SHREE MINERALS LIMITED

ACN 130 618 683

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

THIS HALF-YEAR FINANCIAL REPORT IS TO BE READ IN CONJUNCTION WITH THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

CORPORATE DIRECTORY

DIRECTORS
Sanjay Loyalka
Amu Shah
Rajesh Bothra
Andy Lau

COMPANY SECRETARY
Sanjay Loyalka

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AUDITORS
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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 2014.

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:
Sanjay Loyalka
Amu Shah
Rajesh Bothra
Andy Lau

REVIEW OF OPERATIONS AND ACTIVITIES

Highlights

- NBR operations under care & maintenance - steps taken to conserve resources
- Rights issue completed for AUD $ 1.6 mn
- Focus on Business Development activities

Nelson Bay River Iron Ore Project

The Iron Ore market has been facing very difficult trading conditions & the prices have continued to decline during the period.

As iron ore prices drifted further lower during the period, the suspension of operations & care & maintenance activities continued with process implemented to follow the detailed care & maintenance plan including ongoing environmental monitoring etc.

The company has taken various steps to conserve cash resources & optimise costs.

While Iron ore prices continued to drift lower during the quarter, there have been some favourable macro price movements in recent times:

- The price differential of 62% Fe & 58% Fe product has narrowed
- The Lump premium has strengthened
- The ocean freight has come down consequent to Oil prices movement
- US dollar has strengthened versus the Australian dollar effectively increasing our realised prices in AUD terms

Development & Production

During the reporting period, the mining & production figures are as per Table 1.

Table 1

		Year to date period ending 31/12/2014	Year to date period ending 31/12/2013
Waste Stripping	BCM	0	127,752
Ore Mining	Tonnes	0	52,173
Ore Crushing & screening	Tonnes	0	45,313
Sales	Tonnes	0	0

Approvals

We understand that, EPA Tasmania's variation of the Environment permit in Nov'2013 to allow a temporary PAF rock permit for DSO south pit has been found invalid in a judicial review by Court in Dec'2014. The company hopes this to be resolved through due administrative process. All government approvals (other than variation pertaining to temporary PAF rock permit for DSO south pit) for the project (such as Mining Lease , Federal Government Environmental Approval, Tasmanian Government 's Environment & Development permits etc) remain valid .

Exploration

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

Rights Issue

During the period, Rights issue was completed to raise $1.6 mn.

Tenements

The mining tenements held at the end of the reporting period and their locations are as per Table 2.

Table 2

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

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

  NIL

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

  NIL

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

  NIL

Outlook

The company continues to monitor the situation closely with a view to recommence shipments at an appropriate opportunity from the iron ore inventory in hand initially. Necessary steps are taken to keep operations well positioned should future iron ore prices support a production recommencement decision.

The NBR project is being developed in a phased philosophy with the initial plan to mine the goethitic-hematite resource to export iron ore over the first couple of years at low capital expenditure to be followed by the magnetite resource to produce dense media magnetite (DMM) used for the coal washery industry.

Studies to-date have reflected a stable market and pricing for DMM as an industrial mineral in Eastern Seaboard of Australia with domestic production not being adequate to meet demand resorting to imports, thereby confirming the long-term value potential of the NBR project.

Exploration activities are also planned at Mt. Sorell 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 $688,838 (2013: $844,909). The results were impacted by :

- inventory valuation impairment of $ 749,316 due to decline in Iron ore prices &
- unrealised foreign exchange loss $238,587 mainly due to valuation of USD liabilities as a consequence of depreciation of AUD against USD

FINANCIAL POSITION

The net assets of the Company are $ 11,514,109 as at 31 December 2014 (at 30 June 2014: $ 10,705,422).

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2014.

Sanjay Loyalka
Chairman

11th March 2015.

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Shree Minerals Limited for the half-year ended 31 December 2014, 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 2015

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	31-Dec-14 $	31-Dec-13 $
Revenue from continuing operations			
Interest		21,766	32,384
Other Income		673	0
Expenses from continuing operations			
Cost of sales (incl care & maintenance)		-420,942	0
Write down of inventory (impairment)	4	-749,316	0
Finance charges		-9,881	-24,893
Employee and consulting fees		-108,053	-157,883
Regulatory costs		-27,105	-24,708
Occupancy and communication		-18,534	-33,080
Foreign exchange loss		-238,587	-64,727
Accounting and legal Fees		-173,498	-72,000
Impairment of exploration tenements		0	-877,500
Other expenses		-43,957	-57,774
Loss before income tax		-1,767,434	-1,280,181
Income tax benefit	7	1,078,596	435,272
Loss for the period		-688,838	-844,909
Other comprehensive income		0	0
Comprehensive loss for the year		-688,838	-844,909
Earnings per share for (loss) attributable to ordinary equity holders of the company:			
Basic & diluted (loss) cents per share		-0.51	-0.77

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 2014

	Note	31-Dec-14	30-Jun-14
		$	$
Assets			
Current Assets			
Cash and cash equivalents		2,728,604	2,183,998
Receivables		236,357	560,270
Inventory	4	1,319,506	2,068,822
Total Current Assets		4,284,467	4,813,090
Non-Current Assets			
Exploration and evaluation	5	276,128	263,640
Mine Development	6	10,036,165	10,036,165
Other Assets		960,031	943,387
Plant and equipment		291,010	354,880
Total Non-Current Assets		11,563,334	11,598,072
Total Assets		15,847,801	16,411,162
Liabilities			
Current Liabilities			
Trade and other payables		-2,730,774	-4,136,102
Loans		-12,876	-20,480
Provisions		-94,940	-26,107
Total Current Liabilities		-2,838,590	-4,182,689
Non-Current Liabilities			
Rehabilitation Provision		-1,499,300	-1,499,300
Loans		4,197	-23,752
Total Non-Current Liabilities		-1,495,103	-1,523,052
Total Liabilities		-4,333,693	-5,705,741
Net Assets		11,514,108	10,705,421
Equity			
Contributed equity		15,089,417	13,591,891
Reserves		284,587	284,588
Accumulated losses		-3,859,896	-3,171,057
Total Equity		11,514,108	10,705,421

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 2014

	Issued Capital $	Accumulated Losses $	Share based option reserve $	Total $
BALANCE AT 1 JULY 2013	9,678,432	-1,779,916	284,587	8,183,103
Total comprehensive income for the period	0	-1,391,141	0	-1,391,141
Shares issued during the year	4,130,000	0	0	4,130,000
Capital raising costs	-216,541	0	0	-216,541
BALANCE AT 30 JUNE 2014	13,591,891	-3,171,057	284,587	10,705,421
BALANCE AT 1 JULY 2014	13,591,891	-3,171,057	284,587	10,705,421
Total comprehensive income for the period	0	-688,839	0	-688,839
Shares issued during the year	1,623,467	0	0	1,623,467
Capital raising costs	-125,941	0	0	-125,941
BALANCE AT 31 DECEMBER 2014	15,089,417	-3,859,896	284,587	11,514,108

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 2014

	31-Dec-14	31-Dec-13
	$	**$**
Cash flows from operating activities (including exploration)		
Payments to suppliers and employees	-1,899,816	-1,220,162
Interest received	22,876	25,144
Research and Development tax concession	1,078,596	435,272
Other Income	673	0
Net cash inflow from operating activities (including exploration)	-797,671	-759,746
Cash flows from investing activities		
Payment for plant and equipment	0	-154,993
Proceeds from sale of plant and equipment	16,818	0
Payment for mineral exploration	-12,488	-26,763
Payment for security deposits	-16,643	-100,041
Payment for mine development	0	-1,257,308
Net cash outflow from investing activities	-12,313	-1,539,105
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	1,623,467	2,136,000
Payments for share issue costs	-125,941	-114,455
Borrowings	-142,936	2,958,227
Net cash inflow from financing activities	1,354,590	4,979,772
Net (decrease) increase in cash and cash equivalents	544,606	2,680,922
Cash and cash equivalents at the beginning of the financial period	2,183,998	1,233,606
Cash and cash equivalents at the end of the financial period	2,728,604	3,914,528

Note: Last Year's figures regrouped as applicable.

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 2014 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 2014.

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.

(B) 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:

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 9 Financial Instruments (December 2014) [Also refer to AASB 2013-9 and AASB 2014-1 below]	AASB 139 Financial Instruments: Recognition and Measurement	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB	1 January 2018	The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
		139. The main changes are: a financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows b allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument c introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments d financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases e where the fair value option is used for financial liabilities the change in fair value is to		

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
		be accounted for as follows: • the change attributable to changes in credit risk are presented in other comprehensive income (OCI) • the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • classification and measurement of financial liabilities; and • derecognition requirements for financial assets and liabilities.		
AASB 9 Financial Instruments (December 2014) continued	(As above)	AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.		

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 15 Revenue from Contracts with Customers	AASB 118 Revenue AASB 111 Construction Contracts Int. 113 Customer Loyalty Programmes Int. 115 Agreements for the Construction of Real Estate Int. 118 Transfer of Assets from Customers	AASB 15: replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: • establishes a new revenue recognition model • changes the basis for deciding whether revenue is to be recognised over time or at a point in time • provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing) • expands and improves disclosures about revenue In the Australian context, AASB 15 will apply to contracts of not-for-profit (NFP) entities that are exchange transactions. AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income from Transactions of NFP Entities Project is completed (with an Exposure Draft inviting public comment on those proposals targeted for issue in Q1 2015).	1 January 2017	The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2017.
AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	None	Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.	1 July 2014	When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
		Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle: a clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and b amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria. Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.		

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2014-1 Amendments to Australian Accounting Standards (Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119))	None	Part B of AASB 2014-1 makes amendments to AASB 119 Employee Benefits to incorporate the IASB's practical expedient amendments finalised in International Financial Reporting Standard Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) in relation to the requirements for contributions from employees or third parties that are linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.	1 July 2014	When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.
AASB 2014-1 Amendments to Australian Accounting Standards (Part C: Materiality)	None	Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality, which historically has been referenced in each Australian Accounting Standard.	1 July 2014	When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.
AASB 2014-1 Amendments to Australian	None	Part D of AASB 2014-1 makes consequential amendments arising from the issuance of	1 January 2016	When these amendments become effective for the first time for the year ending 30

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
Accounting Standards (Part D: Consequential Amendments arising from AASB 14)		AASB 14.		June 2016, they will not have any impact on the entity.
AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)	None	Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.	1 January 2015	The entity has not yet assessed the full impact of these amendments.
AASB 2014-2 Amendments to AASB 1053 - Transition to and between Tiers, and related Tier 2 Disclosure Requirements	None	AASB 2014-2 makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: • clarify that AASB 1053 relates only to general purpose financial statements • make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors option in AASB 1 First-time Adoption of Australian Accounting Standards • clarify certain circumstances in which an entity applying	1 July 2014	When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the entity.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
		Tier 2 reporting requirements can apply the AASB 108 option in AASB 1 • permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and • specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.		

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	None	The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should: • apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and • provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the transactions and balances recognised in the financial statements.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after…)	Likely impact on initial application
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	None	The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment. The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances: i the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or ii when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the transactions and balances recognised in the financial statements.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	None	AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15.	1 January 2017	Refer to the section on AASB 15 above.
AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants	None	AASB 2014-6 defines bearer plants and requires bearer plants to be accounted for as property, plant and equipment within the scope of AASB 116 Property, Plant and Equipment instead of AASB 141 Agriculture.	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	None	AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9.	1 January 2018	Refer to the section on AASB 9 above.
AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)	None	AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 [December 2009] and AASB 9 [December 2010]) from 1 February 2015.	1 January 2015	Refer to the section on AASB 9 above.
AASB 2014-9 Amendments to Australian Accounting Standards –	None	The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
Equity Method in Separate Financial Statements		associates in the entity's separate financial statements.		
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	None	The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business. This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
		made to AASB 128 (2011).		
STANDARDS ISSUED BY THE IASB, BUT NOT YET BY THE AASB				
Annual Improvements to IFRSs 2012-2014 Cycle	None	Annual Improvements to IFRSs 2012-2014 Cycle is a series of amendments to IFRSs in response to issues raised during the 2012-2014 cycle for annual improvements. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of IFRS 5. The AASB is expected to publish the equivalent Australian amendments in quarter 1 of 2015.	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	None	The narrow-scope amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities. The	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
		amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.		
Disclosure Initiative – Amendments to IAS 1 Presentation of Financial Statements	None	The amendments: • clarify the materiality requirements in IAS 1, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • clarify that IAS 1's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position • clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order • remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.	1 January 2016	When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.

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: ISSUED CAPITAL

On 31st December 2014, there were 142,184,223 ordinary shares issued. During the half year ended 31st December 2014 the numbers of shares issued were 20,293,334 as part of Rights issue and a further 130,889 were issued on vesting of Share Performance rights.

NOTE 4: INVENTORY

Opening balance at 1 July 2014	$2,068,822
movements	$0
Impairment	-$749,316
Balance at 31 December 2014	$1,319,506

NOTE 5: EXPLORATION EXPENDITURE

Opening balance at 1 July 2014	$263,640
Exploration capitalised	$12,488
Relinquished	-$0
Balance at 31 December 2014	$276,128

NOTE 6: MINE DEVELOPMENT

Balance at 1 July 2014	$10,036,165
Additions during period	$0
Rehabilitation Provision	$0
Amortisation	$0
Balance at 31 December 2014	$10,036,165

NOTE 7: INCOME TAX

During the period Research & Development credit was received for $1,078,596 towards R&D activities carried out in FY14.

NOTE 8: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2014.

NOTE 9: CONTINGENT LIABILITIES

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. 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 contract also allows for price adjustment to arrive at FOB price based on actual ocean freight incurred while the provisional price is based on estimated freight.

With respect to the last shipment which was done in June 2014, we have received a claim for USD 552,939.06 towards final settlement. However, there are certain aspects of the computation which are disputed & the matter is under arbitration & the final outcome may affect the amounts currently recognised in the accounts which are based on the most recently determined estimate of various Fe content & other trace elements, freight rates and the Iron Ore price as per Company's computations.

NOTE 10: 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.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 6 to 25 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 31st December 2014 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 11th day of March 2015.

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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 consolidated financial statements being the statement of financial position as at 31 December 2014, 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 significant accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 consolidated 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 consolidated entity's financial position as at 31 December 2014 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 consolidated entity's financial position as at 31 December 2014 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 2015