griffin for the achievement of non-financial, long-term business objectives (including successful project delivery);
 - (ii) Shareholders can readily ascertain and understand the Performance Hurdles which are required to be satisfied for the Performance Rights to vest and the number of Shares to which they relate (i.e. each Performance Right is a right to be issued one Share upon the satisfaction of the relevant Performance Hurdles); and
 - (iii) Mr Griffin will only obtain the value of the Performance Rights and exercise the Performance Rights into Shares upon satisfaction of the relevant Performance Hurdles; and
 - (iv) Performance Rights are simple to understand (i.e. each Performance Right is a right to one Share), likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives for successfully delivering long objectives of the Company, including successful project delivery.

The Company has prepared a valuation of the Performance Rights, the details have been set out in Schedule 2. In summary, it concludes that the value of the Performance Rights proposed to be granted to Mr Griffin is \$435,000. The Company did not believe that it was necessary to commission the preparation of an independent valuation in the circumstances;

- (g) the Performance Rights will be issued no later than three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (h) the Performance Rights will have an issue price of nil as they will be issued as part of Mr Griffin's compensation package under the Consulting Agreement;
- (i) a summary of the material terms of the Plan is set out in Schedule 1;
- (j) no loan will be provided to Mr Griffin in relation to the issue of the Performance Rights;

- (k) details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 8 is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement is included in the Notice.

19.6 Sections 200B and 200E of the Corporations Act

The Corporations Act broadly provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if such benefit is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act).

The term "benefit" in this context is broad, and may include the accelerated vesting and exercise of Performance Rights. The Plan provides that the Board has the discretion to determine that the Vesting Conditions attached to some or all of the Performance Rights are waived and such Performance Rights vest and become capable of exercise early in certain specified "Special Circumstances", which include (among other things) upon the retirement, redundancy, death or total or permanent disability of Mr Griffin.

In addition, the Plan provides that the Vesting Conditions attached to Performance Rights will be deemed to be automatically waived in the circumstances where a Change of Control occurs, such that all Performance Rights will vest and become capable of exercise.

If the Board were to exercise its discretion to waive the Vesting Conditions applying to some or all of the Performance Rights and make such Performance Rights vest and become capable of exercise early in the circumstances where a participant that holds a managerial or executive office (or did hold such an office in the previous three years) ceases employment (by retirement redundancy, death or total or permanent disability), this may amount to the giving of a termination benefit requiring Shareholder approval in accordance with the Corporations Act. Accordingly, Shareholder approval is also being sought for any such benefit which Mr Griffin may receive if Board exercises such discretion and the vesting and exercise of their Performance Rights is accelerated.

If Shareholders approve Resolution 8, the maximum number of Performance Rights that may vest and be exercised on the cessation of Mr Griffin's consulting arrangement will be 3,000,000.

For Performance Rights, the value of the benefit given upon accelerated vesting and exercise will depend on the price of the Company's shares at the time of vesting and exercise, and the number of Performance Rights that vest and are exercised. Apart from the future price of Shares being unknown, a number of factors could impact the number of Performance Rights which vest and become capable of exercise on cessation of Mr Griffin's consulting arrangement with the Company. Accordingly, the value of the benefit given upon accelerated vesting and exercise cannot be calculated at the present time. The following matters will or may affect (as the case may be) the value of the benefit, as they will or may affect (as the case may be) the number of Performance Rights which vest and

become capable of exercise on cessation of his consulting arrangement with the Company under the Consulting Agreement:

- (a) the number of unvested Performance Rights held by Mr Griffin (or his nominee) prior to the cessation of such arrangements;
- (b) the timing and reasons for cessation of such arrangements; and
- (c) the exercise of the Board's discretion at the relevant time.

19.7 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Griffin is a related party of the Company by virtue of being a Director.

It is the view of Mr Bruce McFadzean, Mr John Richards, Mr David Archer, Mr William Burbury and Mr Ian Macliver (the Directors without a material personal interest in Resolution 8) that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Performance Rights due to the exception in section 210 of the Corporations Act as the agreement to grant the Performance Rights, reached as part of the compensation package for Mr Griffin under the Consulting Agreement, is on arm's length terms and reasonable given the Company's circumstances.

19.8 Board recommendation

The Board (other than Mr Griffin given his interest in the outcome of Resolution 8) has considered the corporate governance issues relevant to executive compensation arrangements, including the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" and has formed the view that the grant of the Performance Rights to Mr Griffin on the terms and conditions set out in this Explanatory Statement are reasonable, that the value and quantum of the Performance Rights are not excessive nor unusual for a company of the Company's size in light of recent market practice of compensation for officers in similar positions and Mr Griffin's importance to the ongoing business operations of the Company, particularly the development of the Company's Thunderbird Mineral Sands Project.

20. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

20.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital as calculated in accordance with the

formula in ASX Listing Rule 7.1A.2 (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity under ASX Listing Rule 7.1.

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

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$105,546,702 (based on the number of Shares on issue and the closing price of Shares on ASX on 29 October 2020). However, the Company will only be permitted to seek approval for the 10% Placement Capacity if it remains an Eligible Entity at the date of the Meeting. Accordingly, if the Company is not an Eligible Entity at the date of the Meeting, Resolution 9 will not be put to, and voted on at, the Meeting.

An **Equity Security** is a share, a unit in a trust, a right to a share or unit in a trust or Option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security, but not a security ASX decides to classify as a debt security.

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

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

Subject to the Company being an Eligible Entity and Resolution 9 being put to the Meeting, if Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Resolution 9 is passed, the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 9 is not passed, the Company will not be able to access the additional 10% Placement Capacity to issue equity securities without shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present (in person, or by proxy or representative) and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

20.2 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) Period for which mandate is valid

An approval under ASX Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; and
- (iii) the time and date of the approval by holders of the Eligible Entity's ordinary securities of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(b) Minimum price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(c) Risk of voting dilution

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

The table below shows the potential dilution of Shareholders calculated in accordance with the formula in ASX Listing Rule 7.1A.2 (assuming Resolution 9 is passed by Shareholders), on the basis of the market price of Shares and the number of Shares on issue as at 29 October 2020.

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

- Variable 'A' differs across each scenario. Scenario 1 assumes there is no change to the number of Shares on issue. Scenarios 2 and 3 then assume an increase of 50% and 100% (respectively) to the number of Shares on issue.
- Within each scenario, three different issue prices for the Shares are assumed. One of the issue prices is the closing price on 29 October 2020 (being the last practicable trading day prior to the date of this Notice). The other two issue prices then assume a 50% decrease to that closing Share price and a 100% increase to that price.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.1525 50% decrease in Issue Price	0.3050 Issue Price	0.4575 50% increase in Issue Price
346,054,761 (Current Variable 'A')	Shares issued - 10% voting dilution	34,605,476 Shares	34,605,476 Shares	34,605,476 Shares
	Funds raised	\$5,227,335	\$10,554,670	\$15,832,005
519,082,142 (50% increase in Variable 'A')	Shares issued - 10% voting dilution	51,908,214 Shares	51,908,214 Shares	51,908,214 Shares
	Funds raised	\$7,916,003	\$15,832,005	\$23,748,008
692,109,522 (100% increase in Variable 'A')	Shares issued - 10% voting dilution	62,210,952 Shares	62,210,952 Shares	62,210,952 Shares
	Funds raised	\$10,554,670	\$21,109,340	\$31,664,011

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

The table above uses the following assumptions:

1. The number of Shares on issue is 346,054,761, which was the number of Shares the Company had on issue as at 29 October 2020.
2. The issue price set out above is the closing price of the Shares on the ASX on 29 October 2020.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

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

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the purpose of cash consideration in which case the Company intends to use funds raised for the development of the Company's Thunderbird Mineral Sands Project, continued exploration expenditure and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 2.7 upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

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

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

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

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 19 November 2019 (**Previous Approval**).

As at the date of this Notice, the Company has not issued any Equity Securities pursuant to the Previous Approval.

For the purposes of ASX Listing Rule 7.3A.6(a), the Company notes that, as at the date of this Notice, the Company has issued or agreed to issue Shares and Options during the 12 month period preceding the date of the Meeting, being on and from 15 December 2019 to 15 December 2020.

(g) Compliance with ASX Listing Rule 7.1A.4

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

- (i) state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- (ii) give to ASX immediately after the issue a list of names of the persons to whom the Company issued the equity securities and the number of equity securities issued to each. This list is not for release to the market.

20.3 Board recommendation on Resolution 9

The Directors recommend that members vote in favour of Resolution 9.

21. ENQUIRIES

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

GLOSSARY

\$ means Australian dollars.

Annual General Meeting, AGM or Meeting means the meeting convened by the Notice.

Annual Report means the annual report of the Company for the year ended 30 June 2020.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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

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

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

ASX Listing Rules or Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

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

Chairman or Chair means the chairman of the Meeting.

Change of Control means:

- (a) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (b) a Court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or

(f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

Consulting Agreement has the meaning given in paragraph 19.1.

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

Directors means the current directors of the Company.

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

Eligible Entity has the meaning given in paragraph 20.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

Equity Security has the meaning given in paragraph 20.1.

Final Investment Decision means a resolution of the Board enabling the Stage 1 construction of the Company's Thunderbird Mineral Sands Project to take place and resulting in an operational scale consistent with the Bankable Feasibility Study Update disclosed on 31 July 2019, or similar scale, as determined by the Board in its absolute discretion.

Group Company means the Company or any Associated Body Corporate.

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

Meeting means the annual general meeting convened by the Notice.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Hurdle has the meaning given in paragraph 19.3.

Performance Right means a right to be issued or transferred a Share (or paid a cash payment), upon and subject to the terms of Plan and any offer made to an eligible participant under the Plan.

Performance Rights Plan means Plan.

Plan has the meaning given in paragraph 18.1.

Proxy Form means the proxy form accompanying the Notice.

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

Resolution means a resolution set out in the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Vesting Conditions means any Performance Hurdles and other conditions to the vesting of a Performance Right.

VWAP means volume weighted average price.

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

The following is a summary of the key terms and conditions of the Performance Rights Plan:

- (a) **Eligibility:** Participants in the Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company or any associate Group Company;
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).
- (b) **Offers:** The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Consideration:** Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.
- (e) **Performance Rights:** Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
- (f) **Not transferrable:** Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (g) **Vesting Conditions:** The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).
- (h) **Vesting:** A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (i) the participant ceasing to be an Eligible Participant due to certain special circumstances (eg due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Plan; or
 - (ii) the Company undergoing a change of control; or
 - (iii) the Company being wound up.
- (i) **Conversion of vested Performance Right:** Unless the Board decides otherwise or the Performance Right has lapsed, any vested Performance Right may be exercised by the Eligible Participant within 12 months from vesting, following which the Company will issue the participant with the applicable number of Shares.
- (j) **Shares:** Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).
- (l) **Quotation of Shares:** If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.
- (m) **Lapse of a Performance Right:** Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right;
 - (ii) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;
 - (iii) a vested Performance Right is not converted within 12 months of becoming vested;
 - (iv) a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception;
 - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
 - (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right;
 - (vii) the expiry date of the Performance Right; and
 - (viii) the five (5) year anniversary of the date of grant of the Performance Right.
- (n) **No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

- (o) **No Change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.
- (p) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (q) **Inconsistency with Offer:** Notwithstanding any other provision in the Plan, to the extent that any covenant or provision contained in an offer document is inconsistent with any covenant or provision under the Plan, the deemed covenant or provision under the offer document shall prevail.

SCHEDULE 2**VALUATION - PERFORMANCE RIGHTS**

The value of the performance rights is measured at grant date and was estimated via the market price of the Company's shares as at the grant date less the present value of expected future dividends that will not be received on the Performance Rights during the vesting period.

Input	Values at Valuation Date
Share price at grant date	\$0.145
Exercise price	Nil
Term	1.56 years
Present value of expected future dividends	Nil



SheffieldResources
LIMITED
ACN 125 811 083

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

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

 **BY FAX**
+61 2 9287 0309

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

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **3:00pm (WST) on Sunday, 13 December 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).

 **BY MOBILE DEVICE**

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

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

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's Share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a Shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's Share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either Shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Sheffield Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm (WST) on Tuesday, 15 December 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in: Online at <https://agmlive.link/SFX20> (refer to details in the Virtual Annual General Meeting Online Guide).

Important for Resolutions 1, 7 and 8: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 7 and 8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Bruce Griffin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-Election of Director – William Burbury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Re-Election of Director – John Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Ratification of Prior Issue of Shares to Kimberley Sustainable Development Pty Ltd (9 April 2020)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of Prior Issue of Shares to YGH Australia Investment Pty Ltd (12 August 2020)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Renewed Approval of Employee Incentive Scheme - Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Grant of Performance Rights to Bruce Griffin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the Shareholder. If a joint holding, either Shareholder may sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SFX PRX2001N

