

SHREE MINERALS LIMITED
ACN 130 618 683

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 Share for every 6 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.08 per Share to raise up to \$1,623,467 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten by China Alliance International Holdings Group Limited, RB Investments Pte Ltd, Megawild Enterprises Pty Ltd and IACG Pty Ltd (**Underwriters**). Refer to Section 8.4 for details regarding the terms of the Underwriting Agreements.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Sanjay Loyalka (Executive Chair)
Rajesh Bothra (Non-Executive Director)
Andy Lau (Non-Executive Director)
Amrital Shah (Non-Executive Director)

Registered Office

'The Pines Business Centre'
Unit 2
88 Forrest Street
COTTESLOE WA 6011

Company Secretary

Sanjay Loyalka

Telephone: + 61 8 9286 1509
Facsimile: +61 8 9385 5194

Email: info@shreeminerals.com
Website: www.shreeminerals.com

Share Registry*

Boardroom Pty Ltd
Level 7
207 Kent Street
SYDNEY NSW 2000

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

TELEPHONE: +61 2 9290 9600

Auditor*

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

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	8 August 2014
Lodgement of Prospectus & Appendix 3B with ASX	8 August 2014
Notice sent to Shareholders	12 August 2014
Ex date	13 August 2014
Record Date for determining Entitlements	15 August 2014
Prospectus sent out to Shareholders & Company announces this has been completed	20 August 2014
Last day for Company to extend Closing Date	26 August 2014
Closing Date*	29 August 2014
Shares quoted on a deferred settlement basis	1 September 2014
ASX notified of under subscriptions	3 September 2014
Issue date/Shares entered into Shareholders' security holdings	5 September 2014
Quotation of Shares issued under the Offer*	8 September 2014

*The Directors may extend the Closing Date prior to the last day to extend the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 8 August 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements

contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of 1 Share for every 6 Shares held by Shareholders registered at the Record Date at an issue price of \$0.08 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 20,293,334 Shares will be issued pursuant to this Offer to raise up to \$1,623,467.

As at the date of this Prospectus the Company:

- (a) has 1,000,000 Performance Rights on issue (further information on the vesting conditions in respect of these Performance Rights is set out in Section 5.4 of this Prospectus); and
- (b) does not have any Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.08 per Share); or

- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

If you wish to apply for Shortfall Shares in addition to your Entitlement, please refer to Section 4.6 below.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to Shree Minerals Limited – Entitlement Issue Account” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.08 being the price at which Shares have been offered under the Offer.

Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form.

The Shortfall shall be issued on the basis of applications received from other Eligible Shareholders before the issue of any Shortfall to the Underwriters.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion.

4.7 Underwriting

The Offer is fully underwritten by the Underwriters. Refer to Section 8.4 of this Prospectus for details of the terms of the underwriting.

4.8 Effect of underwriting on control of the Company

The Underwriters are presently Shareholders of the Company and the extent to which Shares are issued pursuant to the underwriting (above their respective Entitlements under the Offer) will increase the Underwriters' voting power in the Company. The table below sets out the total number of Shares each Underwriter has agreed to underwrite pursuant to their respective Underwriting Agreements. In some instances, the underwriting commitment of an individual Underwriter is less than their Entitlement and all of the Underwriters have indicated that it is not their intention to take up their respective Entitlements under the Offer, meaning that in some instances, the relevant interest of that Underwriter in the Company will decrease.

Underwriter	Total number of Shares to be underwritten	Value of Shares to be underwritten
China Alliance ¹	5,400,000 Shares	\$432,000
RB Investments ²	12,500,000 Shares	\$1,000,000
Megawild ³	1,393,333 Shares	\$111,467
IACG ⁴	1,000,000 Shares (5%)	\$80,000

Notes:

1. Being a company of which Mr Lau is Vice President. Mr Lau is also the nominee of China Alliance on the Board, however China Alliance is not considered to be a related party of the Company.
2. Being a company of which Mr Bothra (a Director) is a director.
3. Being a company in which Mr Shah (a Director) has a substantial shareholding.
4. Being a company in which Mr Loyalka's (a Director) wife has an interest.

Other than China Alliance, each of the remaining Underwriters are considered to be related parties of the Company for the purpose of the Corporations Act by virtue of being companies controlled by or associated with a Director of the Company.

The Board have considered the terms of each of the Underwriting Agreements and commitments individually and have formed a view that each of the Underwriting Agreements are on arm's length terms given the lack of any formal offers from any professional underwriters to underwrite the Offer and the current prevailing fees charged by such professional underwriters. As such, the Directors consider that no Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act. No Director with an interest in the consideration of any resolution relating to each of the Underwriting Agreements was present during the discussion of that matter.

The Underwriters' present relevant interests and changes to such interests under several scenarios are set out in the table below assuming none of the Underwriters takes up their Entitlement.

Event	Shares and relevant interests held by Underwriters			
	China Alliance	RB Investments	Megawild	IACG
Date of Prospectus	18,000,000 (14.78%)	17,937,500 (14.73%)	4,525,000 (3.72%)	25,915,000 (21.2%)
45% subscribed	20,970,000 (14.8%)	24,812,500 (17.5%)	5,291,333 (3.7%)	26,465,000 (18.6%)
35% subscribed	21,510,000 (15.1%)	26,062,500 (18.3%)	5,430,666 (3.8%)	26,565,000 (18.7%)
25% subscribed	22,050,000 (15.5%)	27,312,500 (19.2%)	5,570,000 (3.9%)	26,665,000 (18.8%)
0% subscribed	23,400,000 (16.5%)	30,437,500 (21.4%)	5,918,333 (4.2%)	26,915,000 (18.9%)

The number of Shares held by the Underwriters and their relevant interest in the table above show the potential effect of the underwriting of the Offer. However the Company notes that it is unlikely that no Shareholders will take up their Entitlement and that Shareholders are invited to participate in the Shortfall Offer as set out in Section 4.6.

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 14.28% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	8.2%	1,666,666	10,000,000	7.03%
Shareholder 2	5,000,000	4.1%	833,333	5,000,000	3.51%
Shareholder 3	1,500,000	1.23%	250,000	1,500,000	1.05%
Shareholder 4	400,000	0.32%	66,666	400,000	0.28%
Shareholder 5	50,000	0.04%	8,333	50,000	0.035%

Notes:

- The dilutionary effect shown in the above table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

Shareholders that take up their Entitlement will not have their interest in the Company diluted. In addition, Shareholders are invited to subscribe for Shares above their Entitlement under the Shortfall Offer, as set out in Section 4.6 above.

4.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of

the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.10 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, on +61 8 9286 1509.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,623,467.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenses of the Offer ¹	111,930	6.89
2.	General working capital ²	1,511,537	93.11
	Total	1,623,467	100

Notes:

1. Including \$81,173 payable to the Underwriters in underwriting fees. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Funds allocated to general working capital are intended to be used by the Company for the purpose of meeting ongoing trade creditors including production costs, payments of trade & other payables, corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs while the Company is not receiving any income from the sale of its iron ore inventory currently held.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, will be to:

- (a) increase the cash reserves by \$1,511,537 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 121,760,000 as at the date of this Prospectus to 142,053,334 Shares.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2014 and the unaudited pro-forma balance sheet as at 31 March 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED	PROFORMA ADJUSTMENTS	PROFORMA
	31 March 2014	31 March 2014	31 March 2014
Assets			
Current Assets			
Cash and cash equivalents	2,211,197	1,513,827	3,725,024
Receivables	3,513,259		3,513,259
Inventory	1,808,835		1,808,835
Total Current Assets	7,533,291	1,513,827	9,047,118
Non-Current Assets			
Exploration and evaluation	161,932		161,932
Mine Development	9,112,026		9,112,026
Other Assets	919,093		919,093
Plant and equipment	317,739		317,739
Total Non-Current Assets	10,510,789	0	10,510,789
Total Assets	18,044,080	1,513,827	19,557,907
Liabilities			
Current Liabilities			
Trade and other payables	-5,687,711		-5,687,711
Loans	-12,876		-12,876
Provisions	-68,259		-68,259
Total Current Liabilities	-5,768,846	0	-5,768,846
Non-Current Liabilities			
Rehabilitation Provision	-1,455,534		-1,455,534
Loans	-15,951		-15,951
Total Non-Current Liabilities	-1,471,485	0	-1,471,485
Total Liabilities	-7,240,331	0	-7,240,331
Net Assets	10,803,750	1,513,827	12,317,577
Equity			
Contributed equity	13,607,266	1,513,827	15,121,093
Reserves	284,587		284,587
Retained profits (losses)	-3,088,104		-3,088,104
Total Equity	10,803,750	1,513,827	12,317,577

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	121,760,000
Shares offered pursuant to the Offer	20,293,334
Total Shares on issue after completion of the Offer¹	142,053,334
Performance Rights	Number
Performance Rights currently on issue ²	1,000,000
Total Performance Rights on issue after completion of the Offer	1,000,000

Notes:

1. Assuming the Offer is fully subscribed.
2. Unquoted Performance Rights, vesting by 31 October 2015. The Performance Rights will be vested in three tranches to Mr Mahendra Pal on 31 October 2013, 31 October 2014 and 31 October 2015 respectively. The number of Performance Rights to be vested on each of those dates will be one (1) Performance Right for every one (1) tonne of DSO Iron Ore sold over the three years ending on 30 June 2013, 30 June 2014 and 30 June 2015 respectively, subject to issue of maximum of 1,000,000 Performance Rights in aggregate. For the year ending 30 June 2013 there was nil tonnes of DSO Iron Ore sold. For the year ending 30 June 2014 there was 130,889 tonne of DSO Iron Ore sold. Consequently, 130,889 Performance Rights will vest on 31 October 2014.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 122,760,000 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be 143,053,334 Shares.

No Shares on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
RB Investments ¹	17,937,500	14.73
Sanjay Kumar Loyalka (as trustee for the Loyalka Family Trust) ²	25,915,000	21.2
China Alliance ³	18,000,000	14.78
Gujarat NRE Resources NL	15,000,000	12.32

Notes:

1. A company of which Mr Bothra (a Director) is a director.
2. This amount comprises 24,500,000 Shares held by Mr Loyalka as trustee for the Loyalka Family Trust (a trust in which My Loyalka has an interest), 750,000 Shares held by IACG Pty Ltd (a company in which Mr Loyalka has an interest by virtue of his wife having a controlling holding), 565,000 Shares held by Mr Loyalka personally and 100,000 Shares held by Mr Loyalka's wife.
3. A company of which Mr Lau (a Director) is Vice President. Mr Lau is also the nominee of China Alliance on the Board.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have such number of votes being equivalent to the proportion the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, to be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, the number of Shares in the Company will increase from 121,760,000 currently on issue to 142,053,334. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.088 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment.

The Company may be unable to obtain and renew the approvals and licenses necessary for its operations, which would reduce its production, cash flow and profitability.

Mining companies must obtain and renew (among other things) numerous approvals licenses, operating permits and management plans that impose strict regulations on various environmental and safety matters in connection with ore mining. These include approvals and licenses issued by various agencies and regulatory bodies. The Company has experienced production delays, in the past, as a result of delays in obtaining operating permits. The approving rules are complex and may change over time, making its ability to comply with the applicable requirements more difficult or even impossible, thereby precluding continuing or future mining operations. Private individuals and the public have certain rights to comment upon, submit objections

to, and otherwise engage in the approval process, including through court intervention. Accordingly, the approvals and licenses the Company need may not be issued, maintained or renewed, or may not be issued or renewed in a timely fashion, or may involve requirements that restrict its ability to conduct its mining operations. Additionally, these approvals, licenses and operating permits may be amended, or additional approvals, licenses and operating permits may be required imposing costly compliance conditions. An inability to conduct its mining operations pursuant to applicable approvals would reduce its production, cash flow, and profitability.

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

In this regard, the regulatory bodies from time to time review the environmental bonds that are placed on tenements. The Directors are not in a position to state whether the outcome of such periodic reviews would be detrimental to the funding needs of the Company.

(c) **Iron Ore Production**

The Company's Iron Ore mining production and delivery is subject to conditions and events beyond its control, which could result in higher operating expenses and/or decreased production and sales.

The level of its production at these mines is subject to operating conditions and events beyond its control that could disrupt operations, affect production and the cost of mining and have a significant impact on the Company's operating results. Adverse operating conditions which could curtail or adversely impact its operations include:

- (i) delays and difficulties in acquiring, maintaining or renewing operating permits, licenses or mining rights;
- (ii) changes or variations in geologic conditions, such as the presence of faults, intrusions, changes in the thickness of the ore deposits and their quality, along with changes in the waste rock surrounding the ore body including changes in quantum of potentially acid forming (PAF) rock and changes in geotechnical conditions;
- (iii) mining and processing equipment failures and unexpected maintenance problems;
- (iv) limited availability of mining and processing equipment and parts from suppliers;
- (v) interruptions due to transportation delays or disruptions in the transport chain, whether road, rail, port, infrastructure or ocean freight;
- (vi) adverse weather and natural disasters, such as strong winds, heavy rains and flooding;

- (vii) the unavailability of qualified labour;
- (viii) shortages or delays in the availability of mining equipment;
- (ix) strikes and other labour-related interruptions; and
- (x) unexpected mine safety accidents.

(d) **Inaccurate Iron Ore Reserve Estimates**

Inaccuracies in the Company's estimates of its ore reserves could result in decreased profitability from lower than expected revenues or higher than expected costs.

The Company's future performance depends on, among other things, the accuracy of its estimates of its proven and probable ore reserves. The Company bases its estimates of reserves on engineering, economic and geological data assembled, analysed and reviewed by internal and third-party engineers and consultants in accordance with applicable listing standards. The Company updates its estimates of quantity and quality of proven and probable ore reserves to reflect the production of ore from reserves, updated geological models and mining recovery data, the tonnage contained in new lease areas acquired and estimated costs of production and sales prices. There are numerous factors and assumptions inherent in estimating the quantities and qualities of, and costs to mine, ore reserves, including many factors beyond the company's control, including the following:

- (i) quality of the ore;
- (ii) geological and mining conditions, which may not be fully identified by available exploration data and/or may differ from our experiences in areas where the company currently mines;
- (iii) the percentage of ore ultimately recoverable;
- (iv) the assumed effects of regulation, including the issuance of required permits, licenses, taxes, including severance and excise taxes and royalties, and other payments to governmental agencies;
- (v) assumptions concerning the timing for the development of the reserves; and
- (vi) assumptions concerning equipment and productivity, future coal prices, operating costs, including for critical supplies such as fuel, tires and explosives, capital expenditures and development and reclamation costs.

As a result, estimates of the quantities and qualities of economically recoverable ore, classifications of reserves based on risk of recovery, estimated cost of production, and estimates of future net cash flows expected from these properties as prepared by different engineers, or by the same engineers at different times, may vary materially due to changes in the above factors and assumptions. Actual production recovered from identified reserve areas and properties, and revenues and expenditures associated with our mining operations, may vary materially from estimates. Any inaccuracy in the Company's estimates

related to its reserves could result in decreased profitability from lower than expected revenues and/or higher than expected costs and effect profitability.

7.3 Mining Industry specific

(a) Commodity Price Volatility and Exchange Rate Risks

The revenue the Company will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for various commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Currently, the operations at the Company's Nelson Bay River Project are suspended and on care & maintenance as a consequence of Iron Ore Price movements in the recent months. If the current Iron Ore prices continue and do not improve, this will have an adverse impact on the Company's ability to recommence operations. There is a risk that the Iron Ore prices may not improve and may further deteriorate.

(b) Tenement applications and license renewal

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained.

(c) Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical

difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; continued availability of port storage and ship loading facilities which may be impacted due to capacity constraints; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(e) **Ocean Freight Volatility**

The Company's net revenues are exposed to the prevailing Ocean Freight rates. Ocean freight rates fluctuate and are affected by many factors beyond the control of the Company.

(f) **Exploration, development, mining and processing risks**

The tenements of the Company are at various stages of exploration, and potential investors should understand that exploration and developments are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

7.4 General risks

(a) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and

operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(b) **Rising energy and commodity costs**

The Company has significant commodity (diesel) and energy (gas and electricity) requirements and it relies on being able to fulfil those requirements at a cost which does not negatively impact on its cash flows. A number of factors (particularly the strength of the US dollar) may lead to an increase in commodity and energy costs, which may materially adversely affect the earnings of the Company.

(c) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(h) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
31/07/2014	Quarterly Cashflow Report
31/07/2014	Quarterly Activities Report
27/06/2014	Initial Director's Interest Notice
27/06/2014	Final Director's Interest Notice
27/06/2014	Director Appointment/Resignation
06/06/2014	NBR Operations Update
23/05/2014	NBR Operations Update
29/04/2014	Quarterly Cashflow Report
29/04/2014	Quarterly Activities Report
11/03/2014	Half Yearly Accounts
04/03/2014	change in substantial holding
27/02/2014	Office Change
20/02/2014	Secondary Trading Notice
20/02/2014	Appendix 3B
10/02/2014	Investor Presentation
04/02/2014	Results of Meeting
31/01/2014	Quarterly Cashflow Report
31/01/2014	Quarterly Activities Report
15/01/2014	NBR First Shipment Update
23/12/2013	Notice of General Meeting/Proxy Form
23/12/2013	Placement
13/12/2013	Notice of Initial Substantial shareholder

Date	Description of Announcement
10/12/2013	Secondary Trading Notice
10/12/2013	Appendix 3B
06/12/2013	Placement
03/12/2013	NBR Project Reserve Update
28/11/2013	Final Director's Interest Notice
28/11/2013	Results of Meeting
28/11/2013	Investor Presentation AGM
31/10/2013	NBR Mine Opening Presentation
31/10/2013	NBR Mine Opening Announcement
28/10/2013	Quarterly Cashflow Report
28/10/2013	Quarterly Activities Report
18/10/2013	Notice of Annual General Meeting/Proxy Form
24/09/2013	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.shreeminerals.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.11	3 June 2014
Lowest	\$0.08	18 July 2014
Last	\$0.088	7 August 2014

8.4 Underwriting Agreements

The Company entered into Underwriting Agreements with each Underwriter on or around 7 August 2014. Pursuant the Underwriting Agreements, each Underwriter agrees to underwrite a maximum number of Shares under the Offer (details of which are set out in Section 4.8) and will be paid an underwriting fee of 5% of the amount underwritten.

The Shares underwritten by the Underwriters will be issued on the same terms as the Shares issued under the Offer.

Each Underwriter has the right to terminate their respective Underwriting Agreement in the event of certain events occurring, including (among other things) if any of the following occur:

- (a) **(Prospectus):** Either:
- (i) the Company does not despatch the Prospectus to shareholders in accordance with its timetable or the Prospectus or the Offer is withdrawn by the Company;
 - (ii) the Underwriter becomes aware of any untrue, incorrect, misleading or deceptive information in or material omission from, the Prospectus which is likely to have a material adverse effect; and
 - (iii) a statement in the Prospectus is misleading or deceptive or a matter required by the Corporations Act to be included in the Prospectus has not been included; or
- (b) **(Non-compliance with requirements):** it transpires that the Prospectus does not contain all the information required by the Corporations Act;
- (c) **(Supplementary Prospectus):** the Company is required to lodge a supplementary prospectus due to a misstatement in or omission from, the Prospectus, or, being required to lodge a supplementary prospectus, fails to do so;
- (d) **(Due diligence report):** any information supplied by or on behalf of the Company to an Underwriter in relation to the Offer as part of the due diligence process is misleading or deceptive;
- (e) **(Restriction on allotment):** the Company is prevented from issuing the Shares within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (f) **(ASIC application):** an order is made under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus;
- (g) **(ASX approval):** ASX has not granted or refuses to grant approval for official quotation of the Shares by the earlier of the Closing Date or the date being 3 months after the date of the Prospectus or, having been granted, approval is subsequently withdrawn;
- (h) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (i) **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (j) **(Contravention of Constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (k) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of

any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

- (l) **(Market movement)**: the S&P/ASX All Ordinaries Index, S&P/ASX 200 Index or the S&P/ASX Small Ordinaries Index is 20% or more below its level as at the close of trading immediately preceding the date of the Underwriting Agreement;
- (m) **(Iron price movement)**: the iron price is 15% or more below its level as at the close of trading immediately preceding the date of the Underwriting Agreement;
- (n) **(Officers and senior managers)**: an officer or senior manager of the Company or a subsidiary resigns or is removed from office, is charged with a criminal offence or becomes bankrupt;
- (o) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (p) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (q) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (r) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$1,000,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (s) **(Litigation)**: litigation, arbitration or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company;
- (t) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer, a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (u) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the agreement lasting in excess of 7 days occurs;
- (v) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (w) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (x) **(Breach of Material Contracts)**: any of the material contracts to which the Company is a party is terminated or substantially modified; or
- (y) **(War)**: there is an outbreak of new hostilities or state of war after the date of the Underwriting Agreement involving Australia, Japan, any European Union member, the USA, Russia, Indonesia, People's Republic of China, New Zealand, Hong Kong, Taiwan, Singapore, Malaysia, India or Pakistan;

- (z) **(Repayment)**: any circumstance arises after the Prospectus lodgement date that results in the Company repaying application moneys received or offering applicants under the Offer the opportunity to withdraw their applications and be repaid their application moneys; or
- (aa) **(Timetable)**: the date for notification of the Shortfall to the Underwriter is delayed for more than 5 business days (notice of the quantity of Shares available under the Shortfall, and the number of Underwritten Shares which the Company requires the Underwriter to provide valid applications for, must occur within 1 business day of the Closing Date).

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
- (i) its formation or promotion; or
- (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
- (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below. The Directors have each indicated, in relation to the entities in which they have control, that they do not intend to subscribe for their Entitlements.

Director	Shares	Performance Rights	Options	Entitlement	\$
Sanjay Loyalka	25,915,000 ¹	Nil	Nil	4,319,166	345,533
Rajesh Bothra	17,937,500 ²	Nil	Nil	2,989,583	239,166
Andy Lau	Nil	Nil	Nil	Nil	Nil
Amrital Shah	4,525,000 ⁴	Nil	Nil	754,166	60,333

Notes:

1. Of which 24,500,000 Shares are held by Mr Loyalka as trustee for the Loyalka Family Trust (a trust in which My Loyalka has an interest), 750,000 Shares are held by IACG Pty Ltd (a company in which Mr Loyalka has an interest), 565,000 Shares are held by Mr Loyalka personally and 100,000 Shares are held by Mr Loyalka's wife.
2. Held by RB Investments Pte Ltd, an Underwriter and a company in which Mr Bothra, a Director, has an interest.
3. Held by Megawild Enterprises Pty Ltd, an Underwriter and a company in which Mr Shah, a Director, has an interest.

Remuneration

The remuneration of an executive Director is recommended by the Company's Remuneration Committee and then ratified by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY13/14	FY12/13	FY11/12
Sanjay Loyalka	\$300,000	\$200,000	\$310,386
Rajesh Bothra	\$ Nil ¹	Nil ¹	Nil ¹
Andy Lau	\$30,000	\$17,500	\$60,386
Amrital Shah	\$30,000	\$17,500	\$48,386

Notes:

1. Mr Bothra was appointed as a Director on 27 June 2014.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

China Alliance will be paid an underwriting fee of approximately \$21,600 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, China Alliance has not been paid fees any fees by the Company.

RB Investments will be paid an underwriting fee of approximately \$50,000 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, RB Investments has not been paid fees any fees by the Company.

Megawild will be paid an underwriting fee of approximately \$5,573 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Megawild has not been paid fees any fees by the Company.

IACG will be paid an underwriting fee of approximately \$4,000 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, IACG has not been paid fees any fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$5,900.00 (excl GST and disbursements) for legal services provided to the Company.

8.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) China Alliance International Holdings Group Limited has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (d) RB Investments Pte Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (e) Megawild Enterprises Pty Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (f) IACG Pty Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named; and
- (g) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$111,930 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	6,467
Underwriting fees	81,173
Legal fees	10,000
Printing and distribution	12,000
Total	111,930

8.9 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9286 1509 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.shreeminerals.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the

electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Sanjay Loyalka
Executive Chair
For and on behalf of
Shree Minerals Limited

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

China Alliance means China Alliance International Holdings Group Limited.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Shree Minerals Limited (ACN 130 618 683).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Event of Insolvency includes (among other things):

- (a) the appointment of a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer in respect of a person or any asset of a person;
- (b) the appointment of a liquidator or provisional liquidator in respect of a corporation;
- (c) any application (other than one which is withdrawn or dismissed within 21 days) being made to a court for an order, or an order is made, or a

meeting is convened, or a resolution is passed, for the purpose of appointing a person referred to in paragraphs (a) or (b), winding up a corporation or proposing or implementing a scheme of arrangement;

- (d) any event or conduct occurring which would enable a court to grant a petition, or an order being made, for the bankruptcy of an individual or his estate under any insolvency provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of the person's creditor or a trustee, is ordered, declared, or agreed to or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becoming, or admitting in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process being made, levied or issued against or in relation to any asset of a person.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

IACG means IACG Pty Ltd ACN 116 251 819.

Megawild means Megawild Enterprises Pty Ltd 123 562 194.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer);

- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Prospectus means this prospectus.

RB Investments means RB Investments Pte Ltd.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Relevant Company means the Company and each Subsidiary.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.6 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Subsidiary means each company which is now, or before the issue of all the Shares becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Underwriters means China Alliance, RB Investments, IACG and Megawild and **Underwriter** means any one of them.

Underwriting Agreements means the underwriting agreements between the Company and each Underwriter dated on or around 7 August 2014.

WST means Western Standard Time as observed in Perth, Western Australia.