

# SHREE MINERALS LIMITED

ACN 130 618 683

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

THIS HALF-YEAR FINANCIAL REPORT IS TO BE READ IN CONJUNCTION WITH THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018

SHREE MINERALS LIMITED

CORPORATE DIRECTORY

DIRECTORS

Sanjay Loyalka

Amu Shah

Andy Lau

Davide Bosio ( appointed 4<sup>th</sup> October 2018)

COMPANY SECRETARY

Sanjay Loyalka

REGISTERED OFFICE

Unit 38

18 Stirling Highway

Nedlands

WA 6009

AUDITORS

Stantons International

Level 2, 1 Walker Avenue

West Perth WA 6005

# SHREE MINERALS LTD

## DIRECTORS' REPORT

Your directors present their report on the Company for the half year ended 31 December 2018.

### DIRECTORS

The names of the directors in office at any time during or since the end of the half year are:

Sanjay Loyalka

Amu Shah

Andy Lau

Davide Bosio (appointed 4th October 2018)

### REVIEW OF OPERATIONS AND ACTIVITIES

#### Highlights

- Shree Minerals Limited ("SHH" or the "Company") completed capital raising of \$1,421,842 (before costs) through Rights issue and \$14,218 through issue of Options.
- Directors waive off \$610,000 and accept \$150,000 in shares being a substantial part of the unpaid remuneration for previous years
- Nelson Bay River Iron Project ("NBR") continues on Care and Maintenance
- Iron Ore price environment supportive for restart of NBR
- Application submitted for a new Tasmanian Environmental permit for DSO operations
- DPEMP Guidelines finalised pursuant to application for a new Tasmanian Environmental permit for DSO operations ; Requisite technical studies initiated
- Further steps taken to conserve costs
- Application to rationalise old Tasmanian Environmental Permit to reduce permit fees
- Mining Lease area rationalised by partial surrender of the mining lease area
- Business Development efforts stepped up
- SHH enters into an option to acquire Leonora and Coolgardie leases prospective for gold in WA

Shree Minerals Limited completed capital raising during the period to raise \$1,421,842 (less costs) by Rights issue & \$14,218 by Options placement. Additionally, reduction in liabilities was achieved by settlement as approved in AGM held during the period, wherein the Directors waived off \$610,000 & accepted a part of the unpaid amount in shares for \$150,000. Consequently the "Net Assets" position has improved sizeably, thereby enabling the Company to be in a position to pursue its growth objectives.

The Company has significantly stepped up efforts towards sourcing and evaluation of new potential opportunities suited for SHH and its shareholders in the resources sector. While the focus to-date has been on development projects, the Company has recently expanded the scope to include exploration (both early stage & advanced) to create shareholder value. As part of that strategy, the Company has conducted detailed technical evaluation on several opportunities during the quarter & continues evaluation on other opportunities and having preliminary discussions with the respective counterparties.

#### **Nelson Bay River Iron Ore Project**

The iron ore markets have been gradually re-balancing with no major supply additions in recent years & demand growth (albeit slower) in Asian markets. The only new projects announced by major companies over last 3 to 4 years are for replacement capacity for current mine life depletions.

The price environment has been improving lately with reduction in discount for medium grade ores, improvement in lump premiums & premium for material with lower impurities like Low Alumina such as the NBR product as Chinese authorities continue emphasis on environment control. There seems to be structural shift in Iron markets with preference & premium for higher grades reaffirming long term attractiveness of our magnetite project.

As per Company estimates, the current iron ore price environment is supportive for restart of NBR operations.



# SHREE MINERALS LTD

## DIRECTORS' REPORT

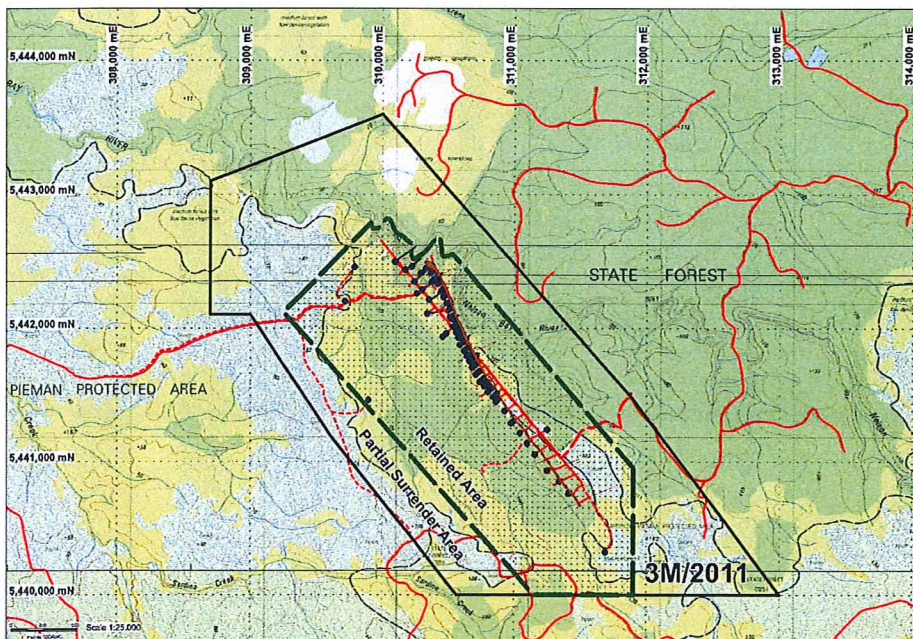
In the short term the prices have been quite volatile & spiking upwards due to mine disruptions & uncertainty on Vale's iron ore production outlook. Any near term supply response is expected to be limited, particularly with little latent capacity left at Australian ports and railways.

In the interim, NBR project continues in care and maintenance. Environment monitoring as per approved plans being attended to. These include regular water sampling and fauna camera monitoring. During the period annual compliance report for EPBC was completed.

As previously reported in various Company announcements, to resolve the legal issues with old permit, the Company submitted an application for a new Tasmanian Environmental permit for DSO operations. EPA advised class of determination & issued for public consultation & comment, draft guidelines for preparation of Development Proposal and Environment Management Plan (DPEMP). These Guidelines have now been finalised & issued in Nov 2018. Consequently, we have initiated requisite technical studies as some of the surveys done are now being considered out of date. These studies are in advanced progress and we are targeting to complete the draft DPEMP in the coming months.

Meanwhile, the Company continues to place emphasis on steps to contain costs and preserve value. Further steps taken recently include:

- reduction in salaries effective beginning of FY 2018-19 ;
- application by the Company to rationalise the old Environmental permit to reduce annual permit fees e.g.: nature of activity and the regulatory limit being the maximum trucking capacity in view of restriction on the road to use HPV vehicles coupled with permit condition of daylight trucking only.
- partial surrender of the mining lease (3M/2011) :
  - The retained area after surrender is 366ha.
  - The area retained contains all known mineral resources in the lease.
  - All our plans (current and future) for mining at the lease and all associated infrastructure (including waste dumps, tailings dam, processing areas, administration areas) are within the retained area.
  - The surrendered portion of the land was surplus to its needs and was initially taken within the lease as buffer / contingency.



# SHREE MINERALS LTD

## DIRECTORS' REPORT

### Exploration

During the period, the Company has entered into an option agreement over two exploration licence applications, known as the Golden Chimney Project and Karamindie Gold Project from Carmichael Prospecting Company Pty Limited, a wholly owned subsidiary of DJC ("Carmichael Prospecting"), via the payment of a non-refundable deposit of \$10,000. Upon exercise of the option up to 13,000,000 Shares will be issued to Carmichael Prospecting (Tenement Acquisition). The Tenement Acquisition is conditional upon satisfactory completion of due diligence and the granting of the exploration licences as well as the receipt of all necessary regulatory approvals. The Company has been notified that Exploration Licence E40/378 (Golden Chimney) was granted by the Western Australian Department of Mines, Industry Regulation and Safety on 20 February 2019. As a result of the grant of this exploration licence, the Company is now capable of electing to exercise its option to acquire the Golden Chimney tenement on the terms that were originally announced to ASX on 4 October 2018. The Company now intends to exercise its option to acquire Golden Chimney and has commenced preparing for the initial exploration upon exercise.

### 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

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

NIL . Partial surrender of Mining Lease 3M/2011 done during the period as detailed in this report.

- 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

As per Company estimates, the current iron ore price environment is supportive for restart of NBR operations. The Company is currently pursuing the new environmental permit prior to making any assessment on restart of operations. It is targeting to complete the draft DPEMP in the next couple of months.

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. The recent structural shift towards higher grade iron ore bodes well for NBR as the test results have shown that the NBR magnetite ore is amenable to a simple processing to produce a very high grade concentrate.



## SHREE MINERALS LTD

### DIRECTORS' REPORT

The "Net Assets" position has improved sizeably, thereby enabling the Company to be in a position to pursue its growth objectives. The Company has significantly stepped up efforts towards sourcing and evaluation of new potential opportunities suited for SHH and its shareholders in the resources sector. While the focus to-date has been on development projects, the Company has recently expanded the scope to include exploration (both early stage & advanced) to create shareholder value.

#### SUBSEQUENT EVENTS

On 20th February 2019, the ASX suspended the securities of the Company from quotation as ASX determined that the Company's operations are not adequate to warrant the continued quotation of its securities as per Listing Rule 12.1. The suspension will continue until the Company is able to demonstrate compliance with Listing Rule 12.1. Notwithstanding that the Company disagrees with the decision of ASX, its focus is now to have the suspension lifted at the earliest possible opportunity.

As enumerated in note 9, the Company has been notified that Exploration Licence E40/378 (Golden Chimney) was granted by the Western Australian Department of Mines, Industry Regulation and Safety on 20 February 2019. The Company has decided to exercise its option to acquire Golden Chimney and has commenced preparing for the initial exploration upon exercise.

Since balance date there are no other 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.

#### RESULT OF OPERATIONS

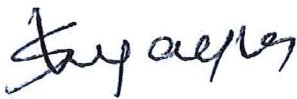
The net profit after income tax for the period was \$388,368 mainly arising due to Debt forgiveness of \$610,000 (2017: net loss \$1,606,497).

#### FINANCIAL POSITION

The net assets of the Company are \$ 1,987,098 as at 31 December 2018 (at 30 June 2018: \$ 166,085).

#### AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2018.



Sanjay Loyalka  
Director & Company Secretary

8<sup>th</sup> March 2019.

8 March 2019

Board of Directors  
Shree Minerals Limited  
Unit 38  
18 Stirling Highway  
NEDLANDS, WA 6009

Dear Sirs

**RE: SHREE MINERALS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Shree Minerals Limited.

As Audit Director for the review of the financial statements of Shree Minerals Limited for the period ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(Authorised Audit Company)**



**Samir Tirodkar**  
**Director**

SHREE MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31-Dec-18 \$	31-Dec-17 \$
<b>Revenue from continuing operations</b>			
Sales Income		0	0
Interest		20,971	22,689
Debt Forgiveness (Accruals for Directors fees written back)		610,000	0
<b>Expenses from continuing operations</b>			
Cost of sales including care and maintenance		(72,898)	(178,000)
Finance charges		(6,363)	(6,523)
Employee and consulting fees		(111,815)	(214,101)
Regulatory costs		(15,738)	(20,122)
Occupancy and communication		(5,971)	(6,219)
Foreign exchange gain / loss		364	6,944
Accounting and legal Fees		(17,161)	(18,774)
Provision for impairment of stock		0	(255,630)
Provision for impairment of mine development		0	(911,347)
Exploration expenditure		(10,875)	0
Other expenses		(2,145)	(25,415)
<b>Profit/(loss) before income tax</b>		388,369	(1,606,497)
Income tax		0	0
<b>Profit/(loss) for the period</b>		388,369	(1,606,497)
Other comprehensive income/(loss)		0	0
<b>Comprehensive Gain/(loss) for the period</b>		388,369	(1,606,497)
 Earnings per share for (loss) attributable to ordinary equity holders of the Company:			
Basic Earnings/(loss) cents per share (cents)		0.11	(0.15)
Diluted Earnings /(loss) per share (cents)		N/A*	(0.15)
* Diluted earnings per share not disclosed since the options are non-dilutive.			

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



SHREE MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	31-Dec-18 \$	30-Jun-18 \$
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents		2,032,967	1,101,614
Receivables		27,391	24,089
<b>Total Current Assets</b>		<u>2,060,358</u>	<u>1,125,703</u>
<i>Non-Current Assets</i>			
Other Assets	4	838,700	838,700
<b>Total Non-Current Assets</b>		<u>838,700</u>	<u>838,700</u>
<b>Total Assets</b>		<u>2,899,058</u>	<u>1,964,403</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables	8	76,421	962,779
Provisions		8,539	8,539
<b>Total Current Liabilities</b>		<u>84,960</u>	<u>971,318</u>
<i>Non-Current Liabilities</i>			
Rehabilitation Provision	4	827,000	827,000
<b>Total Non-Current Liabilities</b>		<u>827,000</u>	<u>827,000</u>
<b>Total Liabilities</b>		<u>911,960</u>	<u>1,798,318</u>
<b>Net Assets</b>		<u>1,987,098</u>	<u>166,085</u>
<b>Equity</b>			
Contributed equity	3	19,034,690	17,897,567
Reserves	10	580,108	284,587
Retained Losses		(17,627,700)	(18,016,069)
<b>Total Equity</b>		<u>1,987,098</u>	<u>166,085</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

SHREE MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Note	Issued Capital \$	Retained Losses \$	Share based option reserve \$	Total \$
BALANCE AT 1 JULY 2017	17,897,567	(16,161,360)	284,587	2,020,794
Total comprehensive income/ (loss) for the period	0	(1,606,497)	0	(1,606,497)
Shares issued during the half year	0	0	0	0
Capital raising costs	0	0	0	0
<b>BALANCE AT 31 DECEMBER 2017</b>	<b>17,897,567</b>	<b>(17,767,857)</b>	<b>284,587</b>	<b>414,297</b>
BALANCE AT 1 JULY 2018	17,897,567	(18,016,069)	284,587	166,085
Total comprehensive income for the period	0	388,369	0	388,369
Shares issued during the half year	1,571,843	0	0	1,571,843
Options issued during the half year	0	0	14,218	14,218
Capital raising costs	(434,720)	0	281,303	(153,417)
<b>BALANCE AT 31 DECEMBER 2018</b>	<b>19,034,690</b>	<b>(17,627,700)</b>	<b>580,108</b>	<b>1,987,098</b>

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

SHREE MINERALS LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31-Dec-18 \$	31-Dec-17 \$
<b>Cash flows from operating activities (including exploration)</b>			
Payments to suppliers and employees (inclusive of GST)*		(523,003)	(322,047)
Interest received		21,713	33,714
<b>Net cash inflow/(outflow) from operating activities (including exploration)</b>		<u>(501,290)</u>	<u>(288,333)</u>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		0	(3,498)
<b>Net cash inflow/(outflow) from investing activities</b>		<u>0</u>	<u>(3,498)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and options*		1,586,060	0
Payments for share issue costs		(153,417)	0
<b>Net cash inflow /(outflow) from financing activities</b>		<u>1,432,643</u>	<u>0</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		931,353	(291,831)
Cash and cash equivalents at the beginning of the financial period		<u>1,101,614</u>	<u>1,550,484</u>
<b>Cash and cash equivalents at the end of the financial period</b>		<u>2,032,967</u>	<u>1,258,653</u>

*\* includes payment of \$150,000 of Director fees' by issue of 30,000,001 fully paid ordinary shares at \$0.005 per share.*

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



# SHREE MINERALS LIMITED

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS

### NOTE 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.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 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 2018, except as noted below.

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

These financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As a result, the financial report for the half year ended 31 December 2018 does not include any adjustments relating to the recoverability and classification of the recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

#### **Going Concern:**

As at 31 December 2018, the Company had cash reserves of \$ 2,032,967.

Significant efforts have been made to preserve cash and reduce costs and secure additional finance.

The Company continues to engage with its stakeholders and continues to monitor opportunities from interested investors to raise additional equity for the business and the Company's Board of Directors has a long history of fund raising in the public and will do so when required.

In addition, the Company continues to focus efforts on improving liquidity through:

- the implementation of further cost improvement initiatives;
- continuation of voluntary payroll reductions ;and
- Re-commencement of operations at an appropriate opportunity.

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

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

#### **(B) SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES**

# SHREE MINERALS LIMITED

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year's financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the financial statements for the year ended 30 June 2018.

### **(C) NEW AND REVISED ACCOUNTING STANDARDS**

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.

Shree Minerals Limited is required to change some of its accounting policies as a result of new or revised accounting standards which became effective from 1 January 2018. The affected policies and standards are:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers

#### **New and amended standards adopted by the Company**

##### **AASB 9 Financial Instruments**

The Company has adopted AASB 9 from 1 July 2018 because the new accounting standard provides more relevant information to users of the financial report, in that it introduces new requirements for the classification and measurement of financial assets and financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets and liabilities as compared to the requirements of AASB 139. The new standard is effective for annual reporting periods beginning on or after 1 January 2018.

The adoption of AASB 9 now requires the Company to account for impairment losses on financial assets through a forward-looking expected credit loss (ECL) approach. For trade and other receivables, the Company has applied the standard's simplified approach for calculating ECLs based on lifetime expected credit losses. This did not result in the recognition of a material impairment loss on the Company's receivable. There were no changes to the Company's other financial liabilities.

Due to the nature of the Company's financial assets and liabilities, the adoption of AASB 9 did not result in a significant impact to any transactions or balances recognised in the financial statements at 31 December 2018.

##### **AASB 15 Revenue from Contracts with Customers**

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

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

Based on the Company's current assessment, the standard has not had a material impact on the transactions and balances recognised in the financial statements as the Company is not currently in production and therefore does not generate operating revenue.

#### **Impact of standards issued but not yet applied by the Company/Company**

##### **AASB 16 Leases**

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations. In summary, AASB 16:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and



## SHREE MINERALS LIMITED

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS

- requires new and different disclosures about leases.

The Company is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the Company's preliminary assessment, the standard is not expected to have a material impact on the transactions and balances recognised in the financial statements. The Company's current lease obligations consist of leases on office premises in Perth, Western Australia.

The Company has not elected to early adopt any other Standards or amendments that are issued but not yet effective.

#### **Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs, where applicable.

#### **NOTE 2: OPERATING SEGMENTS**

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

#### **NOTE 3: ISSUED CAPITAL**

On 31<sup>st</sup> December 2018, there were 598,736,893 (30<sup>th</sup> June 2018: 284,368,446) fully paid ordinary shares issued and 142,184,223 (30<sup>th</sup> June 2018: NIL) options exercisable at a price of \$0.01 each with an expiry date of 29<sup>th</sup> November 2019.

During the half year, the company issued 284,368,446 shares at \$0.005 per share via Rights issue and issued 30,000,001 shares at \$0.005 per share towards payment of Director fees' totalling \$1,571,843 and issued 142,184,223 options at \$0.0001 totalling \$14,218. The capital raising costs incurred were \$434,720 including \$295,522 valuation for share based payment by issue of options to the Lead Manager & underwriter.

#### **NOTE 4: OTHER ASSETS AND REHABILITATION PROVISION**

Other assets related to deposits supporting guarantees for rehabilitation bonds.

Rehabilitation provision is recognised on the basis of amount of security bonds given to Mineral Resources Tasmania.

#### **NOTE 5: DIVIDENDS**

No dividend has been declared or paid during the half-year ended 31 December 2018.

#### **NOTE 6: CONTINGENT LIABILITIES**

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

#### **NOTE 7: RELATED PARTIES**

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



SHREE MINERALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

To conserve cash resources of the Company during the period the operations are under suspension, the directors agreed to settlement (as approved in AGM) of the amount of \$860,000 outstanding for their remuneration as at 30<sup>th</sup> June 2018 as following:

- Waive off \$610,000
- \$150,000 payment by way of issue of 30,000,000 fully paid ordinary shares at \$0.005 per share
- \$100,000 cash payment

NOTE 8: TRADE AND OTHER PAYABLES

	31 Dec 2018	30 June 2018
	\$	\$
<i>Current</i>		
Trade creditors & accruals	24,549	72,211
Other payables	51,872	30,568
Voluntary deferred employee payments(*):	0	860,000
	76,421	962,779

Note (\*): To conserve cash resources of the Company during the period the operations are under suspension, the directors have voluntarily elected to take reduced drawings of their remuneration and the balance is deferred till the cash flow situation of the company improves. Consequently, as at 30 June 2018, the amount of \$860,000 remains outstanding for remuneration.

NOTE 9: EXPLORATION

During the period, the Company entered into an option agreement over two exploration licence applications, known as the Golden Chimney Project and Karramindie Gold Project from Carmichael Prospecting Company Pty Limited, a wholly owned subsidiary of D J Carmichael Pty Ltd ("Carmichael Prospecting"), via the payment of a non-refundable deposit of \$10,000. Upon exercise of the option up to 13,000,000 Shares (9,000,000 for Golden Chimney Project and 4,000,000 for Karramindie Gold Project) will be issued to Carmichael Prospecting (Tenement Acquisition). The Tenement Acquisitions are conditional upon the granting of the exploration licences as well as the receipt of all necessary regulatory approvals, including shareholder approval, to the issue of the shares for the Tenement Acquisition. The Company has been notified that Exploration Licence E40/378 (Golden Chimney) was granted by the Western Australian Department of Mines, Industry Regulation and Safety on 20 February 2019. As a result of the grant of this exploration licence, the Company is now capable of electing to exercise its option to acquire the Golden Chimney tenement on the terms that were originally announced to ASX on 4 October 2018. The Company has decided to exercise its option to acquire Golden Chimney and has commenced preparing for the initial exploration upon exercise.

NOTE 10: ISSUE OF OPTIONS

On 29 September 2018 the Company and DJ Carmichael Pty Ltd (DJC) entered into a mandate agreement pursuant to which DJ Carmichael is to provide corporate advisory services (including Lead Manger & Underwriting services) to the Company (Mandate). Pursuant to the Mandate the Company agreed to offer

## SHREE MINERALS LIMITED

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS

142,184,223 unlisted Options to DJ Carmichael (and/or its nominees) which DJ Carmichael can subscribe for at an issue price of \$0.0001 per Option to raise approximately \$14,218. The expiry date of the option is 29 November 2019.

As the options to DJC are share based payments, they have been valued using Black Scholes Model for a fair value of \$295,521 with credit to share based payment reserve in Equity.

The consideration of \$14,218 received from DJC has been reduced from the Fair value arrived at using the Black Scholes Mode and the balance of \$281,303 has been expensed as capital raising cost.

Details of Fair valuation:

P= Current Price of share	\$	0.0080	On Grant date 23/11/2018 - AGM date
X=Strike price	\$	0.0100	
r=Risk free rate		2.030%	1 year Australian Govt. Bond rate
t=expiry period		371	days
ó=volatility		100.00%	

Value of call option	\$	<u>0.002598</u>	per option
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#### OPTIONS:

Number of options	142,184,223
Valuation of options:	\$ 369,401

Less: Discount since unlisted	\$ 73,880
	<u>\$ 295,521</u>

#### NOTE 11: EVENTS SUBSEQUENT TO BALANCE DATE

On 20<sup>th</sup> February 2019, the ASX suspended the securities of the Company from quotation as ASX determined that the Company's operations are not adequate to warrant the continued quotation of its securities as per Listing Rule 12.1. The suspension will continue until the Company is able to demonstrate compliance with Listing Rule 12.1. Notwithstanding that the Company disagrees with the decision of ASX, its focus is now to have the suspension lifted at the earliest possible opportunity.

As enumerated in note 9, the Company has been notified that Exploration Licence E40/378 (Golden Chimney) was granted by the Western Australian Department of Mines, Industry Regulation and Safety on 20 February 2019. The Company has decided to exercise its option to acquire Golden Chimney and has commenced preparing for the initial exploration upon exercise.

Since balance date there are no other 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.

SHREE MINERALS LIMITED

DIRECTORS' DECLARATION

In the directors' opinion:

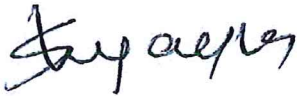
(a) the financial statements and notes set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:

(i) Complying with Accounting Standard AASB134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's financial position as at 31<sup>st</sup> December 2018 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  
**Director**

Signed at Perth the 8<sup>th</sup> day of March 2019.



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
SHREE MINERALS LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Shree Minerals Limited, which comprises the statement of financial position as at 31 December 2018, 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, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Shree Minerals Limited (the Company).

*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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 company's financial position as at 31 December 2018 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*Independence*

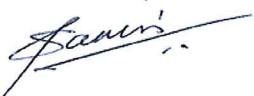
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Shree Minerals Limited on 8 March 2019.

*Conclusion*

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2018 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*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit and Consulting Pty Ltd*  


**Samir Tirodkar**  
**Director**

West Perth, Western Australia  
8 March 2019