

7 March 2023

### Entitlement offer – despatch of letter to ineligible shareholders

On 28 February 2023, Sheffield Resources Limited (**Sheffield** or **Company**) announced a pro-rata non-renounceable entitlement offer of new Sheffield ordinary shares (**New Shares**) on the basis of one 1 New Share for every 14 Shares held at an issue price of \$0.50 per New Share, to raise approximately \$12.4 million (before transaction costs) (**Entitlement Offer**).

Attached is a sample of the letter that will be sent to Sheffield shareholders who are ineligible to participate in the Entitlement Offer.

Shareholders can contact the SFX Offer Information Line on 1800 451 641 (within Australia) or +61 1800 451 641 (from outside Australia) at any time between 8.30am to 5.00pm (Sydney time), Monday to Friday, for more information.

This document is authorised for release by the Board of Sheffield Resources Limited.

Yours sincerely,



**Mark Di Silvio**  
Chief Financial Officer & Company Secretary

### IMPORTANT INFORMATION

#### Not for release to US wire services or distribution in the United States

*This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the Entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws. Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information any action taken on the basis of the information.*

7 March 2023

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Dear Shareholder,

**Sheffield Resources Limited (ASX Code: SFX)**

**Notice to Ineligible Shareholders of Non-Renounceable Entitlement Offer**

On 28 February 2023, Sheffield Resources Limited (**Sheffield** or **Company**) announced a pro-rata non-renounceable entitlement offer of new Sheffield ordinary shares (**New Shares**) on the basis of one 1 New Share for every 14 Shares held at an issue price of \$0.50 per New Share, to raise approximately \$12.4 million (before transaction costs) (**Entitlement Offer**).

The Company also announced a placement to institutional and sophisticated investors (**Placement**) to raise \$18 million. The Company has received binding commitments for 36 million Shares in the Placement at \$0.50 per share which are expected to settle on or about the date of this letter.

The proceeds of the Entitlement Offer and Placement will be applied toward the South Atlantic Project opportunity, growth options including within Kimberley Mineral Sands Pty Ltd, corporate activities and to fund any costs associated with the Entitlement Offer. Further details are set out in the investor presentation and ASX announcement published on ASX on 28 February 2023.

You are receiving this letter as unfortunately, according to our records, you did not satisfy the eligibility criteria to participate in the Entitlement Offer. Further information on the Entitlement Offer is set out below. **You are not required to do anything in response to this letter.** However, there may be financial implications for you as a result of the Entitlement Offer that you should be aware of. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

**Details of the Entitlement Offer**

The Entitlement Offer provides Eligible Shareholders (defined below) with the opportunity to subscribe for 1 New Share for every 14 Shares held as at 7.00pm (AEDT) on 3 March 2023 (**Record Date**) at an issue price of \$0.50 per New Share. The Entitlement Offer is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Up to approximately 24.8 New Shares will be issued under the Entitlement Offer. Entitlements resulting in fractions will be rounded down to the next whole number of New Share or disregarded.

A booklet in relation to the Entitlement Offer was lodged with the ASX on Tuesday, 7 March 2023 (**Offer Booklet**) and will be made available to Eligible Shareholders (defined below).

The Entitlement under the Entitlement Offer is non-renounceable and will not be tradeable on the ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement in full will not receive any value in respect of the Entitlement they do not take part and if they do not take up any or part of their Entitlements pursuant to the Entitlement Offer they will be diluted.

**Eligibility to Participate in the Entitlement Offer**

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to shareholders in countries other than Australia, New Zealand, Hong

Kong, Switzerland, the United Kingdom, the European Union, Singapore, Brazil, the Cayman Island and the British Virgin Islands in connection with the Entitlement Offer, having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Entitlement Offer would be made;
- (b) the number and value of New Shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Entitlement Offer would be made.

**Eligible Shareholders** are those Shareholders who at 7.00pm (AEDT) on 3 March 2023:

- (a) have a registered address listed on Sheffield's share register in Australia, New Zealand, Hong Kong, Switzerland, the United Kingdom, the European Union, Singapore, Brazil, the Cayman Islands and the British Virgin Islands;
- (b) are not in the United States and are not acting for the account of or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer, without any requirement for a prospectus, disclosure document or other lodgement, filing, registration or qualification.

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, Sheffield wishes to advise you that it will not be extending the Entitlement Offer to you, and you will not be able to subscribe for New Shares under the Entitlement Offer. In addition, the documents relating to the Entitlement Offer will not be made available to you.

#### **Treatment of Ineligible Shareholders**

A shareholder who is not an Eligible Shareholder will be an ineligible shareholder (**Ineligible Shareholder**) and consequently will not be able to participate in the Entitlement Offer, unless Sheffield otherwise determines.

#### **No action required**

This letter is to inform you about the Entitlement Offer. You are not required to do anything in response to this letter.

If you require further assistance in relation to the details of the Entitlement Offer, please do not hesitate to contact the SFX Offer Information Line on 1800 451 641 (within Australia) or +61 1800 451 641 (from outside Australia) at any time between 8.30am to 5.00pm (Sydney time), Monday to Friday, during the Offer Period.

On behalf of Sheffield Resources, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely,



**Bruce Griffin**  
Executive Chair  
Sheffield Resources Limited

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