SHREE MINERALS LIMITED

ACN 130 618 683

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2013

THIS HALF-YEAR FINANCIAL REPORT IS TO BE READ IN CONJUNCTION WITH THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

CORPORATE DIRECTORY

DIRECTORS
Sanjay Loyalka
Amu Shah
Mahendra Pal
Andy Lau

COMPANY SECRETARY
Sanjay Loyalka

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SOLICITORS
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AUDITORS
Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth WA 6005

BANKERS
Commonwealth Bank of Australia
St Georges Tce
Perth WA 6000

DIRECTORS REPORT

Your directors present their report on the Company for the half year ended 31 December 2013.

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:
Sanjay Loyalka
Amu Shah
Mahendra Pal
Arun Kumar Jagatramka (retired 28th November,2013)
Andy Lau

REVIEW OF OPERATIONS AND ACTIVITIES

Highlights

- EPBC Approval received for Nelson Bay Iron Project (NBR)
- Production of DSO Iron Ore commenced at NBR project
- DSO Reserves updated for the first two years of DSO mining at the NBR Project
- Share Placement to raise $2.136 mn & a further $1.994 mn on a conditional basis subject to Shareholder Approval

Nelson Bay River Iron Ore Project

Approvals

During the report period, the Company received Commonwealth Government Approval under the EPBC Act for the Nelson Bay River Iron (“NBR”) Project. This approval follows after the earlier approval decision made on 18th December 2012 by the Federal Environment Minister to approve the NBR project under the Environment Protection and Biodiversity Conservation Act was set aside by the Federal Court as a consequence of an application for a judicial review in April 2013. The 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.

The company has previously in 2012, received State Government approvals including a Mining Lease and a Development Permit, including the EPA’s environmental approvals. There was an appeal against the State planning and environmental permit, which was dismissed by the Tasmanian Resource Management and Planning Appeal Tribunal.

The decision comes after an extensive and comprehensive assessment process to confirm that the mine will proceed in accordance with best practice environmental management, including measures to prevent acid drainage, to protect and enhance wildlife habitat and to minimise the risk of road-kill. The company has engaged services of renowned experts to assess impacts plan & implement measures for conservation of Tasmanian devil including compliance with all approval conditions in this regard.

The implementation of outstanding social and environmental practices, well beyond simple compliance, has been an integral part of Company's philosophy. The company continues to pursue Best Practice Environmental Management and the development of the NBR project is being undertaken with an innate sense of responsibility towards the well being of society and the environment.

Development & Production

During the reporting period installation of requisite infrastructure & all necessary contractual arrangements to produce DSO Iron Ore (Direct ship Iron Ore) & transportation of the product for storage &loading at port were completed. The mining & production figures are as per Table 1.

Table 1

		Year to date period ending 31/12/2013	Year to date period ending 31/12/2012
Waste Stripping	BCM	127,752	0
Ore Mining	Tonnes	52,173	0
Ore Crushing & screening	Tonnes	45,313	0
Sales	Tonnes	0	0

Sales commenced in January 2014 with the first ship M/V "LIVANITA" for 42,083 tonnes from Burnie Port, departed 28th January 2014.

Reserves

During the reporting period, the Company published the updated DSO South Pit Reserves for its Nelson Bay River (NBR) Iron Project. The new reserves are based on the recent drilling programme completed after the 24th October 2012 Reserve Statement. The aim of the drilling was to upgrade the resource and revise the Mine Plan for the first two of years of DSO operations.

The new Mineral Resource estimates for the DSO South Pit reflect an increase to 0.87Mt compared to the earlier Mineral Resource estimate of 0.7Mt. The Reserves Estimates for DSO South Pit similarly increases to 0.65Mt compared to the earlier reserve of 0.33Mt.

The Ore Reserve Estimate was completed by the Minserve Group Pty Ltd in accordance with the 2012 JORC Code guidelines based on the Mineral Resource Estimate completed by Simon Tear of H&S Consultants Pty Ltd (HSC). Under the JORC Code, only Measured and Indicated Mineral Resources can be considered for conversion to Ore Reserves after consideration of “Modifying Factors” including mining, processing, economic, environmental, social, and government factors. The Ore Reserve Statement applies solely to the resource estimates in the Measured and Indicated categories.

Table 2 shows the DSO Mineral Resource Estimate for Southern pit, summarised by JORC classification, contained within the H&SC geological model of November 2013.

Table 2 — DSO Mineral Resource Estimate by JORC classification

Category	Volume m3	M Tonnes	Iron %	Alumina %	Phos ppm	Sulphur ppm	Silica %	LOI %
Measured	1,170,000	0.39	57.8	1.4	911	348	8.7	6.5
Indicated	780,000	0.26	57.7	1.5	926	359	8.8	6.5
Inferred	660,000	0.22	57.4	1.4	936	401	2.3	6.4
Total	2,610,000	0.87	57.7	1.4	922	365	8.9	6.5

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

Table 3 shows the DSO Ore Reserve Estimate for the Southern DSO pit, summarised by JORC classification, contained within the H&SC geological model of November 2013.

Table 3 — DSO Ore Reserve Estimate by JORC Classification

Category	M tonnes	Iron %	Alumina %	Phos %	Sulphur %	Silica %	LOI %
Proved	0,39	56.7	1.4	0.091	0.035	8.7	6.5
Probable	0.26	56.7	1.5	0.092	0.036	8.8	6.5
Total	0.65	56.7	1.4	0.091	0.035	8.7	6.5

(Minor rounding errors)

Mine Plan for DSO Iron Ore

The updated production schedule for the first two years of production is sourced initially solely from the DSO South Pit. The DSO ore mined only requires crushing and screening to produce a marketable product that requires no further beneficiation. Two separate DSO pits are planned for the first two years of mining the, DSO South Pit followed by the DSO North Pit where the latter is contained within the BFO resource to its north. The updated mine plan and production schedule mines a total of 0.914 Mt of DSO compared to the previous 0.815Mt.

Exploration

Desk top studies & planning for various explorations was carried out during the period.

Share Placement

During the period, Share Placement was made to raise $2.136 mn & a further $1.994 mn on a conditional basis subject to Shareholder Approval which was approved in the General meeting held on 4th February, 2014.

Tenements

The mining tenements held at the end of the reporting period and their locations are as per Table 4.

Table 4

Mine Lease/ Exploration License	Locality	Remarks
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
EL41/2004	Nelson Bay River	100% Shree Minerals Ltd
EL42/2004	Mt.Bertha	75% Shree Minerals Ltd as a Farm in JV with IACG Pty Ltd
EL42/2008	Mt.Sorell	100% Shree Minerals Ltd
EL43/2004	Sulphide Creek	100% Shree Minerals Ltd
EL54/2008	Rebecca Creek	100% Shree Minerals Ltd

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

  NIL

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

  75% Shree Minerals Ltd as a Farm in JV with IACG Pty Ltd for EL 42/2004.

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

  NIL

- The Board did decide after the reporting period to relinquish the Mt.Bertha & Sulphide Creek Exploration Licences. Accordingly, the asset values were written off in the financials for the period ending 31st December, 2013 with an impairment charge of $877,500.

Outlook

At NBR project, it is planned to do drilling & test work program during 2014 to define the BFO stage besides extending the DSO phase. Exploration activities are also planned at Mt.Sorell exploration license involving geological mapping, soil sampling, geophysical surveys to define potential drilling targets.

RESULT OF OPERATIONS

The net loss after income tax for the period was $844,909 (2012: $332,490).

FINANCIAL POSITION

The net assets of the Company are $9,359,740 as at 31 December 2013 (at 30 June 2013: $8,183,104).

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2013.

Sanjay Loyalka
Chairman

11th March 2014.

GrantThornton

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Auditor's Independence Declaration
To The Directors of Shree Minerals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Shree Minerals Limited for the half-year ended 31 December 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 review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner - Audit & Assurance

Perth, 11 March 2014

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31-Dec-13	31-Dec-12
	$	**$**
Revenue from continuing operations		
Interest	32,384	64,698
Expenses from continuing operations		
Finance charges	-24,893	-24,075
Employee and consulting fees	-157,883	-256,929
Regulatory costs	-24,708	-23,158
Occupancy and communication	-33,080	-12,044
Foreign exchange loss	-64,727	0
Travel and accommodation	0	-6,206
Accounting and legal Fees	-72,000	-27,797
Impairment of exploration tenements	-877,500	0
Other expenses	-57,774	-46,978
Loss before income tax	-1,280,181	-332,490
Income tax expense (Note 6)	435,272	0
Loss for the period	-844,909	-332,490
Other comprehensive income	0	0
Comprehensive loss for the year	-844,909	-332,490
Earnings per share for (loss) attributable to ordinary equity holders of the company:		
Basic & diluted (loss) cents per share	-0.77	-0.35

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	31-Dec-13	30-Jun-13
	$	$
Assets		
Current Assets		
Cash and cash equivalents	3,914,528	1,233,606
Receivables	558,077	122,122
Inventory	2,842,646	0
Total Current Assets	7,315,251	1,355,728
Non-Current Assets		
Exploration and evaluation	157,248	1,031,779
Mine Development	8,568,730	6,172,939
Other Assets	901,893	801,852
Plant and equipment	293,484	151,469
Total Non-Current Assets	9,921,355	8,158,039
Total Assets	17,236,606	9,513,767
Liabilities		
Current Liabilities		
Trade and other payables	-6,331,787	-1,279,425
Loans	-20,480	-11,214
Provisions	-35,250	-18,694
Total Current Liabilities	-6,387,517	-1,309,333
Non-Current Liabilities		
Rehabilitation Provision	-1,455,534	0
Loans	-33,815	-21,330
Total Non-Current Liabilities	-1,489,349	-21,330
Total Liabilities	-7,876,866	-1,330,663
Net Assets	9,359,740	8,183,104
Equity		
Contributed equity	11,699,978	9,678,432
Reserves	284,587	284,587
Accumulated losses	-2,624,825	-1,779,916
Total Equity	9,359,740	8,183,104

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

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued Capital $	Accumulated Losses $	Option reserve $	Total $
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
SUB-TOTAL	9,678,432	-1,779,916	284,587	8,183,104
Dividends paid or provided for	0	0	0	0
BALANCE AT 30 JUNE 2013	9,678,432	-1,779,916	284,587	8,183,104
BALANCE AT 1 JULY 2013	9,678,432	-1,779,916	284,587	8,183,104
Total comprehensive income for the period	0	-844,909	0	-844,909
Shares issued during the year	2,136,000	0	0	2,136,000
Capital raising costs	-114,455	0	0	-114,455
BALANCE AT 31 DECEMBER 2013	11,699,978	-2,624,825	284,587	9,359,740

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

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31-Dec-13	31-Dec-12
	$	$
Cash flows from operating activities (including exploration)		
Payments to suppliers and employees (inclusive of GST)	-347,105	-680,725
Interest received	25,144	80,716
Research and Development tax concession	435,272	266,702
Other Income	0	0
Net cash provided by operating activities (including exploration)	113,311	-333,307
Cash flows from investing activities		
Payment for plant and equipment	-154,993	-9,791
Payment for mineral exploration	-26,763	0
Payment for security deposits for mining bond	-100,041	-153,350
Payment for production activities	-873,057	0
Payment for mine development	-1,257,308	0
Net cash used in investing activities	-2,412,162	-163,141
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	2,136,000	0
Payments for share issue costs	-114,454	0
Borrowings	2,958,227	0
Net cash provided by financing activities	4,979,773	0
Net (decrease) / increase in cash and cash equivalents	2,680,922	-496,448
Cash and cash equivalents at the beginning of the financial period	1,233,606	2,595,756
Cash and cash equivalents at the end of the financial period	3,914,528	2,099,308

The above cash flow statement should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the financial period.

(A) BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensue that the financial statements and notes comply with International Financial Reporting Standards.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Shree Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those in the annual financial report for the year ended 30 June 2013.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. Due to change in nature of Operations being commencement of mining at Nelson Bay River project, there are certain accounting policies which have been disclosed here over & above those made in the annual financial report for the year ended 30 June 2013. These are the following:

a) Mineral exploration, evaluation and development expenditure

Exploration and evaluation costs

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

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

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

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

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

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

Mine properties

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

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

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

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

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

b) Inventories

Crushed Ore at site & port and run of mine ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price (in the ordinary course of business), less estimated costs of completion and costs of selling final product. Cost is determined using the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods.

c) Revenue recognition

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

Iron Ore sales

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

The terms of Iron Ore sales contracts contain provisional pricing arrangements whereby the selling price for Iron Ore is based on prevailing spot prices on a specified period around the date of shipment to the customer (the "quotation period"). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement can be between two and four weeks. The provisionally priced sales of iron ore contain an embedded derivative, which is required to be separated from the host contract for accounting purposes. The host contract is the sale iron ore and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. Accordingly the embedded derivative, which does not qualify for hedge accounting, is recognised at fair value, with subsequent changes in the fair value recognised in profit or loss each period until final settlement, and presented as "Other Income". Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for iron ore.

d) Significant Management Judgements in Applying Accounting Policies Estimation Uncertainty

Mine rehabilitation provision

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Ore reserve and resource estimates

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC Code). These are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure. In estimating the remaining life of the mine for the purposes of amortisation and depreciation calculations, due regard is given, not only to remaining recoverable ore contained in reserves and resources , but also to limitations which could arise from the potential for changes in technology, demand, and other issues which are inherently difficult to estimate over a lengthy time frame. Where a change in estimated recoverable ore over the remaining life of the mine is made, depreciation and amortisation is accounted for prospectively. The determination of ore reserves and remaining mine life affects the carrying value of a number of the Group's assets and liabilities including deferred mining costs and the provision for rehabilitation.

Units-of-production depreciation

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

Exploration and evaluation expenditure

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

Inventories

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

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

2. OPERATING SEGMENTS

The Company operates predominately in one segment involved in mineral exploration and development industry. 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 3: CONTRIBUTED EQUITY

On 31st December 2013, there were 109,297,500 ordinary shares issued. During the half year ended 31st December 2013 the numbers of shares placed were 13,350,000 and a further 12,462,500 were placed on a conditional basis subject to Shareholders' approval which was granted in the general meeting held on 4th February, 2014.

An amount of $ 734,000 was received during the period ended 31st December 2013 in part towards conditional placement subject to Shareholders' approval. A further $1,260,000 was received in 2014 towards conditional placement subject to Shareholders' approval for a total of $1,994,000 towards 12,462,500 shares placed in February 2014.

NOTE 4: EXPLORATION EXPENDITURE

Opening balance at 1 July 2013	$1,031,779
Exploration capitalised	$2,969
Relinquished	-$877, 500
Balance at 30 June 2013	$157,248

After the reporting period, the Mt.Bertha & Sulphide Creek Exploration Licences were relinquished. Accordingly, the asset values were written off in the financials for the period ending 31st December, 2013 with an impairment charge of $877,500.

NOTE 5: MINE DEVELOPMENT

Balance at 30/06/13	$6,172,939
Additions during period	$1,245,786
Rehabilitation Provision	$1,438,833
Amortisation	-$288,828
Balance at 31/12/13	$8,568,730

Rehabilitation liability was recognised at $1,438,833 being the discounted value of the estimated costs by debiting Mine development which is amortised.

NOTE 6: INCOME TAX

During the period Research & Development credit was received for $435,272 towards R&D activities carried out in FY13.

NOTE 7: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2013.

NOTE 8: CONTINGENT LIABILITIES

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

NOTE 9: EVENTS SUBSEQUENT TO BALANCE DATE

Since balance date there are no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Company in future financial years other than the following:

a) Sales commenced for NBR project's product in Jan 2014 with the first ship M/V "LIVANITA" for 42,083 tonnes from Burnie Port, departed 28th January 2014
b) Shareholders' approval of 12,462,500 shares placed on a conditional basis for $1.994 million
c) Director's decision to relinquish Sulphide Creek & Mt.Bertha Exploration Licences.

NOTE 10: NEW AND REVISED ACCOUNTING STANDARDS

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The Company has not elected to early adopt any other Standards or amendments that are issued but not yet effective. The adoption of all new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Company include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13';
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011);
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities';
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle', and
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments';

DIRECTORS' DECLARATION

In the directors' opinion:

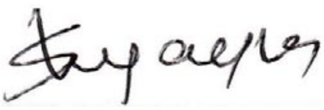
(a) the financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001, including:

(i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's financial position as at 31^{st} December 2013 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial period ended on that date; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Sanjay Loyalka
Chairman

Signed at Perth the 11^{th} day of March 2014.

Grant Thornton

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

We have reviewed the accompanying half-year financial report of Shree Minerals Limited ("Company"), which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Shree Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Shree Minerals Limited financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Shree Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Shree Minerals Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner - Audit & Assurance

Perth, 11 March 2014