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# SHREE MINERALS LIMITED

ACN 130 618 683

2013 ANNUAL REPORT

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SHREE MINERALS LTD

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## SHREE MINERALS LTD

### CORPORATE DIRECTORY

#### **DIRECTORS**

Sanjay Loyalka  
Mahendra Pal  
Arun Kumar Jagatramka  
Andy Lau  
Amu Shah

#### **COMPANY SECRETARY**

Sanjay Loyalka

#### **REGISTERED OFFICE**

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[www.shreeminerals.com](http://www.shreeminerals.com)

#### **SOLICITORS**

Steinepreis Paganin  
Level 4  
16 Milligan St  
Perth WA 6000

#### **AUDITORS**

Grant Thornton Audit Pty Ltd  
Lv 1, 10 Kings Park Road  
West Perth WA 6005

#### **BANKERS**

Commonwealth Bank of Australia  
St Georges Tce  
Perth WA 6000

#### **SHARE REGISTRY**

Boardroom Pty Limited  
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## SHREE MINERALS LTD

### DIRECTORS' REPORT

The Directors present this report together with the financial report of Shree Minerals Ltd ('the Company') for the year ended 30th June 2013 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 Mahendra Pal  
Mr Arun Jagatramka  
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 and development.

There have been no significant changes in these activities during the financial year.

#### **OPERATING RESULTS**

The net loss of the Company after providing for income tax amounted to \$622,762 (2012: \$250,900).

#### **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**

Shree Minerals Ltd's (the Company or Shree) exploration activities are confined to the State of Tasmania where it has 5 Exploration Licenses. The Company was formed in April 2008 and listed on the Australian Securities Exchange in February 2010. Since inception, the Company has actively explored for iron at its Nelson Bay River tenement and has been examining the remaining tenement lands for their mineral potential.

The Company's activities over the past year have included:

- Exploration of tenement lands;
- Seeking approvals for the development of Company's Nelson Bay River Iron Project in North West Tasmania;
- Implementation of Approval conditions (pre construction & development commencement); and
- Statutory reporting.

During the reporting period, the following exploration work was carried out:

- 3D Magnetic Modelling of Nelson Bay River and Rebecca Creek tenements
- Study of HyLogged mineralogy of Sulphide Creek drill cores
- Reserve estimation for the NBR Project

## DIRECTORS' REPORT

**HIGHLIGHTS**

- Approvals from various State Government agencies and Federal Government for mining at the Nelson Bay River Iron Project were received
- Commencement of development of Nelson Bay River Iron Project
- Off-take Contract & funding for stage 1 (DSO phase) of Nelson Bay River Iron Project completed
- Completion of 2656 m (2167 m RC and 489 m diamond) drilling along 48 drill holes (40 RC and 8 diamond) at the Nelson Bay Iron Project (NBR).
- Drilling confirmed mineralisation is open both along and across the strike and shows pinching and swelling pattern
- Maiden DSO Reserves for the DSO mining at the Nelson Bay River Iron (NBR) Project were estimated and reported. Fieldwork at Mt.Sorell has identified encouraging signs for the presence of Volcanic Hosted Massive Sulphide (VHMS) mineralisation system in the area

**EXPLORATION**

The exploration activities included data review, geological reconnaissance, drilling, field visits of tenements, statutory reporting, etc.

**NELSON BAY RIVER IRON PROJECT (NBR)**

During 2012-13, the company drilled 2167 m RC along 40 holes. Additionally, 488.8 m of HQ diamond coring along 8 holes was performed for geotechnical studies pertaining to DSO pit and remaining samples stored for future metallurgical test work and ore characterisation studies. The majority of RC drilling samples collected are being stored for future metallurgical test work and ore characterisation studies. RC drilling ore intervals were also analysed for traditional iron ore elements. The completed drilling is shown in Figure 1.

**SIGNIFICANT INTERSECTIONS**

Some significant assay intervals are given in Table 1.

**TABLE 1: SIGNIFICANT IRON ORE INTERSECTIONS**

Hole ID	Location (m)		Interval (m)	Grade (%)					
	From	To		Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI
NRC24	45	49	4	60.14	4.09	1.2	0.085	0.023	7.9
NRC25	61	68	7	60.21	4.88	1.42	0.063	0.015	7.04
NRC27	32	36	4	57.88	7.56	2.87	0.125	0.012	6.15
NRC28	56	60	4	59.55	10.23	0.77	0.049	0.074	3.29
NRC28	62	68	6	59.61	5.62	1.1	0.121	0.031	7.23
NRC29	13	18	6	59.96	4.92	0.99	0.087	0.026	7.61
NRC29	18	27	9	59.13	8.82	0.65	0.082	0.012	5.42
NRC31	38	45	7	58.21	8.19	0.98	0.071	0.041	6.42
NRC34	25	28	3	62.06	6.11	1.05	0.071	0.05	3.55
NRC49	24	29	5	58.248	11.49	0.81	0.023	0.046	2.87

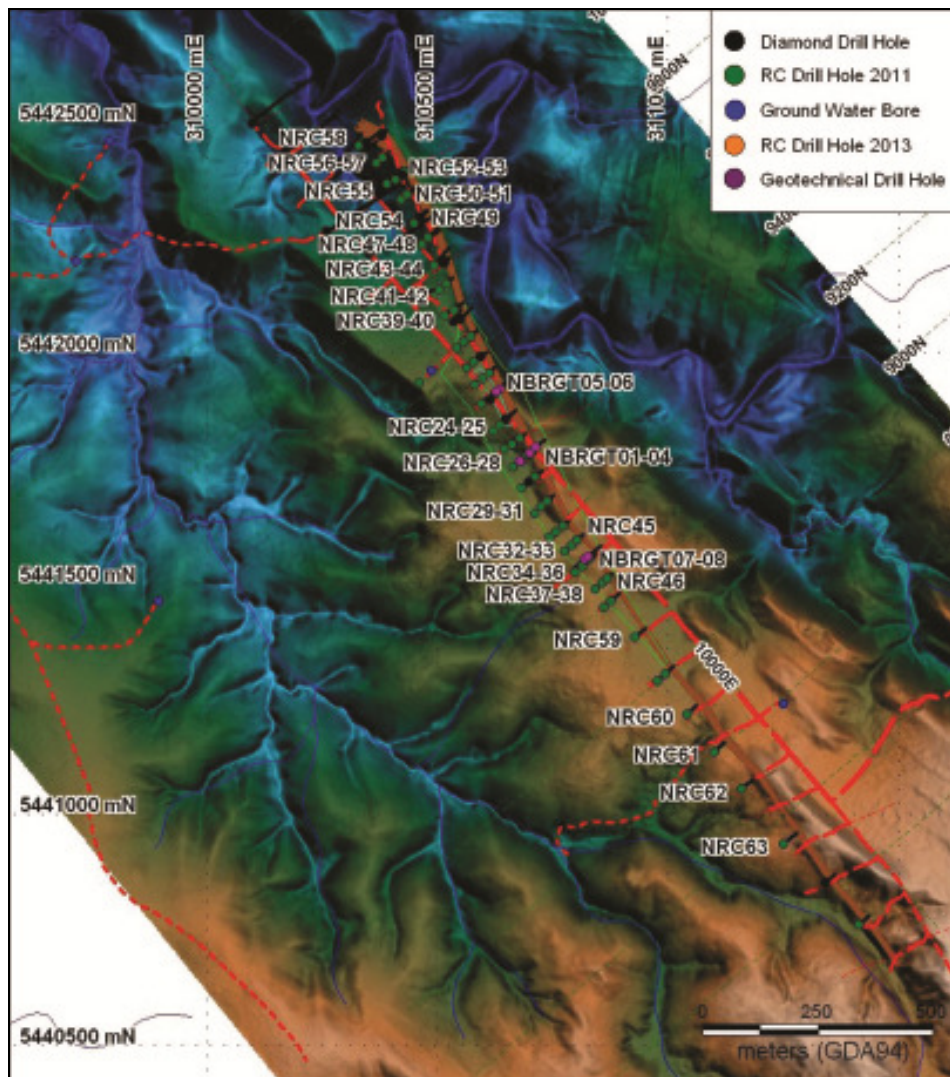


Figure1: NBR 2013 drill hole (RC and geodic) plan over LIDAR generated DEM (GDA94, Zone 55).

### 3D AEROMAGNETIC INVERSION STUDY

During the reporting period, a 3D Magnetic Inversion study was carried out with the aim to assist in better planning of the coming drilling program as well as to get a better understanding on the likely continuity of the main magnetic anomaly from north to south at the tenement. The study was based on all available magnetic data from MRT on the area.

The 3D magnetic inversion model (Figure 2) suggests continuity between the Main Body (Northern Anomaly) and the South Anomaly, with in-between areas of non-magnetic material that could be inferred to be oxide mineralisation; scattered iron ore detritus fragments were noticed during recent reconnaissance of the Southern Anomaly area.

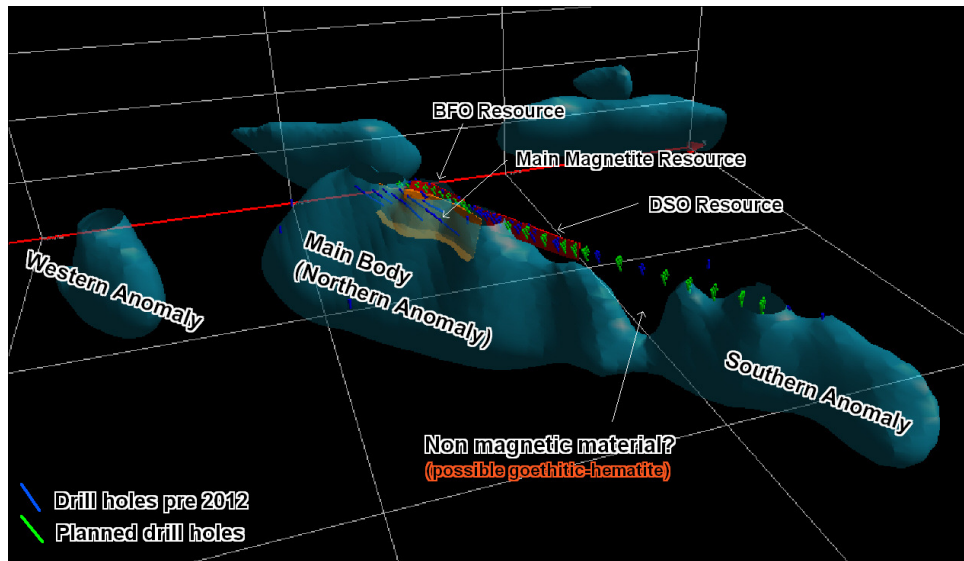


FIGURE 2: NBR 3D MAGNETIC MODEL WITH ALL DRILL HOLES - VIEWED FROM SOUTHWEST (DATA MODIFIED FROM CONSULTANTS H & S AND COWAN).

The modelling indicates substantial continuation at depth of the magnetite-bearing ultramafic dyke.

#### DSO MAIDEN RESERVES AND MINE PLAN

#### RESERVES

The company published maiden DSO Reserves via ASX announcement dated 29th October 2012. The DSO Iron Reserve Statement that conforms to the JORC Resources guidelines is shown in Table 2. The methodology & other details are provided in the said announcement.

TABLE 2: NELSON BAY IRON ORE PROJECT - DSO RESERVES STATEMENT

Resource Category	Mass (Mt)	Grade (%)					
		Fe	Al <sub>2</sub> O <sub>3</sub>	P	S	SiO <sub>2</sub>	LOI
Proven							
Probable	0.33	57.4	1.3	0.075	0.035	9.2	6.4
Total	0.33	57.4	1.3	0.075	0.035	9.2	6.4

Average density 3t/m<sup>3</sup>; the use of significant figures does not imply precision; minor rounding errors. (DSO cut off based on a nominal 54% Fe)

## SHREE MINERALS LTD

### DIRECTORS' REPORT

#### MINE PLAN FOR DSO IRON ORE

The production schedule for the first two years comprise of mining DSO iron ore .The DSO requires no further beneficiation to produce a marketable product . It only requires crushing and screening. Two separate DSO pits are planned in the first two years (comprising DSO South Pit and DSO North Pit, which is within the BFO resources) with following total resultant pit quantities:

Ore Type	Tonnes (Mt)	Grade (Fe %)
DSO Ore	0.815	57.5

#### PROJECT IMPLEMENTATION STEPS

Necessary steps were completed for Implementation of Approval conditions (pre construction & development commencement) including:

- preparation and approval of various Management plans including the following :
  - Construction Environment Management Plan ,
  - Tasmanian Devil Monitoring Strategy ,
  - EPBC Species Management and Protection Plan,
  - Biological Monitoring Plan ,
  - Dust Management Plan ,
  - Fire Management Plan ,
  - Water Management Plan
  - Pit Stability Management Plan
  - PAF Verification & Separation plan
  - Environmental Management System,
- establishment of Fauna Habitat Protection Zone,
- Pre Clearance surveys ,
- recruitment of key personnel,
- engineering of various aspects, and
- agreements with various parties
- Logging of drilling , laboratory analysis of drill samples & updating of Geological database
- Geotechnical study.

Compliance with all necessary conditions: earthworks & clearance for construction of work areas & access upgrade, etc., was commenced until an injunction by the Federal court was emplaced in response to an application for a judicial review of the Federal Environmental approval as further enumerated in this report.

#### OFF-TAKE & FUNDING AGREEMENT FOR DSO PHASE

The Company during the quarter entered into an Off-take Agreement for its Nelson Bay River Iron Ore DSO products with Singapore based, Frost Global Pte Ltd ("Frost Global"). As a part of the agreement, Frost Global will be providing funding of US\$4 million by way of an advance towards the supply of Iron Ore to be adjusted @ US\$500,000 from each of the first 8 shipments of Iron Ore. The company has received US \$1 million in this regard during the financial year from Frost Global & a total of US \$ 2 million as at the date of this report.



# SHREE MINERALS LTD

## DIRECTORS' REPORT

### APPROVALS UPDATE

During the financial year 2012-13, all requisite approvals were received to develop a mine at Nelson Bay River Iron Ore Project. These included the Mining Lease, Development Permit by the State Government including EPA Tasmania and the approval from the Australian Commonwealth Government, under EPBC ACT.

There was an appeal against the State planning and environmental permit, which was dismissed by the Tasmanian Resource Management and Planning Appeal Tribunal.

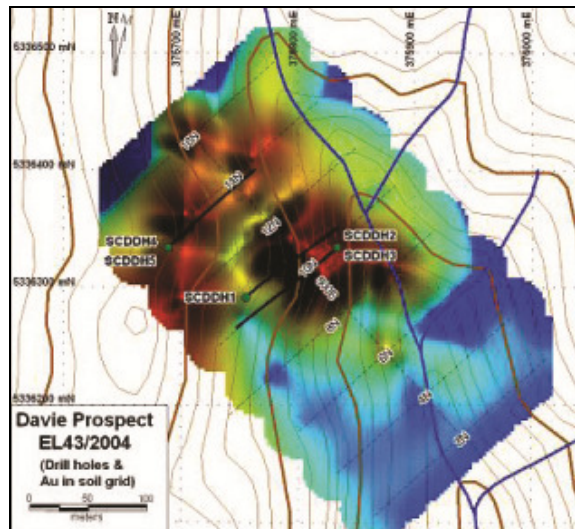
In July 2013, the company received EPBC approval following an application for a judicial review made in June 2013 quarter of the decision made on 18th December 2012 by the Federal Environment Minister to approve the NBR project under the Environment Protection and Biodiversity Conservation Act. The Federal court ordered an injunction in May 2013. Subsequently, the hearing was conducted & decision made by the Court in July 2013. Seven grounds of challenge were put up. Three were abandoned during the course of the case. Three were dismissed by the Court. Only one was upheld that the Minister had failed to comply with a mandatory requirement that he consider an approved conservation advice regarding the Tasmanian Devil. Subsequently, the Minister has done assessment as required under the EPBC Act & granted approval in July 2013.

### SULPHIDE CREEK - EL43/2004

The Sulphide Creek tenement contains three principal prospects: Davie, Anomaly 24-28 and Coupon. In 2009/10, the Company drilled diamond drillhole SCDDH4 and 5 for 191 and 200 metres respectively at the Davie Prospect (Figure 3). These holes intersected two gold intervals (Table 3). To understand area's gold mineralisation process(s) the Company decided to use CSIRO developed HyLogger to get spectral properties of tenement's intersected mineralogical sequences (lithologies) in drill cores.

**TABLE 3: SIGNIFICANT GOLD INTERSECTION ALONG DRILL**

Hole ID	Location m (AGD 66)		Location (m)		Intersection (m)	Grade g/t
	Northing	Easting	From	To		
SCDDH4	375689.5	375689.5	19	37.5	18.5	0.5
Includes			31.5	34.5	3	1.26
SCDDH5	375689.4	375689.4	37	51	14	0.53
			39	51	12	0.55
			159	168	9	0.88
Includes			164	167	3	1.29
			181	183	2	0.6



**FIGURE 3: DAVIE PROSPECT PLAN SHOWING DRILL HOLE LOCATIONS OVER A GRIDDED GOLD IN SOIL ANOMALY**

#### STUDY APPROACH

The exercise was aimed to characterise the iron oxide, hydrous -clay and anhydrous silicate mineralogy of the 3-drillhole cores. Spectroscopic sample resolution was  $\sim 8 \times 18$  mm sampled every 8 mm along the core. The HyLogging system collects 125 samples per metre of core (before masking). Digital imagery was acquired simultaneously with the mineral spectroscopy with a resolution of  $\sim 0.2$  mm. Data analysis was carried out using "The Spectral Geologist" (TSG-Hot Core) software.

#### STUDY FINDINGS

Past studies have made little reference to clay mineralogy. The HyLogging data offers fresh insight that should be valuable in re-thinking mineralised alteration signatures in the region.

A spatial association is observed between the gold (Au) assays and spectroscopic signatures of an alteration mineral assemblage comprising dickite plus hematite, minus white mica and kaolin, occurring at a boundary (gradient) in mica chemistry composition Figure 4.

Figure 4A shows the presence of relative abundance of the iron oxide. The dominant iron oxide here is yellow brown goethite. The deeper the goethite colour the stronger the relative absorption.

Figure 4B of the weighted gold (Au) assays indicates that Au does not occur in intervals without iron oxide development.

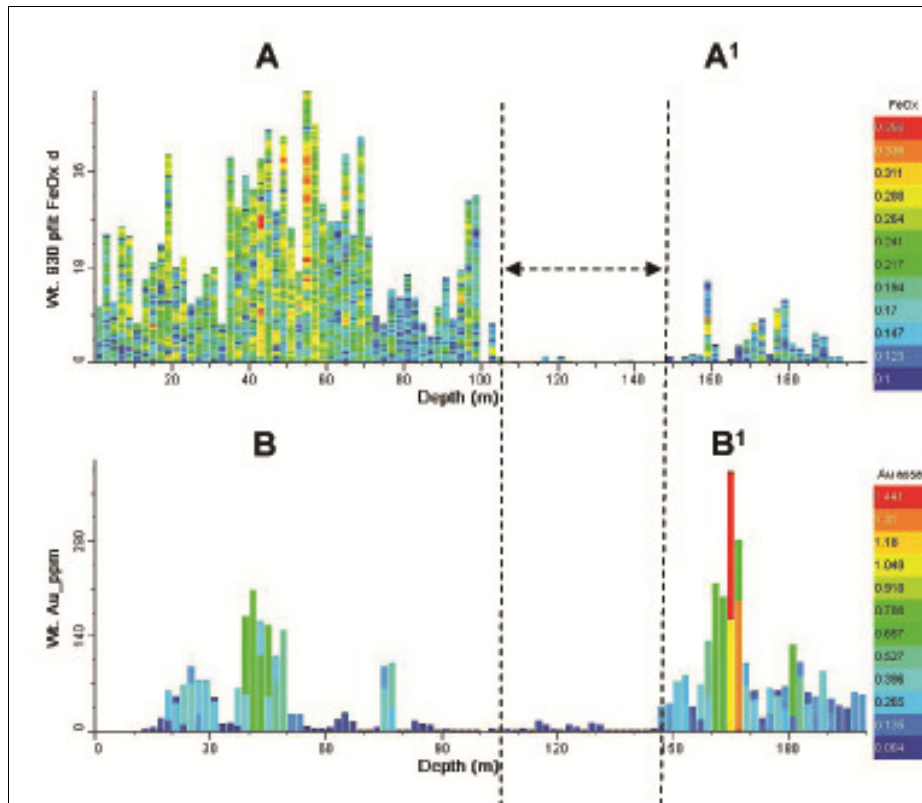


FIGURE 4: SPATIAL DISPLAY OF MINERALOGY AND AU DISTRIBUTION IN SCDDH5

(FIGURE 4A: INTENSITY OF IRON OXIDE DEVELOPMENT FIGURE 4B: WEIGHTED AU ASSAY DISTRIBUTION)

During the month of November spectral information from three diamond drill holes from Coupon Prospect, drilled in the period 1993-95, was studied by the consultant. Over all findings are found to be similar to that of Davies Prospect, i.e. a spatial association is observed between the gold (Au) assays and spectroscopic signatures of an alteration mineral assemblage comprising dickite plus hematite, minus white mica and kaolin, occurring at a boundary (gradient) in mica chemistry composition.

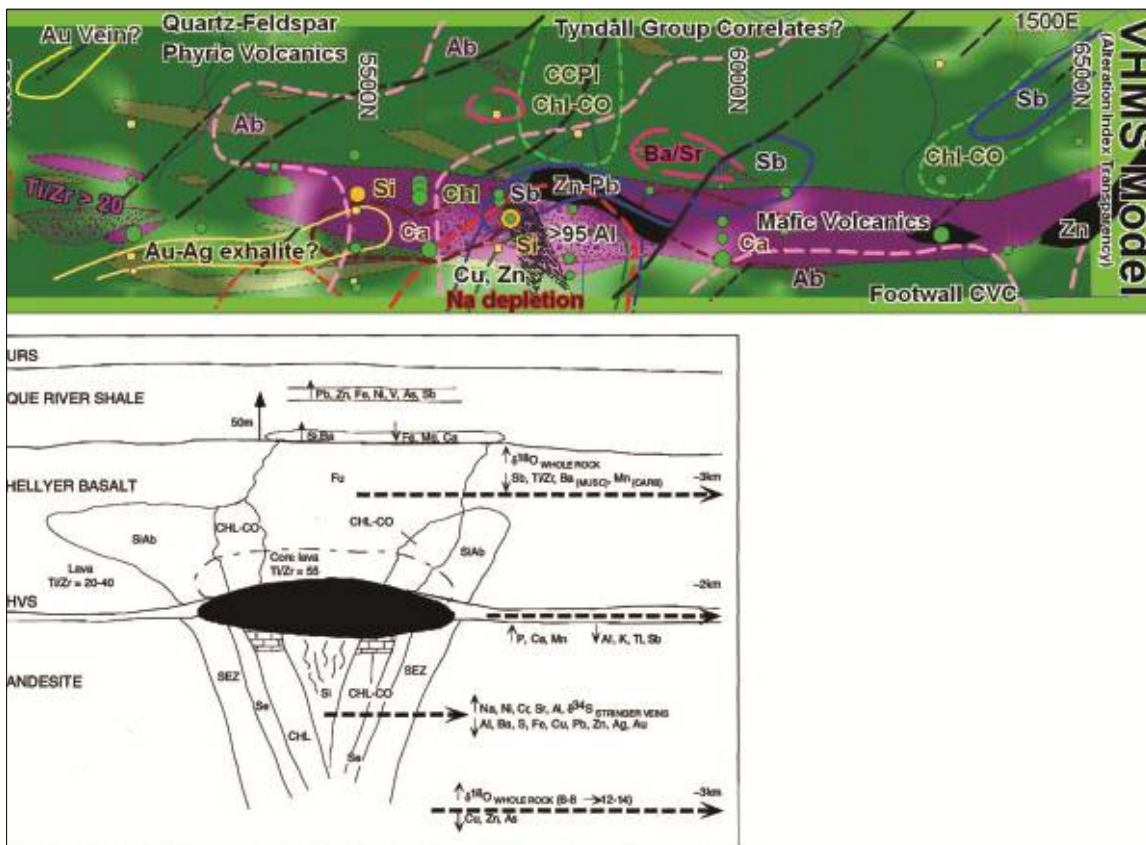
In view of the spectral study findings from Davie Prospect, a field reconnaissance of the tenement was undertaken from 11 to 14 December 2012. During reconnaissance at relatively regular intervals from available outcrops, 78 rock chip samples for HyLogger analysis, 17 grab and composite rock chip samples for multi-element analysis were collected and dispatched to relevant labs. Assay results from fieldwork conducted have been received. Due to Consultant's heavy commitments elsewhere, analysis of 78 rock chip samples collected for HyLogger analysis are pending and will be attended to during second half of 2013.

A section along ABT railway line cuttings was mapped. A key rail cutting starting from the Coupon access showed moderate to steep west dipping shear – related foliation; similar to Davie Prospect. A number of quartz vein orientations were identified

Observations made during this reconnaissance suggest that detailed geological mapping is required to enhance understanding of Anomaly 24-28 and environs before planning any drilling in the area of Sulphide Creek tenement.

MT. SORELL (EL 42/2008)

During the year, analysis & interpretation was carried out consequent to field trip of May 2012. Work done by various agencies in the area suggests that the area is prospective for VHMS and structurally controlled gold mineralisation. The 2011/12 fieldwork has identified encouraging signs for the presence of Volcanic Hosted Massive Sulphide (VHMS) mineralisation system in the area; supporting earlier explorers view. When compared the 2011/12 work to currently held VHMS models, the distribution of various soil analyses reveals an effective cross section through a VHMS alteration system in the area (Figure 5).



(SOURCE: GEMMELL & FULTON (1998))

FIGURE 5: INTERPRETED VHMS ALTERATION ZONE AT CLARK VALLEY COMPARED TO A SCHEMATIC MODEL OF THE LITHOGEOCHEMICAL HALO AND VECTORS TO ORE FOR THE HELLYER VHMS SYSTEM (AFTER GEMMELL AND FULTON (1998)).

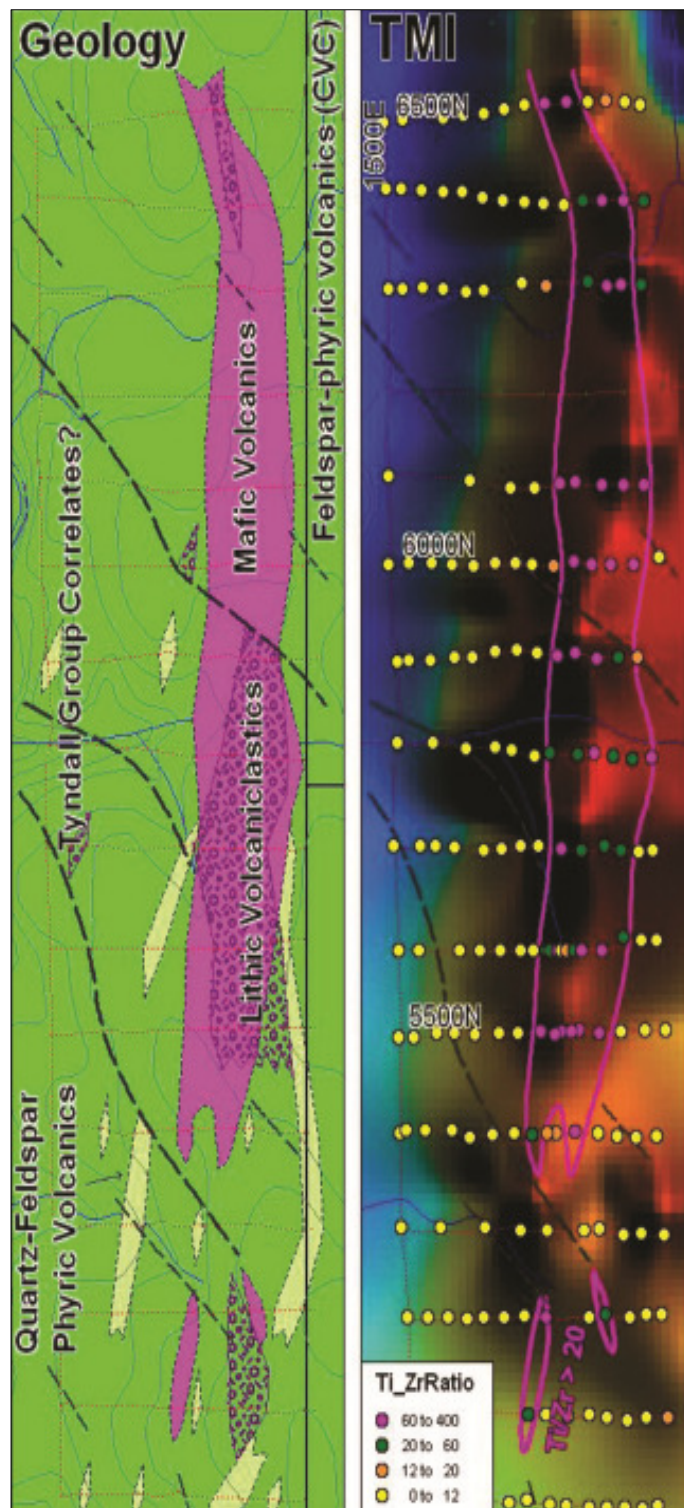
## DIRECTORS' REPORT

In Mt Sorell area, a principal fluid focus appears to be beneath the Central Clark Zinc Anomaly (CZA). Vectors determined from soil analysis as well as cropping out pervasive silicification and chlorite alteration support this.

Further, the Ti/Zr ratio from the current sampling highlights the presence of a mafic to intermediate (largely basalt) horizon in the study area. Figure 6 shows a spatial distribution of high (mafic) Ti/ Zr ratio corresponding to the aeromagnetic high. Mafic volcanic horizons at the CVC – Tyndall Group boundary in the area are a known VHMS host within the Mount Read Volcanics.

**FIGURE 6: GEOLOGY AND OUTLINE PLOT OF TI/ZR RATIO OVER GRIDDED TOTAL MAGNETIC INTENSITY FOR MT SORELL (WTRMP 2002).**

Moreover, distribution of anomalous Pb in the area is localised within the strongest Zn anomalous part, as well as Cu in soils is relatively widespread within the identified coherent N-S zone. This broad Zn and Cu distribution is recognised as common to VHMS style mineralisation environments, Gemmell, etc. al. (1998), consider Pb to be a more proximal indicator for mineralisation.





**Mt. BERTHA (EL 42/2004)**

Over the years, various agencies explored the tenement area and environs and identified several exploration targets (Figure 7). The area is considered potential for magnetite, magnesite and Cu Zn and Au mineralisation in the Arthur Metamorphic Complex (AMC).

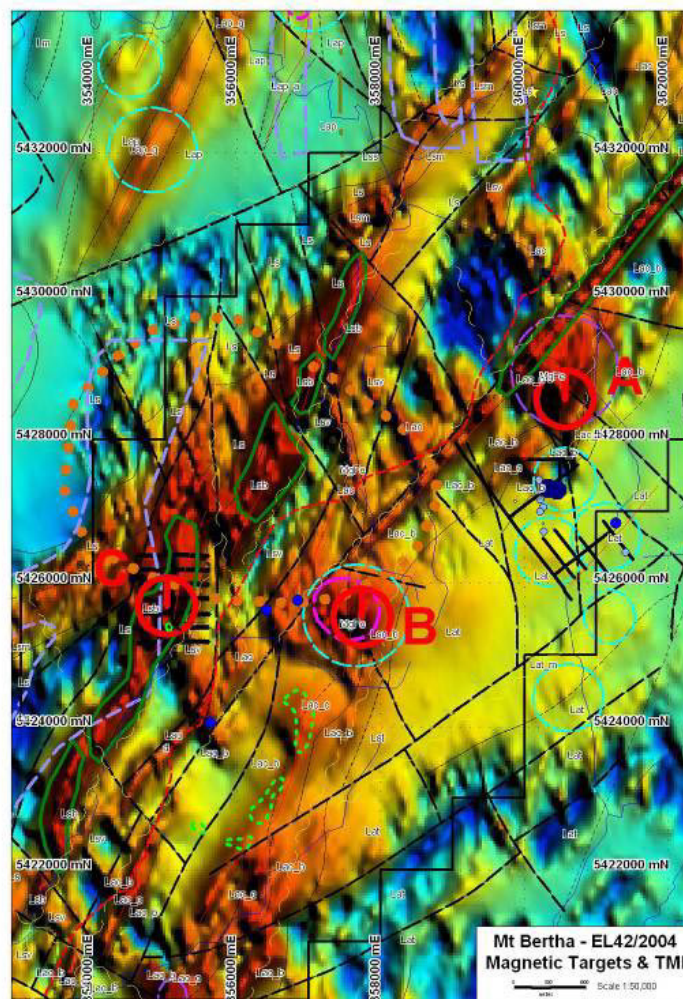
Due to thick vegetation cover, incised by flowing streams, poor outcropping rocks the area is difficult to explore. Shree fieldwork was of low impact in nature and was confined to targets A, B, C and along the Savage River Mine Pipeline (Figure 3). The exploration activities included reconnaissance geological mapping, determining *in situ* magnetic susceptibility of rock types encountered and collection of 17 rock chip samples.

**Study findings**

Magnetic susceptibilities for the targets examined are generally  $>5$  SI, with basalts ranging from 10 to 52 SI. The AMC schists returned values in the range 5 to 9 SI, favourably indicating a likely relationship to an overprinting magnetite and Cu, Zn and Au mineralising event; a schist (AMC) sample returned an indicative 35m @ 242 ppm Cu with maximum of 401ppm Cu.

To date work done suggests that the area has all indications for the discovery of a sizable mineralisation of Cu, Zn, magnetite, etc.

Continue with the pattern of exploration adapted, i.e., reconnaissance geological mapping, rock chip and soil sampling, ground geophysical work along grid lines, etc.



**FIGURE 7: Mt BERTHA TENEMENT PLAN WITH IDENTIFIED TARGETS**

## **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.

## **OUTLOOK 2013/2014**

Based on the encouraging exploration results, further to normal ongoing exploration activities, in the coming year the following activities will be undertaken:

### **NELSON BAY RIVER IRON ORE PROJECT**

Development of Nelson Bay River Project, DSO phase

## **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.

## **FINANCIAL POSITION**

The net assets of the Company are \$8,183,104 (2012: \$8,805,865)

The Directors believe the Company is in a financial position to pursue its current operations.

## **AFTER BALANCE DATE EVENTS**

- On 17th July 2013, the Federal court set aside the approval for Nelson Bay River Project under EPBC act.
- On 31<sup>ST</sup> July 2013, the Federal Environment Minister issued an approval for Nelson Bay River Project under EPBC act.
- Recommencement of development works at Nelson Bay River Project from 12<sup>th</sup> August 2013 after being suspended following injunction by Federal Court in May 2013.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## SHREE MINERALS LTD

### DIRECTORS' REPORT

#### 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 licences to regulate its exploration 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 exploration activities. As far as the Directors are aware, there has been no known breach of the Company's licence conditions and all exploration activities comply with relevant environmental regulations.

#### DIRECTORS' INTERESTS

	ORDINARY SHARES	OPTIONS	SHARE PERFORMANCE RIGHTS
	<b>FULLY PAID</b>		
Mr S Loyalka	25,915,000	0	0
Mr A Jagatramka	15,222,500	0	0
Mr M Pal	300,000	0	1,000,000
Mr A Lau	0	0	0
Mr A Shah	4,525,000	0	0
<b>Total</b>	<b>45,962,500</b>	<b>0</b>	<b>1,000,000</b>

#### INFORMATION ON DIRECTORS

##### **Mr Sanjay Loyalka, Chief Executive Officer and Chairman B Com (Hon), CA**

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 Mont 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 Arun Jagatramka, Non Executive Director BCom (Hons), FCA, AIMM**

Mr. Arun Kumar Jagatramka is a qualified Chartered Accountant with an all India 1st rank and gold medal. He has an industrial experience of more than 11 years in the production of coal and coke, besides a prior experience of more than 15 years in management consultancy and merchant banking. He is widely regarded for his foresight, and considered as an acknowledged expert in matters of coal and coke. He has presented papers on the subject at number of International Conferences.



## SHREE MINERALS LTD

### DIRECTORS' REPORT

Mr. Arun Kumar Jagatramka is the Chairman and Managing Director of Gujarat NRE Coke Limited (India). Under his able guidance, Gujarat NRE Coke Limited has become the largest independent non-captive producer of Met Coke in India – the only Indian entity to move into coalmine ownership in Australia and forward into steel making, coupled with wind energy and upcoming waste-heat power generation.

Mr. Arun Kumar Jagatramka is a member of a number of boards, Gujarat NRE Coking Coal Limited (Australia), Port Kembla Coal Terminal, Australian Coal Research Ltd, Wollongong Hawks as well as Executive Committee Member of NSW Minerals Council.

He has been appointed as an honorary NSW 'Sydney Ambassador' to India. He is associated with the Confederation of Indian Industry (Western Region), an apex representative of Indian Industry, by way of heading sub-committees on 'Integrity India', 'International Affairs' besides being a member of 'Energy Panel', and 'Environment and Conservation' Sub-Committee.

#### **Mr Mahendra Pal, Non Executive Director** MSc, MSGAT (India) and FAusIMM (Australia)

Mr Pal has an extensive management experience in the mining and exploration industry, both within Australia and overseas. He has worked across many commodities, including base metals, gold, uranium, iron, coal, oil shale, oil, and gas, among others.

In Australia, he started his career with the exploration and mining of uranium with Queensland Mines, a subsidiary of Kathleen Investment, Australia.

Mr Pal spent two periods working with Rio Tinto (erstwhile CRA), commencing in 1970. During this time he was Principal Geologist for Hamersley Iron Pty Limited, where he made several iron ore discoveries including, concealed iron ore bodies at the Mount Tom Price and Paraburdoo mines, and also worked in other senior management positions up until 1999. From 1980 to 1984, he worked for ESSO Australia as a Sr. Professional Geologist and Exploration Geologist for the Rundle Oil Shale Project feasibility study.

Besides company directorship, Mr Pal runs his own Geological Consultancy business. From 2000 to April 2007, he provided consulting services to several exploration/mining companies including Auiron Energy, Centrex Metals, Rio Tinto Exploration, Hamersley Iron, Consolidated Minerals, Sinosteel Australia, Sinosteel Midwest Corporation, Sumitomo Corporation, Golden West Resources Ltd, Fairstar Resources Ltd, and NEX Metals Exploration Ltd in Australia. Overseas, in India he worked as a Technical Adviser for Rio Tinto Orissa Mining Limited (a Rio Tinto Joint Venture with Orissa Mining Corporation, India) and as a consultant to Tata Iron & Steel, and Mid-West Granite, in Iran as a Consultant to International Minerals Consulting Company, and as a consultant to Oswal Brasil Refinaria de Petróleo, in Brazil.

From May 2007 to October 2009 Mr Pal worked for Fairstar Resources Ltd (FAS; an ASX listed company) as an Exploration Adviser/Technical and Executive Director – Exploration/Technical. While with Fairstar, he made two iron discoveries (Mahendra's Find & Elaine's Pride), 110 km southeast of Kalgoorlie. These discoveries are the first of this kind in the area previously known for its gold prospectivity.

At Shree Minerals, he has identified the Direct Shipping Iron Ore (DSO) at the Company's Nelson Bay River Prospect.

#### **Mr Andy Lau, Non Executive Director** MBA

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, MCDBA, 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**

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.

**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;

## SHREE MINERALS LTD

### DIRECTORS' REPORT

- 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:

- 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.

#### **Details of remuneration**

Key Management Personnel comprise the executive and non- executive directors only during FY2013. The remuneration for Key Management Personnel of the Company during the year and the previous year was as follows:

SHREE MINERALS LTD

DIRECTORS' REPORT

2013

	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 Executive Director	183,486	0	0	0	16,514	0	0	200,000	0
Mr A Jagatramka Non Executive Director	16,055	0	0	0	1,445	0	0	17,500	0
Mr M Pal Non Executive Director	40,138	0	0	0	3,612	0	0	43,750	0
Mr Andy Lau Non Executive Director	17,500	0	0	0	0	0	0	17,500	0
Mr Amu Shah Non Executive Director	16,055	0	0	0	1,445	0	0	17,500	0
	273,234	0	0	0	23,016	0	0	296,250	0

2012

	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 Executive Director	201,835	0	0	0	18,165	0	90,386	310,386	0
Mr A Jagatramka Non Executive Director	2,294	0	0	0	206	0	46,886	49,386	0
Mr M Pal Non Executive Director	75,000	0	0	0	0	0	33,900	108,900	31%
Mr Andy Lau Non Executive Director	30,000	0	0	0	0	0	30,386	60,386	0
Mr Amu Shah Non Executive Director	0	0	0	0	0	0	48,386	48,386	0
	309,129	0	0	0	18,371	0	249,944	577,444	

**Options, Performance shares & Shares issued as part of remuneration for the period ended 30 June 2013**

There were no Options, Performance shares & Shares issued as part of remuneration for the period ended 30 June 2013. Please refer to Note 19 for further information.

## DIRECTORS' REPORT

**Shares Issued on Exercise of Compensation Options**

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

**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. During the financial year 2012-13, at Mr. Loyalka's discretion (to conserve cash resources pre development) he was paid a cash remuneration of \$200,000 including superannuation. Mr. Loyalka's employment arrangements cover five-year tenure that commenced from 10 May 2008 and has been extended in 2013 by another five years.

Mr. Mahendra Pal is an independent Non Executive Director of the company. He has additionally agreed to support the Geological & Technical functions of the company effective March 2010. Accordingly, during the financial year 2012-13, he was paid a total cash remuneration of \$43,750 by way of consulting fees. Mr. Amu Shah is a Non Executive Director of the company. During the financial year 2012-13, he was paid a cash remuneration of \$17,500.

Mr. Arun Jagatramka is a Non Executive Director of the company. During the financial year 2012-13, he was paid a cash remuneration of \$17,500 including superannuation.

Mr. Andy Lau is a Non Executive Director of the company. During the financial year 2012-13, he was paid a cash remuneration of \$17,500 by way of consulting fees.

**END OF REMUNERATION REPORT****Meetings of Directors**

During the financial year, 9 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	9	9
Arun Jagatramka	5	9
Mahendra Pal	9	9
Andy Lau	7	9
Amu Shah	9	9

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 secretaries. 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.

DIRECTORS' REPORT

**Proceedings on Behalf of Company**

During the year, there was an appeal against the State planning and environmental permit for the development of Nelson Bay River Iron Project, which was dismissed by the Tasmanian Resource Management and Planning Appeal Tribunal.

During the year, there was also an application for a judicial review of the decision made on 18th December 2012 by the Federal Environment Minister to approve the NBR project under the Environment Protection and Biodiversity Conservation Act. The hearing was conducted & decision made by the Court in July 2013. Seven grounds of challenge were put up. Three were abandoned during the course of the case. Three were dismissed by the Court. Only one was upheld that the Minister had failed to comply with a mandatory requirement that he consider an approved conservation advice regarding the Tasmanian Devil. Subsequently, the Minister has done assessment as required under the EPBC Act & granted approval in July 2013.

No person has applied for leave of Court to bring any other proceedings on behalf of the Company or intervene in any other 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 was not a party to any other proceedings during the year.

**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:

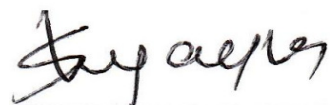
- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance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

Fees of \$3,415 (2012: 3,000) for Taxation services (compliance and consulting) being the non-audit services that were paid/payable to the external auditors during the year.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 26 of annual report.

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



Sanjay Loyalka  
**Chairman**

Signed in Perth the 23<sup>rd</sup> day of September 2013.

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

The Corporate Governance Charter was prepared with regard to the Principles of Good Corporate Governance and Best Practice Recommendations released by the ASX Corporate Governance Council in March 2003 (as amended) 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 2013.

**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	Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. Board Charter is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance Statement.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Board Performance Evaluation Policy is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance Statement.
1.3	Companies should provide the information indicated in the Guide for reporting on Principle 1	Satisfied. The Board Charter is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance Statement.  Whilst the performance of management is appraised on an ongoing basis. During the year no formal appraisal of management was conducted.
2.1	A majority of the board should be independent directors.	Satisfied.
2.2	The chair should be an independent director.	Not Satisfied. Due to the size of the company and its operations Mr Sanjay Loyalka is both an Executive and Chairman.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Not Satisfied. Due to the size of the company and its operations Mr Sanjay Loyalka is both Chief Executive and the Chairman.
2.4	The board should establish a nomination committee.	Not satisfied. The Board consider that given the current size of the board (5), this function is efficiently achieved with full board participation. Accordingly, the Board has not established a nomination committee.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Satisfied. Board Performance Evaluation Policy is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance Statement.
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2	Satisfied.  Whilst the performance of the Board is appraised on an ongoing basis, during the year no formal appraisal was



SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
		conducted.
3.1	<p>Companies should disclose a code of conduct and disclose the code or a summary of the code as to:</p> <p>The practices necessary to maintain confidence in the company's integrity</p> <p>The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</p> <p>The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	Satisfied. The Code of conduct is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance Statement.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	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.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	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.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Not satisfied. The company does not have any women employees in the whole organisation, women in senior executive positions and women on the board.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	Satisfied
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	<p>The board committee should be structured so that it:</p> <p>Consists only of non-executive directors</p> <p>Consists of a majority of independent directors</p> <p>Is chaired by an independent chair, who is not chair of</p>	Not satisfied. The company has adopted a policy which includes Executive Directors as audit committee members.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
	<p>the board</p> <p>Has at least three members</p>	
4.3	The audit committee should have a formal charter.	Satisfied. Audit Committee charter is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance statement.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	Satisfied.
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance statement.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	Satisfied
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	Satisfied. Shareholders communication strategy is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance statement.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	Satisfied
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. Risk management program is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> in the Corporate Governance statement.
7.2	The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Satisfied. The Board, including the Managing Director, routinely consider risk management matters.
7.3	The board should disclose whether it has received 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 2012 financial period.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	Satisfied
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.
8.2	The remuneration committee should be structured so that it :  Consists of a majority of independent directors  Is chaired by an independent chair  Has at least three members	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.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The structure of directors' remuneration is disclosed in the remuneration report of the annual report.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	Remuneration committee charter is available at <a href="http://www.shreeminerals.com">www.shreeminerals.com</a> 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](http://www.shreeminerals.com)

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Shree Minerals Ltd for the year ended 30 June 2013, 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, 23 September 2013

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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## SHREE MINERALS LTD

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDING 30 JUNE 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
<b>Revenue from continuing operations</b>			
Interest		103,537	171,964
<b>Expenses from continuing operations</b>			
Finance charges		-104,540	-2,440
Employee and consulting fees		-548,588	-519,215
Regulatory costs		-24,129	-14,648
Occupancy and communication		-30,405	-24,344
Foreign exchange loss		-47,419	0
Accounting and legal Fees		-136,882	-84,720
Other Expenses		-127,268	-44,199
<b>Loss before income tax</b>		-915,694	-517,602
Income tax expense	4	292,932	266,702
<b>Loss for the period</b>		-622,762	-250,900
Other comprehensive income		0	0
<b>Comprehensive Loss for the year</b>		-622,762	-250,900
Earnings per share for (loss) attributable to ordinary equity holders of the company:			
Basic & diluted (loss) cents per share	5	-0.65	-0.26

The accompanying notes form part of these financial statements.

## SHREE MINERALS LTD

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013

	Note	30-Jun-13 \$	30-Jun-12 \$
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents	6	1,233,606	2,595,756
Receivables	7	122,122	341,796
<b>Total Current Assets</b>		<b>1,355,728</b>	<b>2,937,552</b>
<i>Non-Current Assets</i>			
Exploration and evaluation	9	1,031,779.38	5,931,785
Mine Development	9A	6,172,938.85	0
Other Assets	6A	801,851.56	93,772
Plant and equipment	8	151,468.68	2,889
<b>Total Non-Current Assets</b>		<b>8,158,038.47</b>	<b>6,028,446</b>
<b>Total Assets</b>		<b>9,513,767</b>	<b>8,965,998</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables	10	-1,279,424	-156,294
Loans	10	-12,876	0
Provisions	10	-18,694	-3,839
<b>Total Current Liabilities</b>		<b>-1,310,995</b>	<b>-160,133</b>
<i>Non-Current Liabilities</i>			
Loans	10A	-19,668	0
<b>Total Non-Current Liabilities</b>		<b>-19,668</b>	<b>0</b>
<b>Total Liabilities</b>		<b>-1,330,663</b>	<b>-160,133</b>
<b>Net Assets</b>		<b>8,183,104</b>	<b>8,805,865</b>
<b>Equity</b>			
Contributed equity	11	9,678,432	9,678,432
Reserves	12	284,587	284,587
Accumulated losses	12	-1,779,916	-1,157,154
<b>Total Equity</b>		<b>8,183,104</b>	<b>8,805,865</b>

The accompanying notes form part of these financial statements.

## SHREE MINERALS LTD

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Issued	Accumulated	Share based option reserve	Total
		Capital	Losses		
		\$	\$		\$
BALANCE AT 1 July 2011		8,500,310	-906,253	129,145	7,723,202
Total comprehensive income for the period		0	-250,901	0	-250,901
Shares Based Option Reserve Valuation		0	0	155,442	155,442
Shares issued during the year	11	1,256,500	0	0	1,256,500
Capital raising costs		-78,378	0	0	-78,378
<b>SUB-TOTAL</b>		<b>9,678,432</b>	<b>-1,157,154</b>	<b>284,587</b>	<b>8,805,866</b>
Dividends paid or provided for		0	0	0	0
<b>BALANCE AT 30 JUNE 2012</b>		<b>9,678,432</b>	<b>-1,157,154</b>	<b>284,587</b>	<b>8,805,866</b>
BALANCE AT 1 July 2012		9,678,432	-1,157,154	284,587	8,805,866
Total comprehensive income for the period		0	-622,762	0	-622,762
<b>SUB-TOTAL</b>		<b>9,678,432</b>	<b>-1,779,916</b>	<b>284,587</b>	<b>8,183,104</b>
Dividends paid or provided for		0	0	0	0
<b>BALANCE AT 30 JUNE 2013</b>		<b>9,678,432</b>	<b>-1,779,916</b>	<b>284,587</b>	<b>8,183,104</b>

The accompanying notes form part of these financial statements.

## SHREE MINERALS LTD

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2013

	Note	30-Jun-13	30-Jun-12
		\$	\$
<b>Cash flows from operating activities (including exploration)</b>			
Payments to suppliers and employees (inclusive of GST)		-2,265,709	-1,193,027
Interest received		128,832	179,633
Research and Development tax concession		559,633	0
Other Income		0	76,000
Finance and borrowing costs paid		0	-
<b>Outflow from operations (including exploration)</b>	15(b)	<b>-1,577,244</b>	<b>-937,394</b>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		-152,475	-1,862
<b>Net cash outflow from financing activities</b>		<b>-152,475</b>	<b>-1,862</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and other equity securities		0	1,150,000
Payments for share issue costs		0	-78,378
Borrowings		1,075,648	0
<b>Net cash outflow from financing activities</b>		<b>1,075,648</b>	<b>1,071,622</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>-654,071</b>	<b>132,367</b>
Cash and cash equivalents at the beginning of the financial period		2,689,528	2,557,161
<b>Cash and cash equivalents at the end of the financial period</b>		<b>2,035,457</b>	<b>2,689,528</b>
<b>Cash and cash equivalents at the end of the financial period</b>			
Cash at Bank & in hand	6	1,233,606	2,595,756
Other Assets	6A	801,852	93,772
<b>Cash and cash equivalents at the end of the financial period</b>		<b>2,035,457</b>	<b>2,689,528</b>

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**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").

The financial report is presented in Australian currency.

**Basis of Preparation**

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.

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 2013 and comparative information.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

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 recognised.

**b. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value 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 income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

*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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

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.

**c. Exploration, evaluation and development expenditure**

Exploration, evaluation and development 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 successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserve.

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

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

**d. Mine Development**

Accumulated exploration, evaluation and development expenditure in respect of each identifiable area of interest is transferred to mine development once a mineable resource has been established & published as per JORC guidelines and necessary steps to commence a mining development for that area have been commenced.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

**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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

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 is 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*

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

*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 an 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 compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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.

**h. Interests in Joint Ventures**

The Company's share of the assets, liabilities, revenue and expenses of joint venture 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**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.

**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 12 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).

**m. 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.

**n. Comparative Figures**

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

**o. 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.

*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 permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(c).

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

*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).

*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, using the assumptions detailed in note 19.

**p. 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.

**NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION**

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Sanjay Loyalka	Chairman
Mahendra Pal	Director
Arun Kumar Jagatramka	Director
Andy Lau	Director
Amu Shah	Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report. Total payments including valuation of share based payments for FY2013 was \$296,250

**Number of Shares Held by Key Management Personnel**

30 June 2013

Key Management Person	Balance 1 July 2012	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2013
Mr Sanjay Loyalka	25,915,000	0	0	0	0	25,915,000
Mr Mahendra Pal	300,000	0	0	0	0	300,000
Mr Arun Jagatramka	15,222,500	0	0	0	0	15,222,500
Mr Andy Lau	0	0	0	0	0	0
Mr Amu Shah	4,525,000	0	0	0	0	4,525,000
	45,962,500	0	0	0	0	45,962,500

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

30 June 2012

Key Management Person	Balance 1 July 2011	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2012
Mr Sanjay Loyalka	25,415,000	500,000	0	0	0	25,915,000
Mr Mahendra Pal	300,000	0	0	0	0	300,000
Mr Arun Jagatramka	15,085,000	137,500	0	0	0	15,222,500
Mr Andy Lau	0	0	0	0	0	-
Mr Amu Shah	3,750,000	150,000	625,000	0	0	4,525,000
	44,550,000	787,500	625,000	0	0	45,962,500

Number of Options Held by Key Management Personnel

30 June 2013

Key Management Person	Balance 30 June 2012	Granted as compensation	Options Exercised	Net Change Other	Balance 30 June 2013	Total Vested 30 June 2013	Total Exercisable 30 June 2013	Total Unexercisable 30 June 2013
Mr Sanjay Loyalka	1,000,000	0	0	1,000,000	0	0	0	0
Mr Mahendra Pal	1,000,000	0	0	1,000,000	0	0	0	0
Mr Arun Jagatramka	1,000,000	0	0	1,000,000	0	0	0	0
Mr Amu Shah	1,000,000	0	0	1,000,000	0	0	0	0
Mr Andy Lau	1,000,000	0	0	1,000,000	0	0	0	0
	5,000,000	0	0	5,000,000	0	0	0	0

30 June 2012

Key Management Person	Balance 30 June 2011	Granted as compensation	Options Exercised	Net Change Other	Balance 30 June 2012	Total Vested 30 June 2012	Total Exercisable 30 June 2012	Total Unexercisable 30 June 2012
Mr Sanjay Loyalka	0	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	0
Mr Mahendra Pal	1,000,000	0	0	0	1,000,000	1,000,000	1,000,000	0
Mr Arun Jagatramka	0	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	0
Mr Amu Shah	625,000	1,000,000	625,000	375,000	1,000,000	1,000,000	1,000,000	0
Mr Andy Lau	0	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	0
	1,625,000	4,000,000	625,000	3,375,000	5,000,000	5,000,000	5,000,000	0

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



SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

On 30 June 2013, Mr.Mahendra Pal held 1,000,000 share performance rights & the same were not exercisable on 30th June 2013. No other Key Management Personnel held any share performance rights on 30 June 2013.

On 30 June 2012, Mr.Mahendra Pal held 1,000,000 share performance rights & the same were not exercisable on 30th June 2012. No other Key Management Personnel held any share performance rights on 30 June 2012.

Please refer to Note 19 for further information regarding the fair value of share options, SPR and assumptions.

**NOTE 3: AUDITOR'S REMUNERATION**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
Remuneration paid or payable of the auditor for:		
– Auditing or reviewing the financial report	17,850	11,945
– Taxation services and corporate services	3,415	3,000
<i>Note: 2012 figures restated.</i>	<u>21,265</u>	<u>14,945</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**NOTE 4: INCOME TAX**

Shree Minerals Ltd	2013	2012
<b>a. Income tax expense</b>		
Current tax	0	0
Deferred tax	0	0
	0	0
Deferred income tax expense included in income tax expense comprises:		
(Increase) in deferred tax assets	-12,152	-969,058
Increase in deferred tax liabilities	12,152	969,058
	0	0
<b>b. Reconciliation of income tax expense to prima facie tax payable</b>		
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%	-274,708	-155,281
Add / (Less)		
Tax effect of:		
Non-deductible expenses	0	75,004
Deferred tax asset not brought to account	274,708	80,277
Research & Development Offset	-292,932	-266,702
Income tax attributable to operating loss	-292,932	-266,702
The applicable weighted average effective tax rates are as follows:	Nil	Nil
Balance of franking account at year end	Nil	Nil
<b>c. Deferred tax assets</b>		
Tax Losses	1,117,630	1,094,703
Provisions	23,434	7,392
Other	36,132	62,951
Set-off deferred tax liabilities	-1,177,197	-1,165,045
Net deferred tax assets	0	0
<b>d. Deferred tax liabilities</b>		
Exploration expenditure	1,177,197	1,165,045
Set-off deferred tax assets	-1,177,197	-1,165,045
Net deferred tax liabilities	0	0
<b>e. Tax losses</b>	195,333	115,914
Benefit of unused tax losses for which no deferred tax asset has been recognised		

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**NOTE 5: EARNINGS PER SHARE**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
a. Earnings used to calculate basic EPS	(622,762)	(250,901)
	<b>Number of</b>	<b>Number of</b>
	<b>Shares</b>	<b>Shares</b>
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic & diluted EPS	95,265,753	95,265,753

Options totalling NIL (2012: 13,750,000) and Share Performance Rights totalling 1,000,000 (2012: 1,000,000) are anti – dilutive and not included in the calculation of diluted earnings per share.

**NOTE 6: CASH AND CASH EQUIVALENTS**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
Cash at bank and in hand	1,233,606	2,595,756

**NOTE 6A: OTHER ASSETS**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
Cash deposits supporting Bank Guarantees for Rehabilitation Bonds	801,852	93,772

**NOTE 7: TRADE AND OTHER RECEIVABLES**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
Interest receivable	13,424	37,464
Prepayments	18,920	13,954
Income Tax offsets	0	267,956
Trade receivables	623	624
GST and ABN withholding tax receivables	89,155	21,799
	<u>122,122</u>	<u>341,797</u>

## SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013**NOTE 8: PROPERTY, PLANT & EQUIPMENT**

	Earthworks	Plant and equipment	Office Equipment	Total
	\$	\$	\$	\$
At Cost	96,222	49,438	11,108	156,768
Accumulated Depreciation	0	-3,064	-2,235	-5,299
Balance at 30 June 2013	96,222	46,374	8,873	151,469

**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

	Earthworks	Plant and equipment	Office Equipment	Total
	\$	\$	\$	\$
Opening balance at 1 July 2012	0	0	2,889	2,889
Additions	96,222	49,438	7,226	152,886
Depreciation expense	0	-3,064	-1,242	-4,306
Balance at 30 June 2013	96,222	46,374	8,873	151,469

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**NOTE 9: EXPLORATION EXPENDITURE**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
Exploration and evaluation phase expenditure capitalised	<u>1,031,779</u>	<u>5,931,785</u>
<b>Movements</b>		<b>\$</b>
Opening balance at 1 July 2011		5,209,739
Exploration capitalised		722,046
Impairment / relinquishment		<u>0</u>
Balance at 30 June 2012		<u>5,931,785</u>
Opening balance at 1 July 2012		5,931,785
Exploration capitalised		1,272,933
Impairment / relinquishment		0
Transferred to Mine Development		<u>6,172,939</u>
Balance at 30 June 2013		<u>1,031,779</u>

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**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
<i>Opening Balance</i>	0	0
Transferred from Exploration	6,172,939	0
	<u>6,172,939</u>	<u>0</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**NOTE 10: TRADE AND OTHER PAYABLES**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
<i>Current</i>		
Trade and other creditors	1,279,424	156,294
Loan	12,876	0
Provisions	18,694	3,839
	<u>1,310,995</u>	<u>160,133</u>

Note: Trade creditors include advance received from Frost Global . The Company during the year entered into an Off-take Agreement for its Nelson Bay River Iron Ore DSO products with Singapore based, Frost Global Pte Ltd ("Frost Global"). As a part of the agreement, Frost Global will be providing funding of US\$4 million by way of an interest free advance towards the supply of Iron Ore to be adjusted @ US\$500,000 from each of the first 8 shipments of Iron Ore. The company has received US \$1 million in this regard during the financial year from Frost Global & a total of US \$ 2 million as at the date of this report.

**NOTE 10A: TRADE AND OTHER PAYABLES**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
<i>Non-Current</i>		
Loan	19,668	0
	<u>19,668</u>	<u>0</u>

**NOTE 11: CONTRIBUTED EQUITY**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
95,947,500 (2012: 95,947,500) Fully paid ordinary shares	<u>9,678,432</u>	<u>9,678,432</u>

The Company has issued capital amounting 95,947,500 (2012: 95,947,500) with no par value

**Movements**

Opening balance	9,678,432	8,500,310
Shares issued	0	1,150,000
Options exercised and to be allotted	0	106,500
Shares issued or applied for during the year	<u>0</u>	<u>1,256,500</u>
Capital raising costs	0	(78,378)
Closing balance	<u>9,678,432</u>	<u>9,678,432</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

(a) <b>Ordinary Shares</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
At the beginning of the reporting period	95,947,500	87,872,500
Shares issued during the period		
– 15 July 2011	0	7,187,500
– 15 December 2011	0	887,500
– 21 January 2011	0	0
	95,947,500	95,947,500
At reporting date	95,947,500	95,947,500

(b) **Options**

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

Opening balance :	13,750,000
Expired during the year :	<u>13,750,000</u>
Balance	0

(c) **Share Performance Rights**

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

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

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 2013 and 30 June 2012 are as follows:

Cash and cash equivalents	2,035,457	2,689,528
Trade and other receivables	122,122	348,030
Trade and other payables	(1,330,663)	(166,367)
	2,035,457	2,689,528

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

Working capital position	826,916	2,871,191
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**NOTE 12: ACCUMULATED LOSSES AND RESERVES**

	30 June 2013	30 June 2012
	\$	\$
<b>a. Accumulated Losses</b>		
At the beginning of the reporting period	1,157,154	906,253
Nett loss	622,762	250,901
At reporting date	<b>1,779,916</b>	<b>1,157,154</b>

**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 (2012: 4,000,000) options and nil (2012: 1,000,000) Share Performance Rights were issued. Accordingly, the increase in share based option reserve of nil (2012: \$155,442) recorded in the current reporting period.

**NOTE 13: COMMITMENTS**

	30 June 2013	30 June 2012
	\$	\$
a. The Company has tenements rental and expenditure commitments of:		
Payable:		
– not later than 12 months	79,870	180,000
– between 12 months and 5 years	0	0
– greater than 5 years	0	0
b. The Company has other rental and expenditure commitments of \$ 10,591 within the next 12 months. This pertains to office lease which the current term is till January 2014. The rental expenditure incurred during the year was \$ 20,774.34 ( 2012: \$ 19,970.50)		

**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 2013

**NOTE 15: CASH FLOW INFORMATION**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	\$	\$
<b>(a) Reconciliation of Cash</b>		
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	1,233,606	2,595,756
Other Assets ( Cash Deposits deposits supporting Bank Guarantees for Rehabilitation Bonds )	801,852	93,772
 Sub Total	 2,035,457	 2,689,528
<b>(b) Reconciliation of Cash Flow from Operations with Operating Loss after Income Tax</b>		
Operating loss after income tax	(622,762)	(250,901)
Non-cash flows:		
Share based payments	0	261,942
Capital raising costs	0	(78,378)
Tenement impairment/relinquishment	0	0
Depreciation and amortisation	4,307	680
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	219,674	(149,368)
(Increase)/decrease in other assets	(1,272,934)	(643,667)
Increase/(decrease) in trade and other payables	94,471	(77,702)
 <i>Net outflow from operations</i>	 (1,577,244)	 (937,394)

**NOTE 16: RELATED PARTY TRANSACTIONS**

There are no related party transactions except for remuneration payments to employees in normal course of business ( in financial year 2012 , Mrs Rashmi Loyalka provided accounts payable services to the company as a contractor to a value of \$20,000. Mrs. Loyalka is related to the Chairman, Mr Sanjay Loyalka . During the current financial year 2013, Mrs. Loyalka has taken up employment in the company & is paid remuneration in normal course).

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. Mr.Mahendra Pal's fees as disclosed are paid through his consulting firm Sai Geo Consultancy.

**NOTE 17: FINANCIAL INSTRUMENTS**

**a. Financial Risk Management**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

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.

**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 2013, 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 \$ 17,791 lower/higher (2012 - \$21,577 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.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

**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:

	Floating Interest		Fixed Interest Rate				Non Interest		Total		Weight Effective	
	Rate		1 Year or Less		1 to 5 Years		Bearing				Interest Rate	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Cash	1,340,895	2,616,719	694,563	72,809	0	0	0	0	2,035,458	2,689,528	400	559
Trade and other receivables	0	0	0	0	0	0	122,122	348,030	122,122	348,030	N/A	N/A
Total Financial Assets	1,340,895	2,616,719	694,563	72,809	-	0	122,122	348,030	2,157,580	3,037,558		
Trade and other payables	0	0	0	0	0	0	-254,604	-166,367	-254,604	-166,367	N/A	N/A
Total Financial Liabilities	0	0	0	0	0	0	-254,604	-166,367	-254,604	-166,367		

**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**

During the year NIL (2012: 4,000,000) options and NIL (2011: 1,000,000) Share Performance Rights were issued. Accordingly, an adjustment to the share based option reserve of NIL (2012:\$155,442) was done in the current reporting period (Refer Note 12). The fair value during financial year 2012 was determined as at Dec 2011 for by an internal valuation using a Black-Scholes option pricing model or other appropriate methodology, using the following assumptions:

1. Performance Shares: Production of DSO at 100,000 tonnes for FY2013, 400,000 tonnes for FY2014 & 130,000 tonnes for FY 2015.
2. Risk Free Rate: Depending on term - bonds over the period vary between 3.55 to 4.12%; have assumed 4% for calculation purposes
3. Grant Date: 23/11/2011
4. Volatility: As the industry is subject to large variances and therefore industry standard is most relevant
5. Price at Grant: 0.12 per share.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

Expenses arising from share-based payment transactions

There were NIL (2012: \$106,500) expenses arising from share-based payment transactions recognised during the period. These expenses were recognised at the date the share based payments were approved and at the share price applicable at that date.

**NOTE 20: CHANGE IN ACCOUNTING POLICY**

**a) New Standards adopted**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have been adopted by the company during the year.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012).

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income' (title change is not mandatory).

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Company's accounting policies, or the amounts reported during the current year. The adoption of AASB 2011-9 has resulted in changes to the presentation of the Company's financial statements.

**b) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

This standard is mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6 defers the application date of AASB 9 from 1 January 2013 to 1 January 2015. AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

Although the Directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

AASB 10 provides a revised definition of “control” and additional application guidance so that a single control model will apply to all investees. When adopted, this Standard is not expected to significantly impact the Company’s financial statements.

AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). When adopted, this Standard is not expected to significantly impact the Company’s financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity: concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. When adopted, this Standard will affect disclosures only and therefore is not expected to significantly impact the Company’s financial statements.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 2013 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in these financial statements.

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosure requirements by Australia specific paragraphs.

When adopted, these amendments are unlikely to have any significant impact on the financial statements.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods beginning on or after 1 January 2013).

This Standard introduces a number of changes to presentation and disclosure of a defined benefit plan. AASB 119 also includes changes to the criteria for determining when termination benefits should be recognised as obligation.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2013

The entity does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.

- AASB Interpretation 20: Stripping Costs in the Production Phase of Surface Mining (applicable for annual reporting periods beginning on or after 1 January 2013).

This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production stage of a mine must be capitalized as inventories under AASB 102: Inventories if the benefits from stripping activity is realised in the form of inventory produced.

The entity does not operate a surface mine. Therefore, there will be no impact on the financial statements when this interpretation is first adopted.

- AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (application for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's statement of financial position.

When adopted, there will be no impact on the entity as the entity does not have any netting arrangements in place.

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 (applicable for annual reporting periods beginning on or after 1 January 2013).

These amendments are a consequence of the annual improvement process, which provides a vehicle for making non-urgent but necessary amendments to Standards.

When these amendments are first adopted, this Standard is not expected to significantly impact the Company's financial statements.

**NOTE 21: AFTER BALANCE SHEET DATE EVENTS**

- On 17th July 2013, the Federal court set aside the approval for Nelson Bay River Project under EPBC act.
- On 31<sup>ST</sup> July 2013, the Federal Environment Minister issued an approval for Nelson Bay River Project under EPBC act.
- Recommencement of development works at Nelson Bay River Project from 12<sup>th</sup> August 2013 after being suspended following injunction by Federal Court in May 2013.
- Advance of US\$ 1,000,000 received from Frost Global under off take Contract agreement. The total advance received as on date of this report is US\$2 mn (\$1mn on balance sheet date).

**NOTE 22: COMPANY DETAILS**

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

Unit 4 , The Pines Business Centre

86 -88 Forrest Street

Cottesloe

WA 6011

Ph: (08) 61612068

Fax: (08) 93855194

SHREE MINERALS LTD

DIRECTORS' DECLARATION

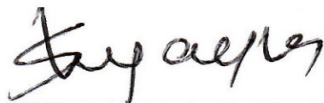
1. in the opinion of the directors of Shree Minerals Limited ('the Company'):

- (a) the financial statements and notes as set out on pages 27 to 52, 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 2013 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 2013, comply with section 300A of the Corporations Act 2001.
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) The 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 2013.

Dated at Unit 4, The Pines Business Centre, and 86 -88 Forrest Street, Cottesloe, WA 6011 this 23<sup>rd</sup> day of September 2013.

Signed in accordance with a resolution of the directors:



---

Sanjay Loyalka

Director

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

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PO Box 570  
West Perth WA 6872  
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E info.wa@au.gt.com  
W www.grantthornton.com.au

**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 2013, 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.

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

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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 2013 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.

### **Report on the remuneration report**

We have audited the remuneration report included in pages 16 to 19 of the directors' report for the year ended 30 June 2013. 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 2013, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 23 September 2013

## 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 17<sup>th</sup> September 2013.

#### SUBSTANTIAL SHAREHOLDERS

The company has received substantial shareholder notices from;

- Mr Sanjay Loyalka as trustee for the Loyalka Family Trust (24,500,000 ordinary shares)
- Gujarat NRE Resources NL (15,000,000 ordinary shares)
- Ullapool Investments Pty Ltd (6,000,000 ordinary shares)
- China Alliance International Holdings Group (18,000,000 ordinary 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 17<sup>th</sup> SEPTEMBER 2013

Holdings Ranges	Holders	Total Units	%
1-1,000	2	7	0.000
1,001-5,000	17	65,321	0.068
5,001-10,000	198	1,947,811	2.030
10,001-100,000	180	6,806,793	7.094
100,001-99,999,999,999	50	87,127,568	90.808
<b>Totals</b>	<b>447</b>	<b>95,947,500</b>	<b>100.000</b>

#### UNMARKETABLE PARCELS

There are seven unmarketable parcels as at 17<sup>th</sup> September 2013 totalling 11,407 ordinary shares.

#### 20 LARGEST SHAREHOLDERS AS AT 17<sup>th</sup> SEPTEMBER 2013

Holder Name	Balance at 17-09-2013	%
MR SANJAY KUMAR LOYALKA <LOYALKA FAMILY A/C>	24,500,000	25.535
CHINA ALLIANCE INTERNATIONAL HOLDINGS GROUP LIMITED	16,000,000	16.676
GUJARAT NRE RESOURCES NL	15,000,000	15.634
MEGAWILD ENTERPRISES PTY LTD <VEER POONAM POOJAN PROP A/C>	4,525,000	4.716
ULLAPOOL INVESTMENTS PTY LTD <THE ULLAPOOL A/C>	4,400,000	4.586
ROSECLIFF HOLDINGS PTY LTD <SAHIB INVESTMENT A/C>	4,375,000	4.560
CHINA ALLIANCE INTERNATIONAL HOLDINGS GROUP LIMITED	2,000,000	2.084
MR MICHAEL LEE ANGHIE & MRS SANDY MICHELLE ANGHIE <SPEED BOAT SUPER FUND A/C>	1,600,000	1.668
MR AMRIK SINGH HEER	1,500,000	1.563
EXPORT MARKETING (BVI) LTD	1,250,000	1.303
MRS RENU KUMAR & DR ASOK KUMAR <ASOK KUMAR FAMILY S/F A/C>	1,250,000	1.303
DR DEEPAK NARAN <THE NARAN FAMILY NO 1 A/C>	1,000,000	1.042
IACG PTY LTD	750,000	0.782
MR SANJAY KUMAR LOYALKA	565,000	0.589
BRIAN EDWARD VON BERGHEIM PTY LTD <THE GREENWAY A/C>	500,000	0.521
MS EMMA HALL	500,000	0.521
MR LINDSAY HAMILTON-SMITH & MRS ANDREA MARTINA HAMILTON-SMITH <EXTEL SUPER FUND A/C>	500,000	0.521
TANDON SUPERANNUATION SERVICES PTY LTD <THE TANDON PENSION FUND A/C>	500,000	0.521
RANGEWELL PTY LTD	475,000	0.495
DEPAK DOLATHRAI NARAN <THE NARAN FAMILY NO 1 A/C>	375,000	0.391
	<b>81,565,000</b>	<b>85.010</b>