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SHREE MINERALS LIMITED

ACN 130 618 683

2015 ANNUAL REPORT

SHREE MINERALS LTD

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DIRECTORS

Sanjay Loyalka
Rajesh Bothra
Andy Lau
Amu Shah

COMPANY SECRETARY

Sanjay Loyalka

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DIRECTORS' REPORT

The Directors present this report together with the financial report of Shree Minerals Ltd ('the Company') for the year ended 30th June 2015 and the auditors' report thereon.

DIRECTORS

The names of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Sanjay Loyalka
Mr Rajesh Bothra
Mr Andy Lau
Mr Amu Shah

COMPANY SECRETARY

Mr Sanjay Loyalka

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of mineral exploration & development and mining of Iron Ore.

OPERATING RESULTS

Operating EBITDA before extra ordinary items for the year was -\$1,832,956 (2014: \$715,416). The net loss of the Company after providing for income tax amounted to \$10,693,932 (2014: - \$1,391,141) as following:

	2015	2014
Operating EBITDA (before non-cash and other items below)	-1,832,956	715,416
Impairment of Exploration Tenements (due to relinquishment)	0	-900,615
Impairment (diminution) of Inventory carrying value (at net realisable value due to Iron Ore price movements)	-749,316	-608,726
Provision for impairment of mine development	-7,342,313	0
Provision for impairment of deferred mine waste	-1,077,831	0
Provision for impairment of plant & equipment	-214,687	0
Provision for doubtful debt	-238,302	0
Depreciation & Amortisation	-36,308	-1,244,502
Foreign exchange Gain/Loss	-280,815	212,014
Income Tax benefit/expense	1,078,596	435,272
Loss after Tax	-10,693,932	-1,391,141

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

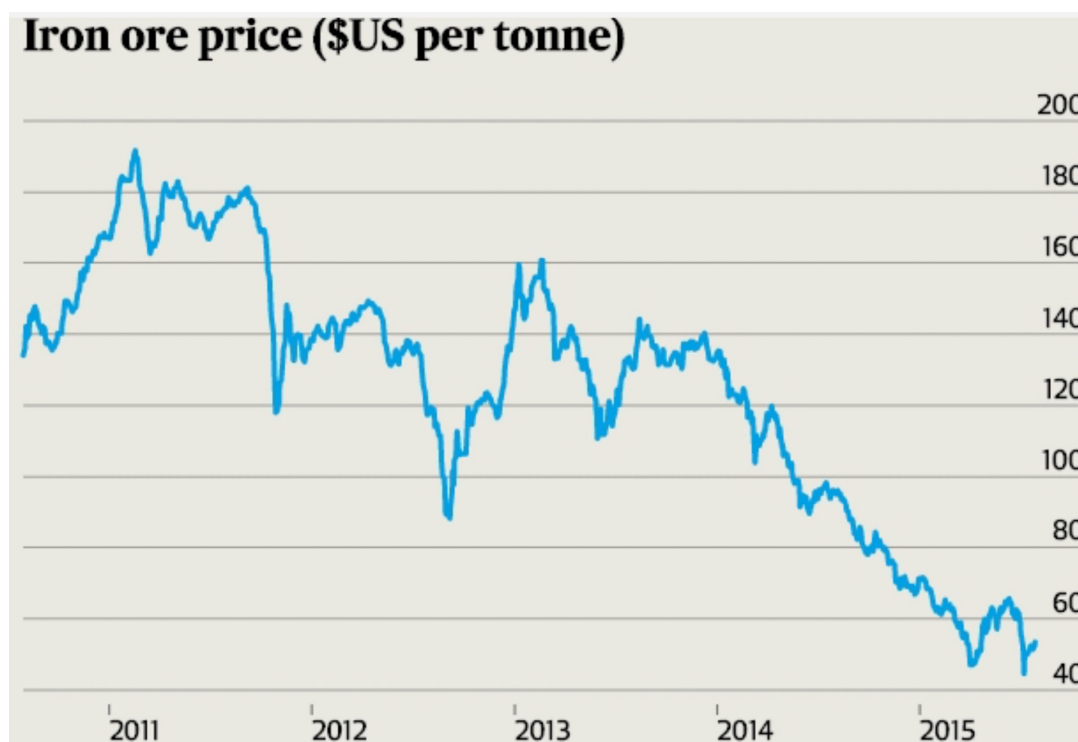
REVIEW OF OPERATIONS AND ACTIVITIES

Highlights:

- NBR project under care & maintenance.
- Steps taken to conserve resources.
- The estimated C1 costs (US\$ per DMT CFR North China) have been reduced from appx US\$ 88 to US\$ 63 for company's Iron Ore products (Fines & Lump).
- Non Renounceable Rights issue completed to raise \$1.6 mn.
- Geological mapping and rock chip sampling at Mt.Sorell returned a highly significant 15.5g/t Au.

Nelson Bay River Iron Ore Project

This has been a very difficult year for your company as the Iron Ore prices witnessed an unprecedented continuous steep fall as per the chart below for "62%Fe" Iron Ore Fines CFR China per dry tonne.



Due to delays in the Environmental Approval process the mine was delayed by some 2 years and as such did not start until late 2013 which pushed the Project out to the bottom of commodity price cycle. Unfortunately, the start up coincided with a marked decline in iron ore prices. This rendered the project uneconomic and it was placed on care and maintenance in June 2014.

As the NBR project has been planned for a phased development, a normal approval timeframe would have had the project well placed to execute the DSO phase of the project at the right point in the cycle. This would have underwritten the capital for the magnetite phase to produce Dense Media Magnetite (DMM) for use in the coal washery industry, which enjoys a stable price cycle and is economically viable even in the current downturn.

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DIRECTORS' REPORT

As it has been a very difficult & challenging year to be a mineral commodity producer & explorer, the company has placed emphasis on steps to contain costs & preserve value by:

- Cost reduction initiatives in preparedness to respond to improving price cycle when it occurs and operations are able to recommence. In this regard, the company is reviewing all aspects including engineering solutions, logistics chain etc. The estimated C1 costs (US\$ per DMT CFR North China) have been reduced from approximately US\$ 88 to US\$ 63. The majority of these costs (over 2/3rds) are offsite costs for transportation of ore to port, port Charges & ocean freight. Initiatives are being explored to lower the costs further.
- The Directors have voluntarily elected to take reduced drawings of their remuneration during the period of suspension of operations.
- Suspension cost containment steps via appropriate discussions with various service providers & vendors include contracts suspensions, renegotiation of suspension costs, contracts terminated, hired equipment released etc.
- The majority of the staff (both at Corporate Office & at site) have been released and / or placed in part time roles while suspension of operations continue with care & maintenance activities, environment monitoring as per approved plans and all statutory compliances being attended to.
- Exploration activities have been curtailed.
- Business Development opportunities are being examined including new areas as well as examining options to bring forward the magnetite phase of the project as well as upgrading the quality of the DSO Iron Ore Product, which attract higher selling prices to improve project economics.

Project Development

The development of Nelson Bay River (NBR) Iron Ore project involves three stages. The first stage is to develop a relatively shallow open cut mine to produce direct shipping grade ore. This direct shipping ore (DSO) only requires crushing and screening to produce the DSO products. During the financial year 2013-14, DSO stage 1 was commenced.

Stage two involves the continuation of mining of the DSO to the north. Here the DSO is composed of lower grade material, which is considered to have the potential to produce a commercial product by beneficiation (BFO).

Stage three of the project involves the open cut mining of the deep magnetite orebody beneath the DSO resource cap. This magnetite ore will require processing to produce saleable magnetite products. Earlier studies demonstrated that the magnetite ore could produce two products, a dense media magnetite (DMM) product, suitable for coal washery applications, or a blast furnace pellet (BFP) magnetite product. Suppliers are few in number for the higher value DMM product and mining generally occurs on a small scale. This would suit the Nelson Bay Iron Project as studies to-date have reflected a stable market and pricing for the DMM as an industrial mineral for the eastern seaboard of Australia where domestic production is not adequate to meet demand forcing coal mining companies to resort to imports, thereby confirming the long-term value potential of the NBR project.

Resource & Reserves

Mineral Resources & Reserves Estimates, summarised by JORC classification are as follows:

The in situ DSO Mineral Resource Estimates, September 2015

Category	Tonnes	Fe %	Al ₂ O ₃ %	P ppm	S ppm	SiO ₂ %	LOI %
Measured	300,000	57.6	1.3	947	362	9.2	6.4
Indicated	190,000	57.5	1.4	919	377	9.3	6.3
Inferred	150,000	57.3	1.2	945	421	10.0	6.2
Total	640,000	57.5	1.3	938	380	9.4	6.4

(Nominal 54% Fe cut off; average density 3t/m³; minor rounding errors)

DIRECTORS' REPORT

BFO Resource Estimates 2012

Category	Tonnes	Fe %	Al ₂ O ₃ %	P ppm	S ppm	SiO ₂ %	LOI %
Inferred	730,000	46.8	2.7	180	680	23.7	4.7
Total	730,000	46.8	2.7	180	680	23.7	4.7

(30% Fe cut off; average density 3t/m³; minor rounding errors)

"This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported."

Skarn Dyke Global Iron Resource Estimates (Includes Magnetite Resource)

Category	M Tonnes	Iron %
Indicated	1.8	38.6
Inferred	9.5	35.9
Total	11.3	36.3

(30% Fe cut off; fresh rock material; minor rounding errors)

"This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported."

Skarn Dyke Recoverable Magnetite Resource Estimates

Category	M Tonnes	DTR Mag %	Magnetite Kt
Indicated	1.7	38.5	667
Inferred	6.1	38.2	2,324
Total	7.8	38.3	2,991

(20% DTR cut off; average density 3.71t/m³; fresh rock material; minor rounding errors)

"This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported."

Magnetite Resource Estimate Concentrate Grades

Category	Fe %	Al ₂ O ₃ %	S %	SiO ₂ %
Indicated	66.4	0.16	0.21	4.6
Inferred	64.3	0.31	0.42	6.0
Total	65.5	0.22	0.30	5.2

"This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported."

The in situ DSO Ore Reserve Estimates for the Southern DSO pit, September 2015

Category	M tonnes	Fe %	Al ₂ O ₃ %	P %	S %	SiO ₂ %	LOI %
Proved	0.27	56.5	1.4	0.091	0.035	8.7	6.5
Probable	0.19	56.5	1.5	0.092	0.036	8.8	6.5
Total	0.46	56.5	1.4	0.091	0.035	8.7	6.5

(Minor rounding errors; cut off based on a nominal 54% Fe; default density of 3t/m³)

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DIRECTORS' REPORT

The information in this report that relates to Mineral Resources is based on information evaluated by Mr Simon Tear, who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). And who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("the JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Ore Reserve Estimates for the Nelson Bay deposit is based on information evaluated by Mr Richard Beazley who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (MAusIMM CP(Min)) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Richard Beazley is the Principal of Altair Mining Consultancy Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Development & Production

As the project was under care & maintenance during the year there was no production or mine development activities. The mining & production figures are as per Table 1.

Table 1

		Year ending 30/06/2015	Year ending 30/06/2014
Waste Stripping	BCM	0	636,347
Ore Mining	Tonnes	0	224,571
Ore Crushing & screening	Tonnes	0	153,332
Sales	Tonnes	0	130,899

Approvals

EPA Tasmania has notified the company during the year that that the variation of the Environment permit in Nov'13 to allow a temporary PAF rock dump for DSO south pit has been rendered invalid in a judicial review by the Court in Dec'14. The original permit remains valid, and without variation. As a consequence, the current PAF storage temporary dump is not compliant. During the year, the Company has conducted relevant studies & work to resolve the issue.

All government approvals (other than variation pertaining to temporary PAF rock permit for DSO south pit) for the project remain valid. These include the Mining Lease, Federal Government Environmental Approval and Tasmanian Government's Environment & Development permits (etc).

Share Placement

During the financial year, Non Renounceable Rights issue was completed to raise \$ 1.623 mn.

DIRECTORS' REPORT

Tenements

The mining tenements held at the end of the reporting period and their locations are as following :

Mine Lease/ Exploration License	Locality	Remarks
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
EL41/2004	Nelson Bay River	100% Shree Minerals Ltd
EL42/2008	Mt.Sorell	100% Shree Minerals Ltd

- The mining tenements acquired and disposed of during the period and their location.

NIL

- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the period.

NIL

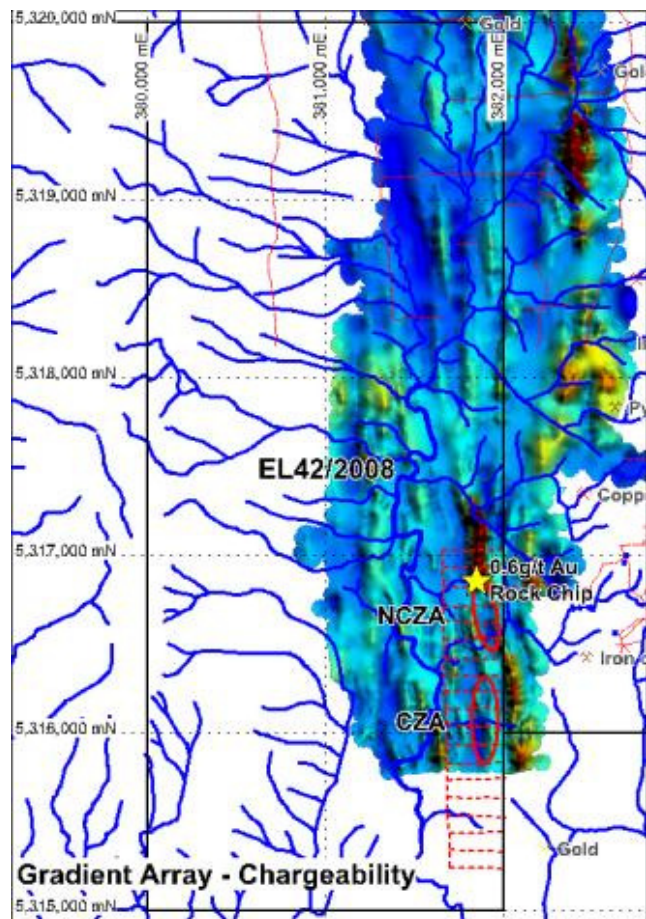
- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the period.

NIL

EXPLORATION

Exploration work on EL42/2008 (Mt Sorell) was carried out during the year 2014-15. Data from an historical (1978) Induced Polarisation geophysical survey was digitised, georeferenced and re-interpreted. Chargeability anomalies were commonly found to lie immediately in the footwall to the Clark Grid inferred VHMS position. A strong chargeability anomaly and resistivity low is located immediately north of a 0.6g/t Au rock chip sample in Shree's Clark Grid area. This anomaly was historically described as "a most significant anomaly...where chargeabilities reach over 50 millivolts/volt ... and resistivities are significantly reduced" (Howland-Rose, 1978). This zone was recommended for high priority follow up at that time.

Clark Valley Gradient Array IP – Chargeability



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DIRECTORS' REPORT

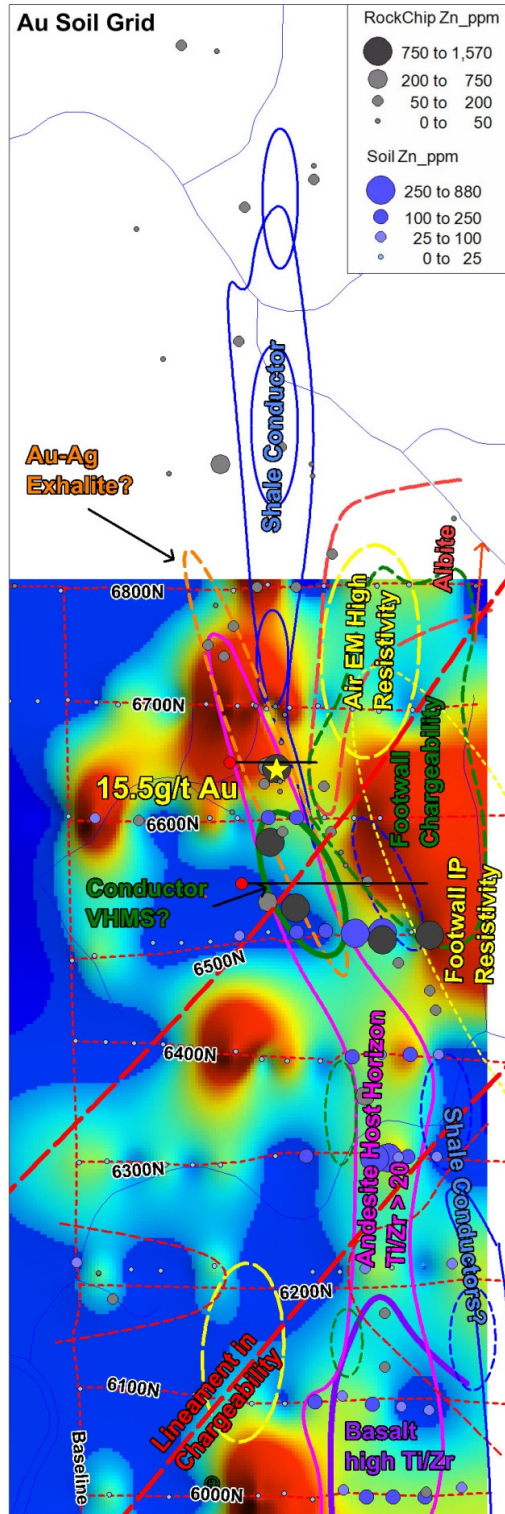
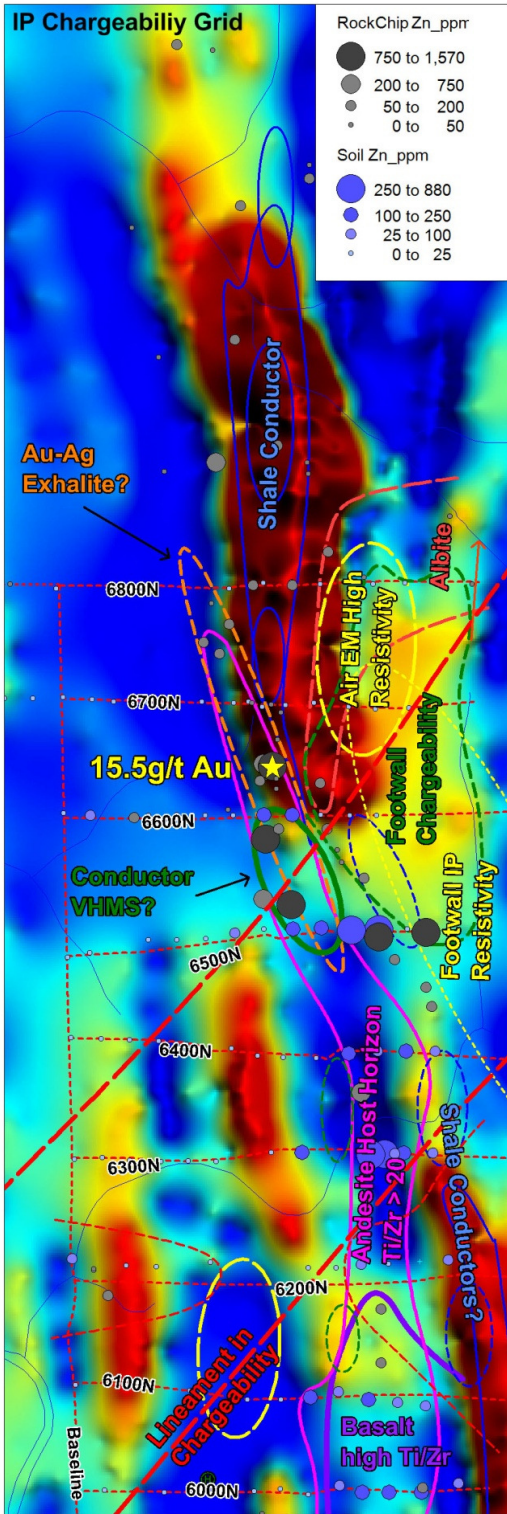
Significantly enhanced VHMS (Volcanic Hosted Massive Sulphide) prospectivity has resulted from recent field work and GIS interpretation. Geological mapping and rock chip sampling (42 samples) focused in the vicinity of the large IP (Induced Polarisation) chargeability anomaly and previously sampled 0.6g/t Au in rock chip. Composite re-sampling has returned a highly significant gold value of 15.5g/t, accompanied by 8ppm silver and minor zinc (0.1%). This sample comes from the northern end of a zone of silica – sericite – iron oxide altered felsic volcanics extending ~150m along strike to the SSE towards the vicinity of an anomalous base metal zone, bearing Zn to 0.15% in rock chip and soil samples. Notably, two float boulders with significant alteration were located near the 15.5g/t Au rock chip sample. These rocks contain moderate intensity pervasive silica, with irregular iron oxide halos to relict pyrite stringer veining in a weakly foliated sericitic matrix.

A coherent zone of anomalous base metals (Cu, Pb, Zn, Ag & Au) in rock chip and soils is now better defined through the anomalous gold in rock chip area. VHMS prospectivity is further upgraded with the presence of anomalous key pathfinder elements (Ti, Sb and As). Potential to find a VHMS-style deposit akin to Rosebery or Que-Hellyer in the grid area is considered high.

Re-evaluation of a 1970's gradient array Induced Polarisation survey in conjunction with Airborne EM has provided further interpretive vectors to a relatively focused VHMS prospective zone coincident with anomalous geochemistry. The black shales were found to commonly correspond with high chargeability and low resistivity. The investigated chargeability anomaly and black shale are not un-expectedly also coincident with significant WTRMP airborne EM cx980k and cx7k EM anomalies. A black shale horizon is identified in the Rosebery ore sequence

The black shales mapped extent thins considerably at the chargeability anomalies southern end, whilst chargeability remains high. This suggests that some component of the chargeability footwall to the Au in rock chip anomaly maybe mineralisation-related. Immediately south of the shales termination and Au in rock chip anomaly is a relatively strong EM anomaly reflected in all channels. This is a VHMS target. Further evidence supporting a VHMS focus in this area is a broad elevated chargeability zone coincident with Au and Zn in soils within the footwall to the EM anomaly and 15.5g/t Au rock chip. This feature is not evident in the footwall to other chargeability anomalies in the area. A significant high resistivity zone coincident with strong albite – silica alteration in the footwall to the Au in rock chip anomaly also supports potential VHMS fluid focus in this area.

An earlier WSW to WNW orientated cleavage disrupted and overprinted by the dominant NW aligned foliation was identified at several localities in the northern footwall. This may reflect earlier Cambrian deformation, possibly reactivating Cambrian rift faults active during VHMS formation.



VHMS prospectivity map for the northern half of the Clark River Grid showing Zn in rock chip and soil thematic and recommended drill holes over IP Chargeability grid (left) and Au in soils grid (right).

OTHER TENEMENTS

Shree Minerals' exploration activities for the year in review were confined to those referred to in this report. However, the Company can report that all other tenements remain in good standing and meet statutory requirements.

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OUTLOOK

The NBR project is being developed in a phased philosophy with the initial plan to mine the DSO resource to export iron ore over the first couple of years at low capital expenditure to be followed by the magnetite resource to produce dense media magnetite (DMM) used for the coal washery industry. Studies to-date have reflected a stable market and pricing for DMM as an industrial mineral in Eastern Seaboard of Australia with domestic production not being adequate to meet demand resorting to imports, thereby confirming the long-term value potential of the NBR project.

Steps have been taken to conserve the resources as well as reduce cash costs while having the necessary preparedness to respond to improving price cycle when it emanates. The company believes the long term demand for the commodity remains robust due to growing urbanisation of the global population particularly in China.

Exploration activities are also planned at Mt. Sorell exploration license involving geological mapping, soil sampling, geophysical surveys to define potential drilling targets.

The company is actively looking for suitable business development opportunities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review other than those disclosed in this report.

FINANCIAL POSITION

The net assets of the Company are \$1,513,910 (2014: \$10,705,421)

AFTER BALANCE DATE EVENTS

The Company received notification on 23rd September 2015 that the mining contractor at Nelson Bay River Iron Ore Project, being "Collins Contracting" has gone into administration. Consequently, a provision for doubtful debts has been made in the company's books for \$238,302 being the prepayments to "Collins Contracting".

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company intends to continue to pursue its goals to acquire and explore mineral deposits and explore prospective tenements.

ENVIRONMENTAL REGULATIONS

The Company holds various exploration & mining licences to regulate its activities in the State of Tasmania, Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its activities. As far as the Directors are aware, there has been no known breach of the Company's licence conditions other than those disclosed in this report. The implementation of best practice social and environmental practices, well beyond simple compliance, has been an integral part of Company's philosophy. The company in discussions with the regulatory authorities is also looking at innovative work towards implementing / developing best environment management practices. The company has also voluntarily committed to research to enhance the understanding of orchid biology in north-western Tasmania, as a best practice environmental management contribution to orchid science. The research will assist with the ongoing management and protection of threatened orchid species in north-western Tasmania. Shree Minerals also recognises the opportunities that the presence of our project creates to support Devil Facial Tumour

DIRECTORS' REPORT

research. Hence, Devil numbers around the mine site are monitored as part of the mine's operational monitoring of the effectiveness of its devil (and quoll) impact mitigation measures, and these observations will be valuable data for the Save the Tasmanian Devil Program (STDP).

DIRECTORS' INTERESTS

	ORDINARY SHARES FULLY PAID	OPTIONS
Mr S Loyalka	26,474,078	0
Mr A Lau	0	0
Mr A Shah	4,884,230	0
Mr R Bothra	30,437,500	0
Total	61,795,808	0

INFORMATION ON DIRECTORS

Mr Sanjay Loyalka, Chief Executive Officer and Executive Chairman, FAIM, MAICD, ACA, B Com (Hons)

Director of Shree Minerals Ltd since April 2008

Mr Sanjay Loyalka has experience in various functional roles including CEO, General Management, and Corporate finance experience in mining and metals, manufacturing, and logistics based industries in a multinational environment.

Mr Loyalka is the founder of Investment advisory firm IACG Pty Ltd in Australia which has been engaged in cross border M&A, strategic consulting as well as a mineral commodity trading business.

As the founding CEO and Managing Director, he was instrumental in the development of the Aditya Birla Group's operations within Australia. He led the acquisition of Nifty and Mount Gordon Copper mines, successful development of the Nifty Sulphide project (a remote site, 2.5 million TPA underground mine, concentrator plant and associated infrastructure) and operational restructure of Mount Gordon Copper Operations. These led to a successful listing of the Company on the Australian Securities Exchange under an IPO raising \$300 million and inclusion in the ASX S&P 300 index.

Mr Loyalka has been a member of the Executive Council of Chamber of Minerals & Energy (Western Australia) in 2005 and 2006.

Mr Andy Lau, Independent Non Executive Director, MBA

Director of Shree Minerals Ltd since Nov 2009

Mr Andy Lau is a professional engineer and held senior management responsibilities for over 10 years in computer information and financing industry.

Mr Lau holds a MBA and graduate majoring in Computer Technology and held the certificates of MCSE, MCDDBA, MCP, and CCNA. He worked for a number of large international companies in securities, venture capital, and high-tech industries.

Mr Amu Shah, Non Executive Director

Director of Shree Minerals Ltd since March 2011

Mr Amu Shah is a director and shareholder in various businesses ranging from retail trade, distribution of office and stationery products, services to the mining industry, manufacturing, and property development and ownership.

Mr Amu Shah is the Honorary Consul for Kenya in Perth.

Mr Amu Shah has extensive international and local business experience.

Mr Rajesh Bothra, Non Executive Director

Director of Shree Minerals Ltd since June 2014

Mr Rajesh Bothra is based in Singapore & is a share-holder and Managing Director of major electronic and consumer electronic company with revenue of US\$1 Billion. He has rich experience of management and leadership skills. He also has interests in real estate, hospitality, natural resources and media Industry. Mr Rajesh Bothra brings with him a wealth of international experience & networks.

REMUNERATION REPORT (AUDITED)

The full Board fulfils the roles of remuneration committee and is governed by the Company's adopted remuneration policy.

The information provided in this remuneration report has been audited as required by Section 308 (3c) of the Corporations Act 2001.

Remuneration Policy

This policy governs the operations of the Remuneration Committee. The Committee shall review and reassess the policy at least annually and obtain the approval of the Board.

General Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for non-executive directors' fees. The Directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any broad based equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

Executive remuneration

The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long-term commitment to the Company. Executives receive a base remuneration which is market related, and may be entitled to performance based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information, and expert advice.

The Committee's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- a. reward reflects the competitive market in which the Company operates;
- b. individual reward should be linked to performance criteria; and
- c. Directors & executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives and other senior managers consists of the following:

- a. salary - directors, executives and senior manager receive a fixed sum payable monthly in cash;
- b. bonus - directors, executives and nominated senior managers are eligible to participate in a profit participation plan if deemed appropriate;
- c. Long-term incentives - directors, executives, and nominated senior managers may also participate in employee share-option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and
- d. Other benefits - directors, executives and senior managers are eligible to participate in superannuation schemes and other appropriate additional benefits.

Remuneration of other executives consists of the following:

DIRECTORS' REPORT

- a. salary - senior executive receives a fixed sum payable monthly in cash;
- b. bonus - each executive is eligible to participate in a profit participation plan if deemed appropriate;
- c. long term incentives - each senior executive may, where appropriate, participate in share option schemes which have been approved by shareholders; and
- d. Other benefits – senior executive are eligible to participate in superannuation schemes and other appropriate additional benefits.

Non-executive remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for non-executive directors is currently \$200,000.

It is recognised that non-executive directors' remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the non-executive directors, are included in the operations of the Company more intimately than may be the case with larger companies the non-executive directors are entitled to participate in equity based remuneration schemes.

All directors are entitled to have their indemnity insurance paid by the Company.

Profit participation plan

Performance incentives may be offered to directors, executives, and senior management of the Company through the operation of a profit participation plan at the ultimate discretion of the Board. Currently, there is no such plan under practice for last 5 years.

Details of remuneration

Key Management Personnel (KMP) comprises the executive and non- executive directors only during FY2015. The remuneration for Key Management Personnel of the Company during the year and the previous year was as follows:

2015

	Short-term Employee Benefits				Post-employment Benefits	Other Long-term Benefits	Share Based Payments	Total	% Performance Based
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation				
Mr S Loyalka	292,906	0	0	0	27,094	0	0	320,000	0
Mr Andy Lau	30,000	0	0	0	0	0	0	30,000	0
Mr Rajesh Bothra	30,000	0	0	0	0	0	0	30,000	0
Mr Amu Shah	27,460	0	0	0	2,540	0	0	30,000	0
	380,366	0	0	0	29,634	0	0	410,000	0

NB: The remuneration report has been prepared on an accruals basis. To conserve cash resources of the company during the period the operations are under suspension, have voluntarily elected to take reduced drawings of their remuneration. Consequently, the total amount payable to directors for remuneration at 30 June 2015 amounted to \$187,500, for outstanding director remuneration.

DIRECTORS' REPORT

2014	Short-term Employee Benefits					Post-employment Benefits			
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation	Other Long-term Benefits	Share Based Payments	Total	% Performance Based
Mr S Loyalka	292,906	0	0	0	27,094	0	0	320,000	0
Mr A Jagatramka	2,860	0	0	0	264	0	0	3,124	0
Mr M Pal	27,460	0	0	0	2,540	0	0	30,000	0
Mr Andy Lau	30,000	0	0	0	0	0	0	30,000	0
Mr Amu Shah	27,460	0	0	0	2,540	0	0	30,000	0
Mr Rajesh Bothra	0	0	0	0	0	0	0	0	0
	380,686	0	0	0	32,438	0	0	413,124	0

NB: For financial years ended June 2015 & 2014 the KMPs held the positions and dates of change in responsibilities as following:

Mr. S Loyalka: Executive Chairman with added responsibility of CEO, CFO & Company Secretary

Mr. A Jagatramka: Non Executive Director, Retired 28/11/2013

Mr. M Pal: Non Executive Director, Retired 27/6/2014

Mr. Andy Lau: Non Executive Director

Mr. Amu Shah: Non Executive Director

Mr. Rajesh Bothra: Non Executive Director, appointed 27/6/2014

Options, Performance shares & Shares issued as part of remuneration for the period ended 30 June 2014

There were no Options, Performance shares & Shares issued as part of remuneration for the period ended 30 June 2015. Please refer to Note 19 for further information.

Shares Issued on Exercise of Compensation Options

No options granted as compensation in prior periods were exercised through the period or the previous period.

DIRECTORS' REPORT

Number of Shares Held by Key Management Personnel

30 June 2015

Key Management Person	Balance 1 July 2014	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2015
Mr Sanjay Loyalka	25,915,000	0	0	559,078	0	26,474,078
Mr Andy Lau	0	0	0	0	0	0
Mr Amu Shah	4,525,000	0	0	359,230	0	4,884,230
Mr Rajesh Bothra	17,937,500	0	0	12,500,000	0	30,437,500
	48,377,500	0	0	13,418,308	0	61,795,808

Number of Options Held by Key Management Personnel

30 June 2015

Key Management Person	Balance 30 June 2014	Granted as compensation	Options Exercised	Net Change Other	Balance 30 June 2015	Total Vested 30 June 2015	Total Exercisable 30 June 2015	Total Unexercisable 30 June 2015
Mr Sanjay Loyalka	0	0	0	0	0	0	0	0
Mr Amu Shah	0	0	0	0	0	0	0	0
Mr Andy Lau	0	0	0	0	0	0	0	0
Mr Rajesh Bothra	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

Number of Share Performance Rights (SPR) held by any Key Management Personnel

On 30 June 2015, Mr. Mahendra Pal held 869,111 share performance rights. The Performance Rights vest in three tranches to Mr Mahendra Pal on 31 October 2013, 31 October 2014 and 31 October 2015 respectively. The number of Performance Rights to be vested on each of those dates is one (1) Performance Right for every one (1) tonne of DSO Iron Ore sold over the three years ending on 30 June 2013, 30 June 2014 and 30 June 2015 respectively, subject to issue of maximum of 1,000,000 Performance Rights in aggregate.

- For the year ended 30 June 2013 there was nil tonnes of DSO Iron Ore sold.
- For the year ended 30 June 2014 there was 130,889 tonne of DSO Iron Ore sold. Consequently, 130,889 Performance Rights vest on 31 October 2014.
- For the year ended 30 June 2015 there was nil tonnes of DSO Iron Ore sold.

Consequently, 869,111 Performance Rights will expire on 31 October 2015.

No other Key Management Personnel held any share performance rights on 30 June 2014.

Employment contracts of directors and senior executives

The employment arrangements for Sanjay Loyalka, as the sole executive Director and Chief Executive Officer and Chairman and Company Secretary, provide for remuneration comprising salary and superannuation totalling \$320,000. Mr. Loyalka's current employment arrangements cover five-year tenure that commenced in May 2013.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 5 formal meetings of Directors (including committees of directors) were held. Attendances by each Director during the year were as follows:

Director	Board Meetings	
	Meetings attended	Meetings held whilst in office
Sanjay Loyalka	5	5
Andy Lau	5	5
Amu Shah	4	5
Rajesh Bothra	4	5

The full Board fulfils the role of remuneration, nomination, and audit committees.

Indemnifying Officers or Auditor

The Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts for current and former directors, executive officers and secretaires. The directors have not included details of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Options

At the date of this report, the unissued ordinary shares of Shree Minerals Limited under option are NIL.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring any proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company is not a party to any other proceedings as at date of this report.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

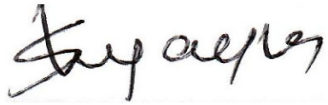
Fees of \$6,250 (2014: 10,750) for Taxation services (compliance and consulting) being the non-audit services that were paid/payable to related practices of the external auditors during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 18 of annual report.

DIRECTORS' REPORT

Signed in accordance with a resolution of the Board of Directors.



Sanjay Loyalka
Chairman

Signed in Perth the 30th day of September 2015.

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**Auditor's Independence Declaration
To the Directors of Shree Minerals Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Shree Minerals Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 30 September 2015

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SHREE MINERALS LTD

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 JUNE 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
Revenue from continuing operations			
Sales Income	3	-121,305	8,625,723
Interest		53,876	60,659
Other Income		673	0
Expenses from continuing operations			
Cost of sales		-579,111	-8,844,243
Impairment of inventory	7A	-749,316	-608,726
Finance charges		-370,196	-80,879
Employee and consulting fees		-452,359	-72,713
Regulatory costs		-28,244	-26,097
Occupancy and communication		-37,127	-32,037
Foreign exchange loss		-280,815	212,014
Accounting and legal Fees		-229,154	-79,832
Impairment of exploration tenements	9	0	-900,615
Provision for impairment of mine development	20	-7,342,313	0
Provision for impairment of deferred mine waste	20	-214,687	0
Provision for impairment of plant & equipment	20	-1,077,831	0
Provision for doubtful debt	22	-238,302	0
Other expenses		-106,318	-79,667
Loss before income tax		-11,772,529	-1,826,413
Income tax expense	4	1,078,596	435,272
Loss for the period		-10,693,932	-1,391,141
Other comprehensive income		0	0
Comprehensive loss for the year		-10,693,932	-1,391,141
Earnings per share for (loss) attributable to ordinary equity holders of the company:			
Basic & diluted (loss) cents per share	5	-7.74	-1.29

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6	1,105,998	2,183,998
Receivables	7	245,719	560,270
Inventory	7A	1,319,506	2,068,822
Total Current Assets		2,671,223	4,813,090
<i>Non-Current Assets</i>			
Exploration and evaluation	9	296,947	263,640
Mine Development	9A	1,583,647	10,036,165
Other Assets	6A	865,590	943,387
Plant and equipment	8	40,892	354,880
Total Non-Current Assets		2,787,076	11,598,072
Total Assets		5,458,299	16,411,162
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	10	-2,418,303	-4,136,102
Loans	10	-10,071	-20,480
Provisions	10	-13,174	-26,107
Total Current Liabilities		-2,441,548	-4,182,689
<i>Non-Current Liabilities</i>			
<i>Rehabilitation Provision</i>		-1,499,300	-1,499,300
Loans	10A	-3,542	-23,752
Total Non-Current Liabilities		-1,502,842	-1,523,052
Total Liabilities		-3,944,390	-5,705,741
Net Assets		1,513,909	10,705,421
Equity			
Contributed equity	11	15,094,311	13,591,891
Reserves	12	284,587	284,587
Retained profits (losses)	12	-13,864,989	-3,171,057
Total Equity		1,513,909	10,705,421

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital \$	Retained Losses \$	Share based option reserve \$	Total \$
BALANCE AT 1 JULY 2013		9,678,432	-1,779,916	284,587	8,183,103
Total comprehensive income for the period		0	-1,391,141	0	-1,391,141
Shares issued during the year		4,130,000	0	0	4,130,000
Capital raising costs		-216,541	0	0	-216,541
BALANCE AT 30 JUNE 2014		13,591,891	-3,171,057	284,587	10,705,421
BALANCE AT 1 JULY 2014		13,591,891	-3,171,057	284,587	10,705,421
Total comprehensive income for the period		0	-10,693,932	0	-10,693,932
Shares issued during the year	11	1,623,467	0	0	1,623,467
Capital raising costs		-121,047	0	0	-121,047
BALANCE AT 30 JUNE 2015		15,094,311	-13,864,989	284,587	1,513,909

The accompanying notes form part of these financial statements.

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SHREE MINERALS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
Cash flows from operating activities (including exploration)			
Sales receipts		-383,971	8,642,532
Payments to suppliers and employees (inclusive of GST)		-2,629,294	-8,722,083
Interest received		43,576	45,194
Research and Development tax concession		1,078,596	435,272
Other Income		673	0
Net cash inflow from operating activities (including exploration)	15(b)	-1,890,420	400,915
Cash flows from investing activities			
Payment for plant and equipment		-877	-251,024
Proceeds from sale of plant and equipment		16,819	0
Payment for mineral exploration		-33,307	-156,270
Deferred Mine Waste		0	-1,077,831
Payment for mine development		32,374	-2,626,978
Net cash outflow from investing activities		15,009	-4,112,103
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		1,623,467	4,130,000
Payments for share issue costs		-121,047	-216,541
Borrowings		-782,806	889,657
Net cash inflow from financing activities		719,614	4,803,116
Net (decrease) increase in cash and cash equivalents		-1,155,797	1,091,927
Cash and cash equivalents at the beginning of the financial period		3,127,385	2,035,457
Cash and cash equivalents at the end of the financial period		1,971,588	3,127,384
Cash and cash equivalents at the end of the financial period			
Cash at bank & in hand	6	1,105,998	2,183,998
Security deposits	6A	865,590	943,387
Cash and cash equivalents at the end of the financial period		1,971,588	3,127,385

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Shree Minerals Limited, a Company domiciled and incorporated in Australia.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report includes the separate financial statements of the Company.

Accounting standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"). Shree Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report is presented in Australian currency.

Basis of Preparation

Historical cost convention

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

These financial statements have been prepared on a going concern basis and, as a result, the financial report for the year ended 30 June 2015 does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The economic environment in which the Company operates is both difficult and challenging, and the Company has recorded a loss after tax of \$ 10.7 million for the year. The net loss after tax includes non-cash items of appx \$9.9 million including impairment provision of \$8.6 million, inventory impairment of \$0.7 million, provision for doubtful debts of \$0.2 million, unrealised foreign exchange loss on off take advance of \$0.3 million and depreciation & amortisation of property of plant and equipment and other non-current assets of \$0.07 million.

The company continues maintaining a close watch over Iron Markets for an appropriate window to recommence shipments of inventory on hand to enable repayment of the off-take finance of A\$1.57 million as per Note 10, though proving challenging due to Iron Ore prices. Meanwhile, the company has made some payments towards the unadjusted off-take finance and is in regular discussions with its off-take partners in this regard.

As at 30 June 2015, the Company had Cash reserves of \$1.1 million.

Significant efforts have been made to preserve cash and reduce costs and secure additional finance, however material uncertainties over the future cash flows exist.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

The Company continues to engage with its stakeholders and continues to monitor opportunities from interested investors to raise additional equity for the business and restructure its liabilities. In addition, the Company continues to focus efforts on improving liquidity through:

- the implementation of further cost improvement initiatives;
- continuation of voluntary payroll reductions ;and
- Re-commencement of operations as per Iron Ore Price environment .

The Company also carefully manages discretionary expenditure in line with the Company's cash flow.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The significant accounting policies set out below have been applied in the preparation and presentation of the financial report for the year ending 30 June 2015 and comparative information.

New and amended standards adopted by the Company for these financial statements

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Company is presented below.

AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014 and has been adopted in this financial report. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments in this financial report has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

R&D tax credits are accounted for when received.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed by directors first when indicators of impairment exist and thereafter annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33%
Office equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

c. Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable resources.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are transferred to Mine Properties and amortised over the life of the area according to the rate of depletion of the economically recoverable resources (refer to Mine Properties below).

A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

d. Mine Development

Mine development represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of a project in which mining has commenced or in the process of commencing. When further development expenditure is incurred in respect of mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a unit of production basis (other than restoration and rehabilitation expenditure detailed below) which results in a write off of the cost proportional to the depletion of the proven and probable mineral reserves.

The company defers waste stripping costs for matching costs with the related economic benefits. Stripping costs incurred in the period are deferred to the extent that the current period ratio exceeds the life of mine or pit ratio. Such deferred costs are then charged in subsequent periods, the ratio falls short of the life of mine or pit ratio. The life of mine or pit ratio is obtained by dividing the volume of waste mined either by the volume of ore mined. The life of mine or pit waste-to-ore ratio is a function of an individual mine's pit design and therefore changes to that design will generally result in changes to the ratio. Changes to the life of mine or pit ratio are accounted for prospectively. Deferred stripping costs are included in Mine development costs.

The net carrying value is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is either fully provided against or written off in the financial year in which this is determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

The Group provides for environmental restoration and rehabilitation at site which includes any costs to dismantle and remove certain items of plant and equipment. The cost of an item includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs when an item is acquired or as a consequence of having used the item during that period. This asset is depreciated on the basis of the current estimate of the useful life of the asset.

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets an entity is also required to recognise as a provision the best estimate of the present value of expenditure required to settle the obligation. The present value of estimated future cash flows is measured using a current market discount rate.

e. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Financial Instruments*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

- (i) *Financial assets at fair value through profit or loss*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

g. Impairment of Non Financial Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. Interests in Joint Operations

The Company's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the financial statements.

i. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

j. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet

l. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

The following criteria are also applicable to other specific revenue transactions:

Iron Ore Sales

Contract terms for the Company's sale of Iron Ore allow for a price adjustment based on final assay results of the ore for Fe content & other trace elements at the discharge port to determine the final content. Recognition of sales revenue for these commodities is based on the most recently determined estimate of Fe content & other trace elements (based on load port assay results) and the spot price at the date of shipment, with a subsequent adjustment made upon final determination.

The terms of Iron Ore sales contracts contain provisional pricing arrangements whereby the selling price for Iron Ore is based on prevailing spot prices on a specified period around the date of shipment to the customer (the "quotation period"). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement.

m. Inventories

Crushed Ore at site & port and run of mine ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price (in the ordinary course of business assuming sales are made at the end of the reporting period such that applicable price for the next month to coincide with time it reaches customer's discharge port), less estimated costs of completion and costs of selling final product.

Cost is determined using the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods.

n. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**o. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Key Judgements – Ore reserve and resource estimates

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC Code)). These are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure.

In estimating the remaining life of the mine for the purposes of amortisation and depreciation calculations, due regard is given, not only to remaining recoverable ore contained in reserves and resources, but also to limitations which could arise from the potential for changes in technology, demand, and other issues which are inherently difficult to estimate over a lengthy time frame.

Where a change in estimated recoverable ore over the remaining life of the mine is made, depreciation and amortisation is accounted for prospectively.

The determination of ore reserves and remaining mine life affects the carrying value of a number of the Group's assets and liabilities including deferred mining costs and the provision for rehabilitation.

Key Judgements – Units-of-production depreciation

Estimated recoverable ore over the remaining life of the mine are used in determining the depreciation and / or amortisation of mine specific assets. This results in a depreciation / amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable ore over the remaining life of the mine of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable ore over the remaining life of the mine and estimates of future capital expenditure.

Key Judgements – Inventories

Costs incurred in or benefits of the productive process are accumulated as Crushed Ore at site & port and run of mine ore stockpiles. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the Stockpile. Stockpile tonnages are verified by periodic surveys.

Key Judgements – Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(c). The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Key Judgements – Mine Development expenditure

Mine Development expenditure are carried forward in respect of each identifiable area of interest where a mineable resource has been established & published as per JORC guidelines and has reached a stage that permits reasonable assessment that necessary steps to commence a mining development for that area have been commenced. Refer to the accounting policy stated in note 1(d). The net carrying value of each area of interest is reviewed using long term commodity price forecasts from within the range of forecasts by Industry analysts as per note 1(d).

Key Judgements Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model or other appropriate methodology.

Key Judgements Impairment of Property, Plant and Equipment

The Company assesses each asset at the end of each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and Value In Use (VIU).

Future cash flows

VIU calculation use pre-tax free cash flows based on projections approved by the Company. The key operating assumptions and their basis of estimation are:

- Future production based on latest mine plan available
- Commodity price forecast derived from public available information and a range of external global commodity forecasters; and
- Future cost of production and future capital expenditure

Discount rate

The discount rate applied to the cash flow projections has been assessed to reflect the time value of money and the perceived risk profile of the industry. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets.

q. Operating segments

Identification and measurement of segments – AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**r. Accounting standards not yet effective**

Refer to note 21 for accounting standards not yet effective.

NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report. Total amount payable including valuation of share based payments was as following:

	2015 \$	2014 \$
Short term employee benefits		
Salaries including bonuses	380,366	380,686
Total short term employee benefits	380,366	380,686
Long service leave		
Total other long-term benefits		
Defined contribution pension plans	29,634	32,438
Total post-employment benefits	29,634	32,438
Total remuneration	410,000	413,124

The remuneration report has been prepared on an accruals basis. To conserve cash resources of the company during the period the operations are under suspension, have voluntarily elected to take reduced drawings of their remuneration. Consequently, the total payment made during the year ended 30 June 2015 was \$222,500 and the amount payable to directors for remuneration at 30 June 2015 amounted to \$187,500, for outstanding director remuneration.

NOTE 3: SALES INCOME

There were no sales during the financial year ended 30/6/2015. However, there was an adjustment of \$ 121,305 being the difference due to final invoice agreed for the last shipment made in June 2014 & provisional sales income recognised in books for the previous year ended 30/6/2014. The negative adjustment was consequent to sharp fall in Iron Ore price applicable for the agreed quotation period applicable for the shipment. This is as per the accounting policy & contract terms of Iron Ore Sales outlined in Note 1 I.

NOTE 3A: EXPENSES INCLUDED IN INCOME STATEMENT

	30-Jun-15 \$	30-Jun-14 \$
Depreciation of plant and equipment	36,308	48,024
Amortisation of mine properties	0	1,196,477
Employee benefit expenses	77,602	645,333
Operating lease rental expenses	28,800	25,884

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

NOTE 3B: AUDITOR'S REMUNERATION

	30 June 2015	30 June 2014
	\$	\$
Remuneration paid or payable of the auditor for:		
– Auditing or reviewing the financial report	20,000	19,399
– Taxation services and corporate services	6,250	10,750
	<u>26,250</u>	<u>30,149</u>

NOTE 4: INCOME TAX

	2015	2014
a. Income tax expense		
Current tax	-1,078,596	-435,272
Deferred tax	<u>0</u>	<u>0</u>
	-1,078,596	-435,272
Deferred income tax expense included in income tax expense comprises:		
(Increase) / decrease in deferred tax assets	146,216	-406,744
Increase / (decrease) in deferred tax liabilities	<u>-146,216</u>	<u>406,744</u>
	0	0

b. Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax expense/(benefit) on operating profit/(loss) at 30%	-3,531,738	-547,924
Add / (Less)		
Tax effect of:		
Non-deductible expenses	61	900
Deferred tax asset not brought to account	3,531,677	547,024
Research & Development Offset	<u>-1,078,596</u>	<u>-435,272</u>
Income tax attributable to operating loss	<u>-1,078,596</u>	<u>-435,272</u>

The applicable weighted average effective tax rates are as follows: Nil Nil

Balance of franking account at year end Nil Nil

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

	2015	2014
c. Deferred tax assets		
Tax Losses	0	1,491,072
Provisions	1,365,508	30,472
Other	72,217	62,397
Set-off deferred tax liabilities	<u>-1,437,725</u>	<u>-1,583,941</u>
Net deferred tax assets	<u>0</u>	<u>0</u>
d. Deferred tax liabilities		
Exploration expenditure	89,084	79,092
Mine development costs	1,348,641	1,526,787
Set-off deferred tax assets	<u>-1,437,725</u>	<u>-1,583,941</u>
Net deferred tax liabilities	<u>0</u>	<u>21,938</u>
e. Deferred Tax Assets		
Provisions (balance of DTA)	1,070,206	0
Tax Effect of Tax losses - offset to DTA.	0	1,491,072
Tax Effect of Unused tax losses for which no deferred tax asset has been recognised	<u>2,176,839</u>	<u>503,876</u>
Total	<u>3,247,045</u>	<u>1,994,948</u>

NOTE 5: EARNINGS PER SHARE

	30 June 2015	30 June 2014
	\$	\$
a. Earnings used to calculate basic EPS	(10,693,932)	(1,391,141)
	Number of Shares	Number of Shares
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic & diluted EPS	138,214,041	107,881,712

Options totalling NIL (2014: NIL) and Share Performance Rights totalling 869,111 (2014: 1,000,000) are anti – dilutive and not included in the calculation of diluted earnings per share.

NOTE 6: CASH AND CASH EQUIVALENTS

	30 June 2015	30 June 2014
	\$	\$
Cash at bank and in hand	<u>1,105,998</u>	<u>2,183,998</u>

NOTE 6A: OTHER ASSETS

	30 June 2015	30 June 2014
	\$	\$
Cash deposits supporting Guarantees for Rehabilitation Bonds	<u>865,590</u>	<u>943,387</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**NOTE 7: TRADE AND OTHER RECEIVABLES**

	30 June 2015	30 June 2014
	\$	\$
Interest receivable	22,379	12,080
Prepayments	460,448	245,431
Provision for Doubtful debts (ref Note 22)	-238,302	0
Income Tax offsets	0	0
Trade receivables	623	623
GST and ABN withholding tax receivables	571	302,136
	245,719	560,270

NOTE 7A: INVENTORIES

	30 June 2015	30 June 2014
	\$	\$
Iron ore (crushed & uncrushed) at cost	2,677,549	2,677,549
Impairment FY2014(diminution in value at net realisable value)	- 608,726	- 608,726
Impairment FY2015(diminution in value at net realisable value)	-749,316	0
Iron ore (crushed & uncrushed) at net realisable value	1,319,506	2,068,822

NOTE 8: PROPERTY, PLANT & EQUIPMENT**a. Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Earthwork	Plant & Equipment	Motor Vehicles	Total
Opening balance at 1 July 2014	0	300,507	54,373	354,880
Additions	0	877	0	877
Disposals	0	0	-25,692	-25,692
Provision for Impairment(ref Note20)	0	-214,687	0	-214,687
Depreciation	0	-68,485	-6,001	-74,486
Balance at 30 June 2015	0	18,212	22,680	40,892

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

NOTE 9: exploration expenditure

	30 June 2015	30 June 2014
	\$	\$
Exploration and evaluation phase expenditure capitalised	296,947	263,640
Movements		\$
Opening balance at 1 July 2013		1,031,779
Exploration capitalised		132,476
Impairment / relinquishment (due to relinquishment of Mt.Bertha& Sulphide CreeK)		900,615
Transferred to Mine Development		0
Balance at 30 June 2014		263,640
Opening balance at 1 July 2014		263,640
Exploration capitalised		33,307
Impairment / relinquishment		0
Balance at 30 June 2015		296,947

The value of Company interest in exploration expenditure is dependent upon the:

- the continuance of the economic entity rights to tenure of the areas of interest;
- the results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 9A: MINE DEVELOPMENT

	30-Jun-15	30-Jun-14
	\$	\$
<i>Opening Balance</i>	10,036,165	6,172,939
Mine Development Costs	-32,374	3,981,872
Deferred Mine Waste	0	1,077,831
Amortisation – Mine Development	0	-1,196,477
Provision for Impairment (ref Note 20)	-8,420,144	0
Transferred from Exploration	0	0
	1,583,647	10,036,165

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**NOTE 10: TRADE AND OTHER PAYABLES**

	30-Jun-15	30-Jun-14
	\$	\$
<i>Current</i>		
Trade creditors	175,913	1,772,096
Other creditors	670,929	442,112
Advance	1,571,461	1,921,894
Loan	10,071	20,480
Provisions	13,174	26,107
	<u>2,441,548</u>	<u>4,182,689</u>

Note: Trade and other payables include an advance received from Singapore based, Frost Global Pte Ltd ("Frost Global"). The Company had in May 2013 entered into an Off-take Agreement for its Nelson Bay River Iron Ore DSO products for 800,000 tonnes with Frost Global. As a part of the agreement, Frost Global will be providing funding of US\$4 million by way of advance towards the supply of Iron Ore to be repaid by deduction from gross sale proceeds from each of the first 8 shipments (of appx 42,000 tonnes +/- 10%) of Iron Ore to Frost Global. The off-take contract is at normal market terms linked to prevailing index prices at time of each shipment. In addition to advance repayment as above, there is a discount allowed over the market based sales terms as a consideration of off-take finance. The company has received US \$3 million in this regard (in total including US\$2 million during the financial year ended 30th June 2014) from Frost Global to-date & has made 3 shipments to Frost Global to-date wherein US \$ 1.125 million has been adjusted to-date. Further cash repayments totalling US\$0.45 million have been made during the year ended 30 June 2015. Additionally, there is an outstanding Debtors balance of US\$ 0.165 million due from Frost Global. Consequently, the net outstanding advance amount from Frost Global of US\$ 1.26 million (A \$ 1.57 mn) is included under current liabilities.

NOTE 10A: TRADE AND OTHER PAYABLES

	30 June 2015	30 June 2014
	\$	\$
<i>Non-Current</i>		
Loan	3,542	23,752
	<u>3,542</u>	<u>23,752</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**NOTE 11: CONTRIBUTED EQUITY**

	30 June 2015	30 June 2014
	\$	\$
142,184,223 (2014: 121,760,000) Fully paid ordinary shares	15,094,311	13,591,891

The Company has issued capital amounting 142,184,223 (2014: 121,760,000) with no par value on 30/06/2015.

Movements

Opening balance	13,591,891	9,678,432
Shares issued	1,623,467	4,130,000
Options exercised and to be allotted	0	0
Capital raising costs	-121,047	-216,541
Closing balance	15,094,311	13,591,891

(a) Ordinary Shares

	Number of Shares	Number of Shares
At the beginning of the reporting period	121,760,000	95,947,500
Shares issued during the period		
– 9 December 2013	0	13,350,000
– 20 February 2014	0	12,462,500
– 9 September 2014	20,293,334	0
– 31 October 2014	130,889	0
At reporting date	142,184,223	121,760,000

(b) Options

At the date of this report, the unissued ordinary shares of Shree Minerals Limited under option are nil.

Opening balance :	0
Expired during the year :	0
Balance	0

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

(c) **Share Performance Rights**

At the date of this report, the unissued ordinary shares of Shree Minerals Limited under Share Performance Rights ("SPR") are 869,111 as follows:

1 SPR for every 1 tonne of DSO Iron Ore sold over the three years ending on 30th June 2013, 30th June 2014 and 30th June 2015 respectively subject to issue of maximum of 1,000,000 SPR in aggregate.

For the year ending 30 June 2013 there was nil tonnes of DSO Iron Ore sold.

For the year ending 30 June 2014 there was 130,889 tonne of DSO Iron Ore sold. Consequently, 130,889 Performance Rights vested on 31 October 2014.

For the year ending 30 June 2015 there was nil tonnes of DSO Iron Ore sold.

Consequently, 869,111 Performance Rights will expire on 31 October 2015.

No person entitled to exercise the SPR had or has any right by virtue of the option to participate in any share issue of other body corporate.

(d) **Capital risk management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2015 and 30 June 2014 are as follows:

	30 June 2015	30 June 2014
	\$	\$
Cash and cash equivalents	1,971,588	3,127,385
Trade and other receivables	245,720	560,270
Inventories	1,319,506	2,068,822
Trade and other payables	(2,445,091)	(4,182,689)
Working capital position	1,091,723	1,573,788

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

NOTE 12: ACCUMULATED LOSSES AND RESERVES

	30 June 2015	30 June 2014
	\$	\$
a. Accumulated Losses		
At the beginning of the reporting period	3,171,057	1,779,916
Net loss	10,693,932	1,391,141
At reporting date	13,864,989	3,171,057

b. Option Reserve

The option reserve records items recognised as expenses on valuation of share based payments including employee options. Please refer note 19 for more information.

During the year nil (2014: nil) options and nil (2014: nil) Share Performance Rights were issued.

NOTE 13: COMMITMENTS

	30 June 2015	30 June 2014
	\$	\$
a. The Company has tenements rental and expenditure commitments of:		
Payable:		
– not later than 12 months	10,000	10,000
– between 12 months and 5 years	0	0
– greater than 5 years	0	0
b. The Company has other rental and expenditure commitments of \$28,800 within the next 12 months, \$ 19,200 between 12 months and 5 years and NIL beyond 5 years. This pertains to office lease. The rental expenditure incurred during the year was \$ 28,800 (2014: \$ 22,814.41)		

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The company has currently met all the expenditure commitments relating to tenement exploration activities as required under the exploration licenses granted by Mineral Resources Tasmania.

The Directors are not aware of any other contingent liabilities or contingent assets.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**NOTE 15: CASH FLOW INFORMATION**

	30 June 2015	30 June 2014
	\$	\$
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at Bank & in Hand	1,105,998	2,183,998
Other Assets (Cash Deposits supporting Guarantees for Rehabilitation Bonds)	865,590	943,387
Sub Total	<u>1,971,588</u>	<u>3,127,385</u>
(b) Reconciliation of Cash Flow from Operations with Operating Loss after Income Tax		
Operating loss after income tax	(10,693,932)	(1,391,141)
Non-cash flows:		
Tenement impairment/relinquishment	0	900,615
Provision for impairment of mine development	7,342,313	0
Provision for impairment of Plant & equipment	214,687	0
Provision for impairment of deferred mine waste	1,077,831	0
Provision for doubtful debt	238,302	0
Depreciation and amortisation	74,486	1,244,502
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(65,838)	(296,966)
(Increase)/decrease in other assets	749,316	(2,068,822)
Increase/(decrease) in trade and other payables	(827,587)	2,012,727
<i>Net Inflow/(outflow) from operations</i>	<u>(1,890,420)</u>	<u>400,915</u>

NOTE 16: RELATED PARTY TRANSACTIONS

There are no related party transactions except for remuneration payments to employees in normal course of business.

Disclosures relating to key management personnel compensation are set out in Note 2 to the financial statements, and in the Remuneration Report contained within the Directors Report.

NOTE 17: FINANCIAL INSTRUMENTS**a. Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the Company's operations.

Derivatives are not currently used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

i. Treasury Risk Management

The senior executives of the Company meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Company does not have any debt that may be affected by interest rate risk.

Sensitivity analysis

At 30 June 2015, if interest rates had changed by +/- 75 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been \$4,356 lower/higher (2014 - \$7,262 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

b. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company and the parent entity at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

c. Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

NOTE 18: OPERATING SEGMENTS

The company operates predominately in one segment involved in mineral exploration & development. Geographically, the consolidated entity is domiciled and operates in one segment being Australia. In accordance with AASB 8 *Operating Segments*, a management approach to reporting has been applied. The information presented in the Statement of Comprehensive Income and the Statement of Financial Position reflects the sole operating segment.

NOTE 19: SHARE-BASED PAYMENTS

No share based payments were made in either the current financial year or the prior financial year. On 30 June 2015, there were 869,111 share performance rights on issue as per details in the Remuneration report.

NOTE 20: IMPAIRMENT OF MINE DEVELOPMENT AND PLANT & EQUIPMENT

The Company reviewed the carrying value of its assets units due to the following impairment indicators for the year:

- Significant fall in Iron Ore Prices causing continued suspension of NBR operations under care & maintenance; and
- Significant fall in Market capitalisation of the company consequent to equity market conditions for small resources sector.

Considering the above events/information, the following impairment amounts have been recognised in the financial report:

Mine Development costs	1,077,831
Deferred Mine Waste	7,342,313
Total impairment of Mine Development	8,420,144
Plant & Equipment	214,687
Total impairment of non- current assets	8,634,831

The Company has used VIU method for NBR Project and has used the following assumptions:

VIU calculation use pre-tax free cash flows based on financial projections for the approved life of mine (LOM) plan.

The key operating assumptions as per management best estimates over the life of mine are:

- Future production of all 3 phases of the project (DSO iron ore , BFO & Dense Media magnetite) based on latest mine plan available;
- Processing recovery factor of 82% for BFO phase and 38% for DMM phase;
- Commodity price forecasts of US\$ 55 DMT CFR China for 62% FE for Iron Ore & A\$210 FOB per MT for DMM product for coal washery;
- Exchange rate forecast of AUD/USD 0.70;
- Future variable cost of Ocean Freight of US\$ 15 per ton from Burnie to China for DSO & BFO iron ore;
- Future variable cost of transportation from mine site to port & port expenses & charges including storage, loading etc totalling \$26.68 per ton;
- Future variable cost of mining (site cost) ranging from \$6.79 to \$7.09 per BCM of material;
- Future variable cost of processing (site cost) ranging from \$3 to \$9 per ton of ore handled and processed for DSO to DMM phases; and
- Future Capital cost of \$14 million for BFO phase & DMM phase.

Discount rates

The discount rates applied to the cash flow projections of 21.9% on a pre-tax nominal basis has been applied to reflect the time value of money and the perceived risk profile of the industry.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

NOTE 21: ACCOUNTING STANDARDS NOT YET EFFECTIVE

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Company include:

AASB 9 *Financial Instruments*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 14 *Regulatory Deferral Accounts*

AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the entity.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

OR

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address a current inconsistency between AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures (2011)*. The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

22: AFTER BALANCE SHEET DATE EVENTS

The Company received notification on 23rd September 2015 that the mining contractor at Nelson Bay River Iron Ore Project, being "Collins Contracting" has gone into administration. Consequently, a provision for doubtful debts has been made in the company's books for \$238,302 being the prepayments to "Collins Contracting".

NOTE 23: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Unit 2, the Pines Business Centre

888 Forrest Street

Cottesloe

WA 6011

Ph: (08) 92861509 Fax: (08) 93855194

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SHREE MINERALS LTD

DIRECTORS' DECLARATION

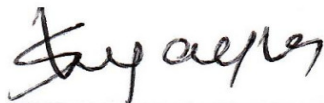
1. in the opinion of the directors of Shree Minerals Limited ('the Company'):

- (a) The financial statements and notes as set out on pages 19 to 48 are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position of the Company as at 30 June 2015 and of its performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
- (b) The audited remuneration disclosures included in the Directors' report for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001.
- (c) Having regard to matters as set forth in Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

2. The directors have been given the declarations required by Section 295A of the Corporations Act from the chief executive officer and chief financial officer for the financial year ended 30 June 2015.

Dated at Unit 2, The Pines Business Centre, and 88 Forrest Street, Cottesloe, WA 6011 this 30th day of September 2015.

Signed in accordance with a resolution of the directors:



Sanjay Loyalka

Director

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West Perth WA 6005

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**Independent Auditor's Report
To the Members of Shree Minerals Limited**

Report on the financial report

We have audited the accompanying financial report of Shree Minerals Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Shree Minerals Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the company incurred a net loss of \$10,693,932 during the year ended 30 June 2015 and, as of that date, the company's cash outflows from operating and investing activities equates to \$1,875,411. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 15 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Shree Minerals Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 30 September 2015

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SHREE MINERALS LTD

SHAREHOLDER INFORMATION

ADDITIONAL INFORMATION

The following additional information not shown elsewhere in the report is required by the Australian Securities Exchange Ltd in respect of listed public companies only. This information is current as at 21st September 2015.

SUBSTANTIAL SHAREHOLDERS

The company has received substantial shareholder notices from;

- Mr Sanjay Loyalka (26,474,078 ordinary shares)
- Oceania Coal Resources NL (15,000,000 ordinary shares)
- China Alliance International Holdings Group (23,223,632 ordinary shares)
- RB Investments Pte Ltd (30,437,500 shares)

ISSUED SECURITIES

Refer note 11 of the financial statements.

VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

1. At a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
2. On a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

DISTRIBUTION SCHEDULE – SHAREHOLDINGS AS AT 19th SEPTEMBER 2015

Holdings Ranges	Holders	Total Units	%
1-1,000	4	431	0.000
1,001-5,000	16	59,747	0.042
5,001-10,000	176	1,727,929	1.215
10,001-100,000	171	6,455,131	4.540
100,001-99,999,999,999	60	133,940,985	94.202
Totals	427	142,184,223	100.000

UNMARKETABLE PARCELS

There are 345 unmarketable parcels as at 21st September 2015 totalling 6,291,773 ordinary shares.

SHREE MINERALS LTD

SHAREHOLDER INFORMATION

20 LARGEST SHAREHOLDERS AS AT 18th SEPTEMBER 2015

Holder Name	Balance at 18-09-2015	%
RB INVESTMENTS PTE LTD	30,437,500	21.407
MR SANJAY KUMAR LOYALKA <LOYALKA FAMILY A/C>	24,500,000	17.231
CHINA ALLIANCE INTERNATIONAL HOLDINGS GROUP LIMITED	23,223,632	16.333
OCEANIA COAL RESOURCES NL	15,000,000	10.550
MEGAWILD ENTERPRISES PTY LTD <VEER POONAM POOJAN PROP A/C>	4,525,000	3.182
ULLAPOOL INVESTMENTS PTY LTD <THE ULLAPOOL A/C>	4,400,000	3.095
ROSECLIFF HOLDINGS PTY LTD <SAHIB INVESTMENT A/C>	4,375,000	3.077
EXPORT MARKETING (BVI) LTD	2,500,000	1.758
MR SAHIB INDERJIT SINGH	1,915,150	1.347
CLAREMONT HOLDINGS LIMITED	1,687,500	1.187
MR MICHAEL LEE ANGHIE & MRS SANDY MICHELLE ANGHIE <SPEED BOAT SUPER FUND A/C>	1,600,000	1.125
MR AMRIK SINGH HEER	1,500,000	1.055
MRS RENU KUMAR & DR ASOK KUMAR <ASOK KUMAR FAMILY S/F A/C>	1,458,334	1.026
IACG PTY LTD	1,309,078	0.921
SANJAY NAGNATH MUKHEDKAR & ASHWINI DAVRAY <MUKHEDKAR SUPER FUND A/C>	1,284,064	0.903
PRIMO FINANCIAL GROUP INC	1,250,000	0.879
DR DEEPAK NARAN <THE NARAN FAMILY NO 1 A/C>	1,000,000	0.703
CHETAN KARIA <CK & RC KARIA FAMILY A/C>	767,032	0.539
TANDON SUPERANNUATION SERVICES PTY LTD <THE TANDON PENSION FUND A/C>	583,334	0.410
MR SANJAY KUMAR LOYALKA	565,000	0.397
	123,880,624	87.125

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place during the financial year.

The Directors on behalf of the shareholders monitor the business affairs of the Company. For this, they formally have adopted a Corporate Governance Charter, which is designed to encourage Directors and other Shree personnel to focus their attention on accountability, risk management, and ethical conduct. The Company has adopted the following policies, protocols, and corporate governance structures:

- Structure of Board and Committees
- Nominations and Remuneration Committee Charter
- Audit and Risk Management Committee Charter
- Board Members' Code of Conduct
- Conflict of Interest Protocol
- Group Code of Conduct/Values
- Risk Management Policy
- Policy on the Trading of Company's Shares
- Release of Price Sensitive Information
- Board Calendar (Strategic Governance Issues)
- Board and Management Performance Enhancement Policy

This statement describes Shree Minerals Ltd's position in relation to each of the recommendations set by the ASX Corporate Governance Council ("Recommendations"). The Recommendations are set out in the ASX Corporate Governance Council's Corporate Governance Principles and recommendations (3rd Edition) so as to ensure that its practices are largely consistent with those Recommendations from time to time. The Corporate Governance Charter will be reviewed and adjusted, as required, on an on-going basis including in line with the ASX Corporate Governance Council amendments to the Recommendations.

The Company is committed to implementing high standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2015.

Board Composition

The skills, experience, and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the director's report.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

The Board sets out below its “if not why not” report in relation to those matters of corporate governance where the Company’s practices depart from the Recommendations

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
1.1	The role of the Board and Management.	Satisfied. Board Charter is available at www.shreeminerals.com in the Corporate Governance Statement.
1.2	Appointment and re-election of Board members.	Satisfied. Procedures For Selection And Appointment Of Directors is available at www.shreeminerals.com in the Corporate Governance Statement.
1.3	Written agreements.	Satisfied. All directors and senior executives are provided with formal letter of appointment which sets out the terms and conditions of appointment including their duties , rights , responsibilities and expectations.
1.4	Company Secretary	Satisfied. The company secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.
1.5	Diversity	Not satisfied. The company considers that given the current small size of the company’s operations where there are very few employees, this objective is not practical to be achieved till such time that the company’s operations are increased. Accordingly, the company has not established a policy concerning diversity.
1.6	Board Evaluation	It is the policy of the Board to conduct annual evaluations of its effectiveness and that of individual Directors. Whilst the performance of the Board is appraised on an ongoing basis, during the year no formal appraisal was conducted.
1.7	Performance evaluation of senior executives	Whilst the performance of management is appraised on an ongoing basis. During the year no formal appraisal of management was conducted.
2.1	Nomination Committee	Not satisfied. The Board consider that given the current size of the board (4), this function is efficiently achieved with full board participation. Accordingly, the Board has not established a nomination committee.
2.2	Board and skills matrix	Satisfied. The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Please also refer to the Procedures For Selection And Appointment Of Directors which is available at

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CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
		www.shreeminerals.com in the Corporate Governance Statement.
2.3	Size and Composition of the Board	Disclosed in the Directors report.
2.4	A majority of the board should be independent directors.	Not Satisfied. Due to the size of the company and its operations the Board has determined increasing the size of the Board to achieve this would not be efficient.
2.5	The chair should be an independent director.	Not Satisfied. Due to the size of the company and its operations Mr Sanjay Loyalka is both Chief Executive and Chairman.
2.6	Induction Program.	Nan informal induction process exists and is facilitated by the Chairman. The process includes the new Directors meeting with the other Board members and the senior management in order to gain an insight into the key issues and culture of the Company.
3.1	Companies should have a code of conduct and disclose the code or a summary of the code	Satisfied. The Code of conduct is available at www.shreeminerals.com in the Corporate Governance Statement.
4.1	The board should establish an audit committee.	Not satisfied. The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established an audit committee.
4.2	The board should receive assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Satisfied. The Board has received a section 295A declaration pursuant to the 2015 financial period.
4.3	External Auditor at AGM	The Company has ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
5.1	Make timely and balanced disclosure	Satisfied. Continuous disclosure policy is available at www.shreeminerals.com in the Corporate Governance statement.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
6.1	Information on website	The company has provided information about itself and its governance to investors via its website.
6.2	Investor relations	Satisfied. Shareholders communication strategy is available at www.shreeminerals.com in the Corporate Governance statement.
6.3	Security holders meetings	The Company has adopted the ASX Guidelines for Notice of Meetings.
6.4	Electronic communication	Shareholders communication strategy is available at www.shreeminerals.com in the Corporate Governance statement.
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	<p>The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established a Risk committee.</p> <p>Risk management program is available at www.shreeminerals.com in the Corporate Governance statement.</p>
7.2	Implementation of risk management systems and risk review.	The Board is responsible for reviewing annually its risk management system. The review for this year is yet to be completed.
7.3	Internal Audit function	Given the size of the current operations, currently there is no internal audit activity undertaken.
7.4	Sustainability risks.	<p>The Company manages its exposure to economic risk and environmental risk while it does not consider that it currently has any material exposure to social sustainability risks, however will monitor the exposure.</p> <p>External Risk factors that materially have an impact include :</p> <ol style="list-style-type: none"> 1. Fluctuations in commodity prices and impacts of ongoing global economic volatility may negatively affect our results, including cash flows and asset values. 2. Currency exchange rate fluctuations 3. Financial : Liquidity & cash flow risks 4. Increased costs 5. Unexpected natural and operational catastrophes <p>EPA Tasmania has notified the company during the year that that the variation of the Environment permit in Nov'13 to allow a temporary PAF rock dump for DSO south pit has been rendered invalid in a judicial review by the Court in Dec'14. The original permit remains valid, and without variation. As a consequence, the current PAF</p>

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CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
		<p>storage temporary dump is not compliant. During the year, the Company has conducted relevant studies & work to resolve the issue.</p> <p>All government approvals (other than variation pertaining to temporary PAF rock permit for DSO south pit) for the project remain valid. These include the Mining Lease, Federal Government Environmental Approval and Tasmanian Government's Environment & Development permits (etc).</p> <p>The Company holds various exploration & mining licences to regulate its activities in the State of Tasmania, Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its activities. As far as the Directors are aware, there has been no known breach of the Company's licence conditions other than those disclosed in the Directors report.</p> <p>The implementation of best practice social and environmental practices, well beyond simple compliance, has been an integral part of Company's philosophy. The company in discussions with the regulatory authorities is also looking at innovative work towards implementing / developing best environment management practices. The company has also voluntarily committed to research to enhance the understanding of orchid biology in north-western Tasmania, as a best practice environmental management contribution to orchid science. The research will assist with the ongoing management and protection of threatened orchid species in north-western Tasmania. Shree Minerals also recognises the opportunities that the presence of our project creates to support Devil Facial Tumour research. Hence, Devil numbers around the mine site are monitored as part of the mine's operational monitoring of the effectiveness of its devil (and quoll) impact mitigation measures, and these observations will be valuable data for the Save the Tasmanian Devil Program (STDP).</p> <p>The Company recognises the importance of identifying and managing risks and ensuring appropriate control measures are in place.</p>
8.1	The board should establish a remuneration committee.	Not Satisfied. The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established a remuneration committee.

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CORPORATE GOVERNANCE STATEMENT

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8.2	Executive versus non- executive remuneration.	Current Remuneration policies are set out in the Company's Remuneration Report.
8.3	Equity based remuneration.	The Securities Policy is available at www.shreeminerals.com in the Corporate Governance statement.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.shreeminerals.com.

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