
SHREE MINERALS LIMITED

ACN 130 618 683

2020 ANNUAL REPORT

SHREE MINERALS LTD

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CORPORATE DIRECTORY

DIRECTORS

Sanjay Loyalka

Davide Bosio

Andy Lau (Retired on 28th November 2019)

Amu Shah

COMPANY SECRETARY

Sanjay Loyalka

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DIRECTORS' REPORT

The Directors present this report together with the financial report of Shree Minerals Ltd ("SHH", "Shree Minerals" and/or "the Company") for the year ended 30th June 2020.

DIRECTORS

The names of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Sanjay Loyalka, Director and Company Secretary
Mr Andy Lau, Non-Executive Director (Retired 28th November 2019)
Mr Amu Shah, Non-Executive Director
Davide Bosio, Non-Executive Director

COMPANY SECRETARY

Mr Sanjay Loyalka

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of mineral exploration, development and mining.

OPERATING RESULTS

The net loss of the Company after providing for income tax amounted to \$453,342. (2019: net loss \$33,581. The reduced loss in FY2019 was mainly due to Debt forgiveness of \$610,000 by Directors towards unpaid remuneration of earlier years.

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

REVIEW OF OPERATIONS AND ACTIVITIES

Highlights:

- Farm-in and Joint Venture with Territory Lithium Pty Limited to explore for gold and base metals
 - Gold and base metal projects acquired in the Northern Territory
 - Previous drilling at the Edwards Creek prospect intersected 4.5m @ 2.5% Cu, 0.67% Pb from 17m
 - Mineralised lead-zinc zone at the Box Hole prospect extends 6km
 - Rock chip sampling at Bruce's Gold prospect returns up to 53g/t Au
- Secures highly prospective tenements for Gold in prolifically mineralised terrains
 - Two exploration licence applications ("ELA") in the Albany Fraser Belt, interpreted to occur along strike of the well-endowed Boulder Lefroy Fault Zone ("BLFZ") and the Zuleika Shear ("ZS").
 - Untested, large and continuous soil anomalies within the applications are spatially related to these mineralised structural corridors.

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- Historical drilling intersections up to 3 g/t Au remain open and the associated soil geochemistry suggests the mineralisation is much more extensive than indicated by drilling.
- An ELA north of the Golden Chimney Project contains very anomalous gold geochemistry in RAB drilling and remains untested by RC drilling.
- Shree Minerals acquires additional area in the Golden Chimney Project.
 - The WA Department of Mines, Industry Regulation and Safety has confirmed the grant of the amalgamation application of Prospecting Licence P40/1354 with E40/378.
 - P40/1354 surrounds excluded mining lease M40/09 (Lone Hand) which contains old gold workings.
 - Production records indicate 358 kg of ore at a grade of 2.08 g/t Au was treated from the gold workings in 1983-1984.
 - Geological mapping and rock chip sampling to define new drill targets is recommended at Golden Chimney West, where anomalous soil geochemistry has not been tested by drilling.
- RC Drilling successfully completed at the Golden Chimney Project
 - Drilling evaluated the potential for lateral and down dip extensions to the mineralisation at the Golden Chimney prospect, as well as soil anomalies at Golden Chimney East and West.
 - Assays from drill hole 19GCRC01 suggest the mineralisation at Golden Chimney is open along strike to the south west.
 - Down dip extensions to the mineralisation are evident from drill hole 19GCRC03.
- Allocation to create exploration tax credits up to \$600,000 for the 2021 income year in the Junior Minerals Exploration Incentive ("JMEI")
- Progressing re-permitting of the direct shipping ore ("DSO") project at Nelson Bay River Iron Project ("NBR")
 - Iron Ore prices remain robust in current environment.
 - Mine in ready state to recommence production at short notice with existing development in place.

The Company has successfully pursued its strategy for value creation, outlined last year, to focus on exploration (both early stage and advanced) particularly in Gold & Base Metals sector while pursuing re-permitting as part of development process of its NBR project.

Building on from the successful acquisition of Golden Chimney Project last year located in a world class Gold mineral province within Western Australia, the company has added exciting exploration projects to its portfolio.

Arunta Joint Venture

Shree Minerals Ltd ("Shree" or "SHH" or the "Company") has entered into a farm-in and joint venture agreement ("Arunta Joint Venture") with Territory Lithium Pty Limited ("TLPL") to explore TLPL's tenements for gold and base-metals.

The projects of the Arunta Joint Venture are the Box Hole, Edwards Creek and Bruce Gold Projects located in the Northern Territory. The tenements subject to these are EL 31225, EL32419 and EL32420 covering an area of ~380 square kilometres of ground in the highly prospective Arunta Region and 100% owned by TLPL. (Figure 1). Significant projects in the area include the Jervois Copper Project and the Johnnies Reward Gold-Copper Project.

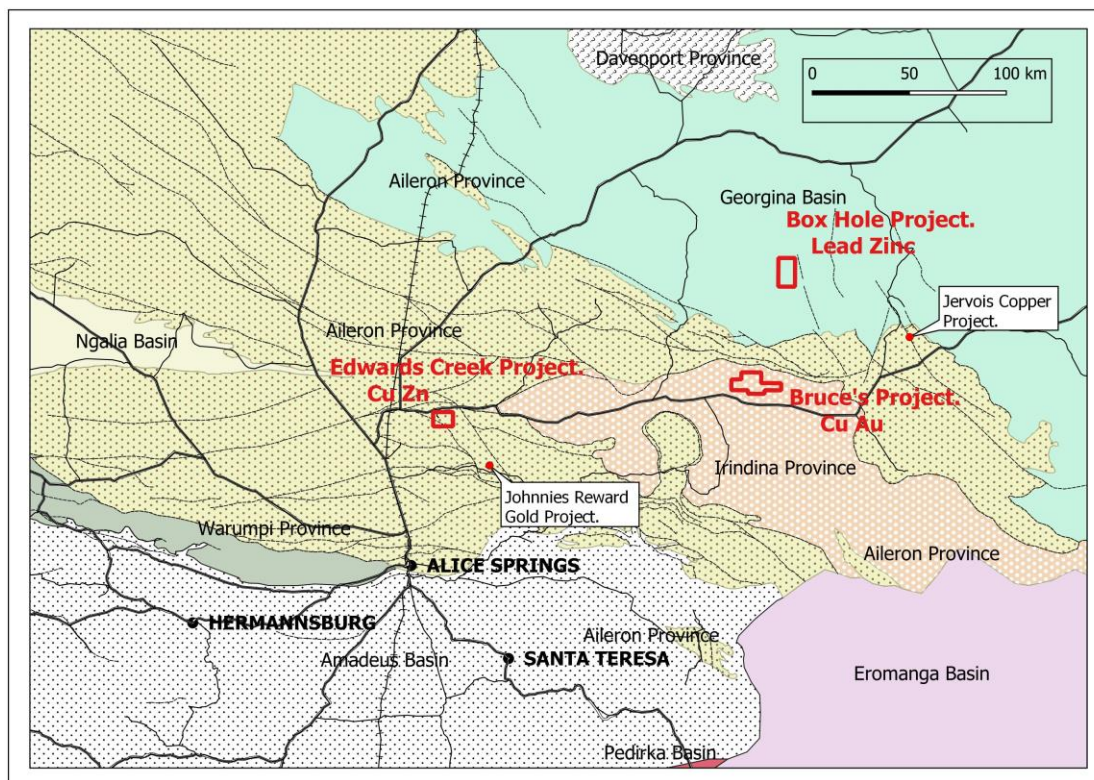


Figure 1. Regional location of the Arunta Joint Venture projects and major resource projects in the region

The principal terms of the Arunta Joint Venture include:

- SHH can earn a 50% equity interest in the Joint Venture through the total expenditure of \$50,000.
- Once SHH has earned a 50% equity interest, further Joint Venture expenditure contributions will be pro-rata, or else a non-contributing party's equity will be diluted using the standard industry dilution formula.
- If SHH were doing sole expenditure, its share of equity in the Joint Venture would increase to 90% by it making a total expenditure of \$450,000.
- Should a party's equity in the Joint Venture fall to 10%, its share will be automatically acquired by the other party in exchange for a 1% NSR Royalty.
- SHH will manage the Joint Venture during the earn-in stage, and while ever it holds majority equity.

Edwards Creek Project

Previous exploration at the Edwards Creek prospect discovered copper-(gold) mineralisation that has been interpreted to be metamorphosed volcanic massive sulphide. The style of mineralisation has similarities to the Johnnies Creek copper-gold project and the Jervois Copper Project.

In 1980, CRAE identified an EM conductor associated with a prominent siliceous gossanous hill shown in Figure 2. Rock chip sampling of the gossan returned up to 0.64% Cu, 0.64% Pb, 1.28% Zn. Copper staining of the rocks is common throughout gossanous areas, illustrated in Figure 3. Two diamond drill holes by CRAE (DD80EC01 and DD81EC02) intersected strata-bound base metal mineralisation.

**4.5m at 2.25% Cu, 0.11% Pb, 1.54% Zn, 0.14 g/t Au from 47.45m
Including 0.72m at 7.11% Cu, 1.9% Zn, 0.24 g/t Au in hole DD80EC02.**



Figure 2: Edwards Creek ferruginous ridge (gossan)

Figure 3: Malachite staining on strongly oxidised ferruginous quartz rock

Shree considers the source of the strong conductor at Edwards Creek is not adequately explained. The gossan remains open down dip and along strike. The project requires further assessment of the EM surveys discussed above, using modern filtering and modelling techniques to design definitive drill programs. Additional holes drilled to test the strong EM conductor identified by CRA will be surveyed with downhole electromagnetics to assist modelling and targeting. SHH will also review previous exploration data to assist targeting of the mineralised horizon along strike where drilling has not been conducted previously. Reconnaissance work and sampling is required around the mapped syncline, as well as regional reconnaissance.

Box Hole Project

The project is prospective for large tonnage carbonate-hosted lead-zinc deposits of the Mississippi Valley Type (MVT). Examples of this type of deposit in Australia include the Cadjebut and Blendevale Mines near Fitzroy Crossing in Western Australia.

Box Hole is centred on the King's Workings that were mined by hand in the 1960's for galena. 15 tonnes of galena with an average grade of 66% Pb, 58.5g/t Ag and 0.43% Bi was hand-picked and sold to the Broken Hill Smelter.

The Pb-Zn mineralisation is hosted by a mixed carbonate and shale sedimentary sequence within the Georgina Basin (Figure 1). The mineralisation is generally associated with silicified dolostone containing gossans that extend for over 6km in a north-south orientation parallel to faulting and anticlinal hinges (Figure 4). The faults could represent the growth faults that have acted as conduits for hydrothermal fluids derived from the basin. The most significant exploration program was completed by Uramet Minerals in 2007-9 comprising various IP and gravity surveys, geochemical surveys and shallow drilling. Uramet conducted RAB drilling of only selected gravity and IP targets, interpreted to be less than 75m deep. The best intersection was:

**12m at 2.8% Zn, 0.67% Pb from 17m in HDB045
Includes 1m @ 14.7% Zn, 0.3% Pb from 24m.**

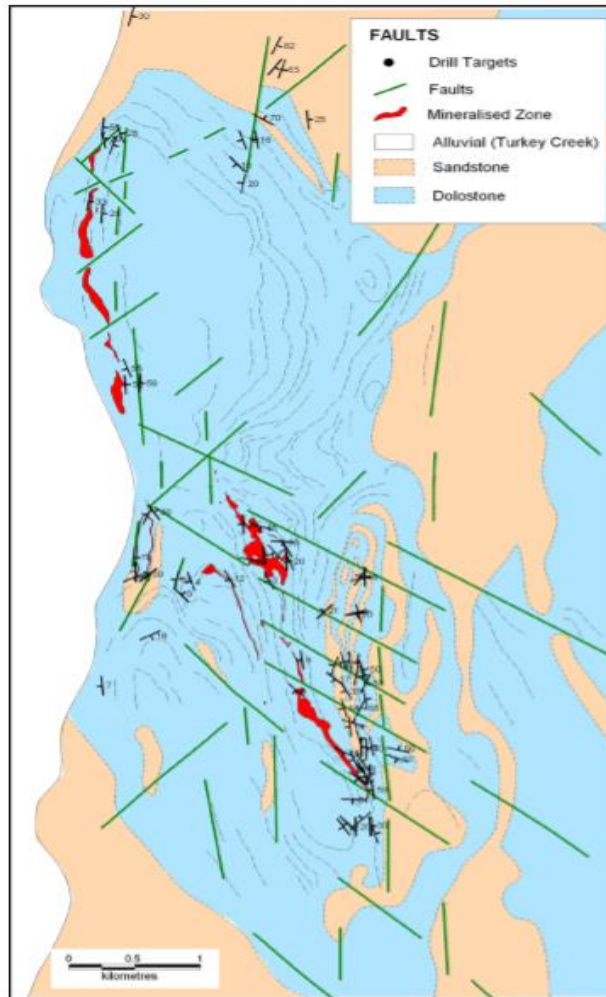


Figure 4. Geological plan of the Box Hole project area (Penna 2009).

There are several strong deep IP anomalies that were not RAB drilled by Intercept (Uramet). The IP anomalies provide significant target positions, especially those that were considered too deep by Intercept Minerals. Several IP anomalies are coincident with regional faulting (possible growth faults), adding weight to their prospectivity. The IP anomalies may represent mineralisation leakage from a more substantial mineralising system or significant mineralisation proximal to an unknown growth fault.

Processing and modelling of the gravity and IP data, using modern filtering and processing techniques will refine target areas. Following target generation, close spaced soil sampling, followed by drilling of the high priority coincident gravity, IP and geochemical anomalies is highly recommended. Shree intends to update the review of the project and to assist with the generation of targets for follow up work and drill testing.

Bruce Gold-Copper Project

Rock chip sampling of gossanous quartz veins at the project by the Northern Territory Geological Survey (NTGS) returned grades of up to 53g/t Au.

The veins are hosted by a mixed rock sequence including mica schist, calc-silicate and amphibolite that form part of the Irindinia Gneiss. The veins are related to an east-west striking and south dipping shear zone. Prospecting along the veins by Olympia Resources in 2005 located intermittent exposures of the gossanous quartz veins over a 2km strike length. A literature review found little evidence of previous exploration. The veins have a brecciated texture containing clasts of mica schists, sulphidic sediment, and massive sulphides. Copper staining of the rocks is common, illustrated in Figure 5. Typical outcrop of the quartz gossan veins is shown in Figure 6.

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Figure 5. Malachite in gossanous veins at Bruce's Prospect; samples from here yielded 1.9g/t Au and 1.6% Cu.

Figure 6: Outcropping gossanous quartz veins at Bruce's Gold Prospect.

A soil sampling program by Olympia identified a low-level gold anomaly that indicated soil sampling was only partially effective at delineating the mapped mineralised veins. Follow up drilling targeted the soil anomalies rather than the mapped quartz veins returning only narrow intervals of gold mineralisation.

Regional aerial imagery interpretation by Shree has identified several other quartz veins throughout the project area, illustrated in Figure 7. Field reconnaissance is required to determine if these veins have the same gossanous characteristics seen at Bruce's Prospect.

Ultra-fine soil sampling is a relatively new and inexpensive technique that has had success in identifying anomalous geochemistry in areas of transported soil cover. Ultra-fine soil sampling may identify a much longer and substantial mineralised halo. Alternatively, auger or RAB drilling to collect meaningful geochemical samples is well suited to the desert sands.

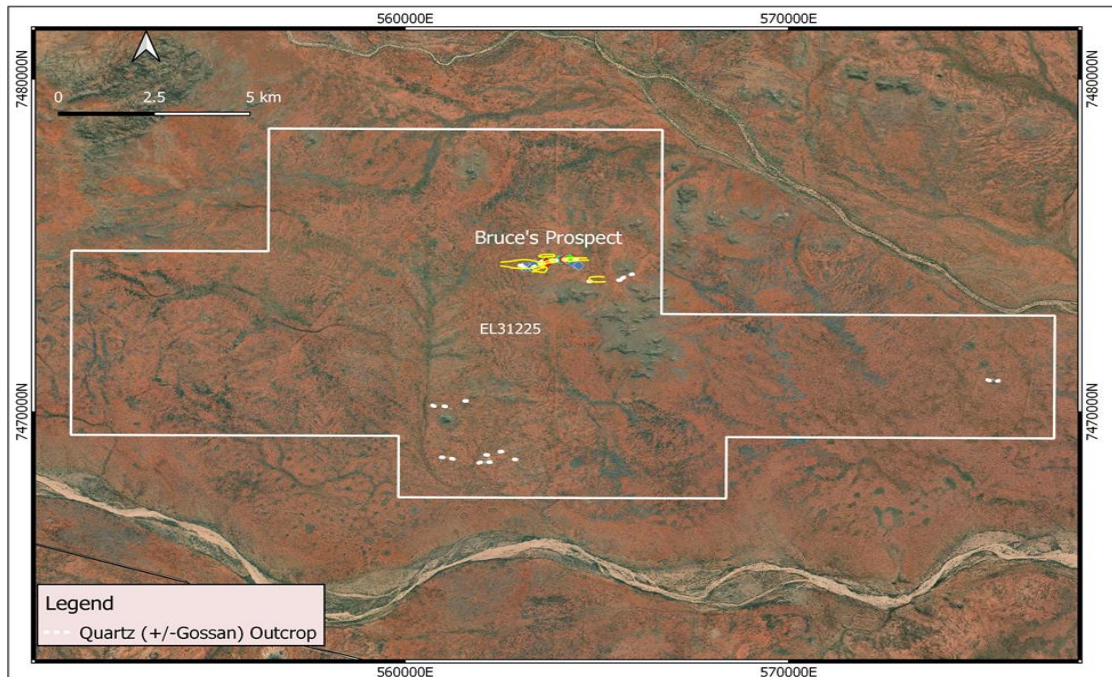


Figure 7. Shree has identified several other unsampled quartz veins throughout the project area. Image is the aerial photo of the very large exploration licence.

Dundas Project

The Company has lodged applications for two Exploration Licences (ELA), 60 kms east of Norseman Western Australia, E63/2046 and E63/2048 (Dundas project), illustrated Figure 8.

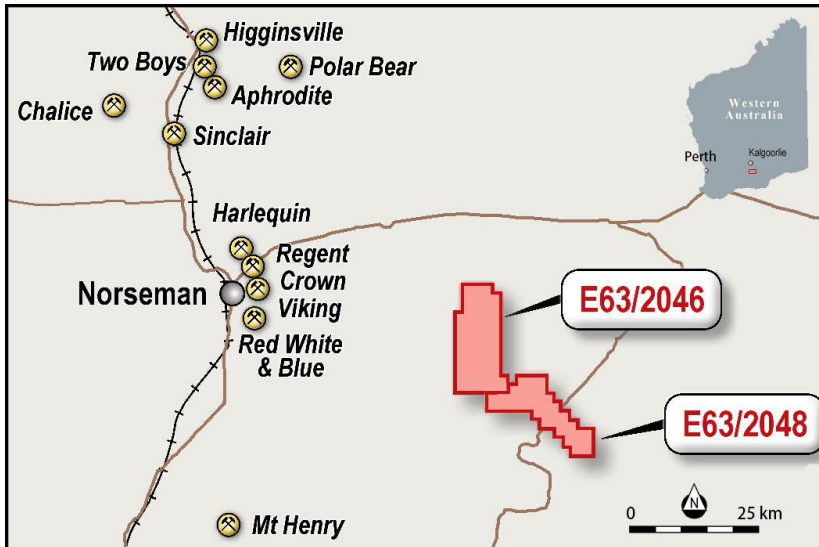


Figure 8. Regional Location of the Dundas Project

Only very limited historical exploration has been carried out in the area due to the thin blanket (usually 5 – 10m) of transported cover. One km spaced auger soil traverses undertaken by AngloGold Ashanti Australia (AngloGold) and a localised RAB/RC drilling program by Pan Australian Resources during the 1990's has identified the presence of gold mineralisation hosted by mafic rocks in E63/2046. Reported intersections include:

- T4RC032** 2m @ 3.5g/t Au from 23m
- T4RC042** 1m @ 2.1g/t Au from 87m
- T4RC0018** 1m @ 1.2g/t Au from 53m

The mineralisation remains open and the associated Au and Cu soil geochemistry (AngloGold's data) suggests the mineralisation is much more extensive than indicated by drilling, as illustrated in Figure 9. Several large and robust gold in soil geochemical anomalies, up to 6 kms in length, are spatially associated with the interpreted BLFZ in E63/2048 and represents a high priority for drilling for Shree Minerals (Figure 9).

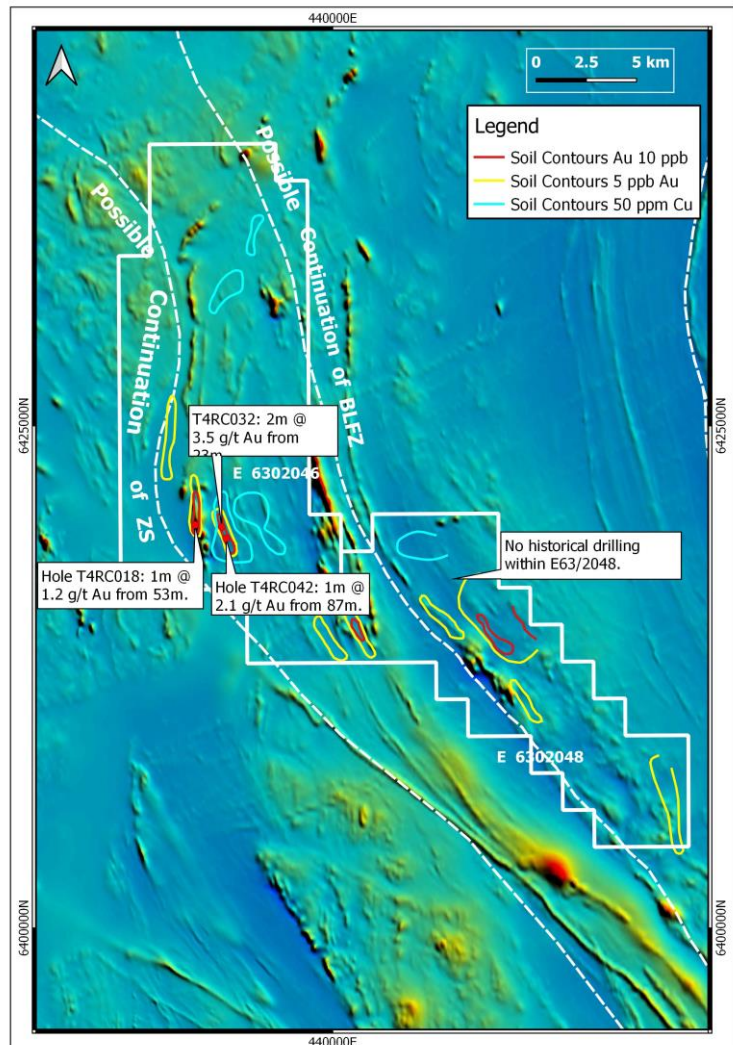


Figure 9. Historical data summary showing soil geochemical contours and anomalous drilling intersections of the exploration licence applications. Underlying image is the regional aeromagnetic image. The location of the BLFZ and the ZS is interpreted from the aeromagnetic data.

Ulysses South Project.

The project area consists of 1 ELA (E40/384) and is located 30 kms south of Leonora and 6 kms north of Shree's Golden Chimney exploration licence (E40/378). The new tenement is located 15 kms south of the developing Ulysses Group of Gold Mines.

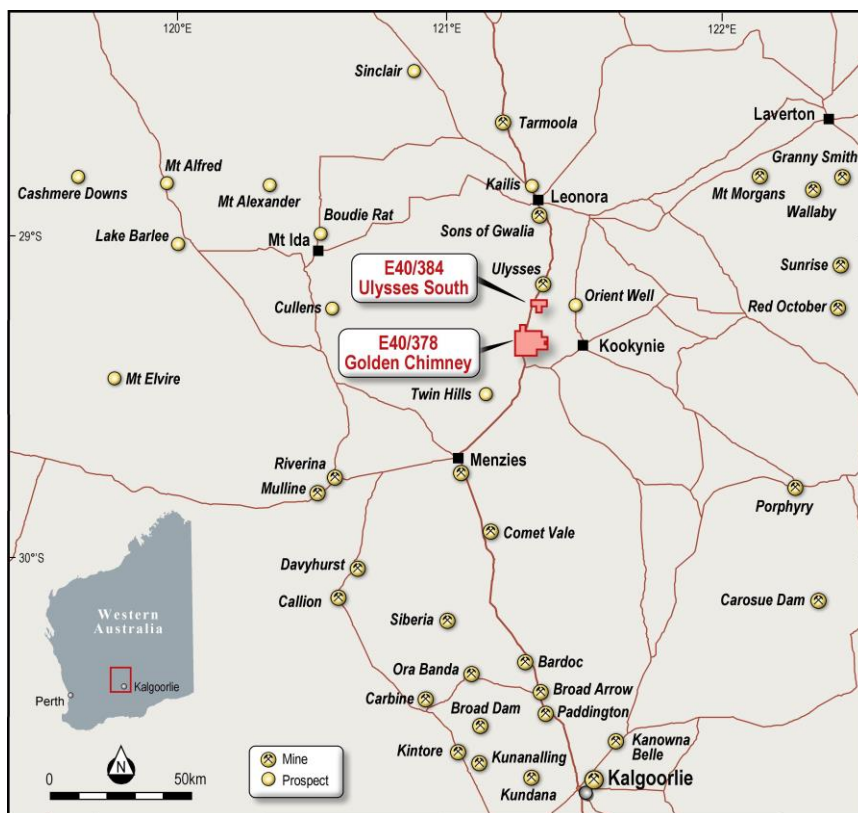


Figure 10. Regional location of the Ulysses South & Golden Chimney Projects

The 100% owned tenement has been previously explored by several companies including Money Mining (1992-1996), Asarco Pty Ltd (1984-1988), and Consolidated Gold Operations (1995-1996). The most comprehensive exploration within the area of E40/384 was conducted by Aberfoyle during the period from 1995-1996. Aberfoyle conducted aeromagnetic interpretation, soil and vacuum drilling and RAB and RC drilling. Figure 10 summarises Aberfoyle's soil geochemistry contours and the maximum gold (ppm) in RAB drilling.

Regolith mapping by previous workers and drilling has shown this tenement is mostly underlain by laterite and weathered transported overburden, sometimes up to 60m deep in the western edge of the tenement. As such, subtle soil anomalies, illustrated in Figure 11, may be more significant here than less covered terrains.

Of note is RAB hole ROCW375 where 4 separate gold intervals were intersected within the weathered saprolitic zone. Best intersections include:

- ROCW0385 1m @ 0.31g/t Au from 42m**
- 1m @ 0.14g/t Au from 45m**

RAB hole ROCW0387 is also anomalous to the north.

- ROCW0387 4m @ 0.18g/t Au from 30m**

No follow up drilling was conducted.

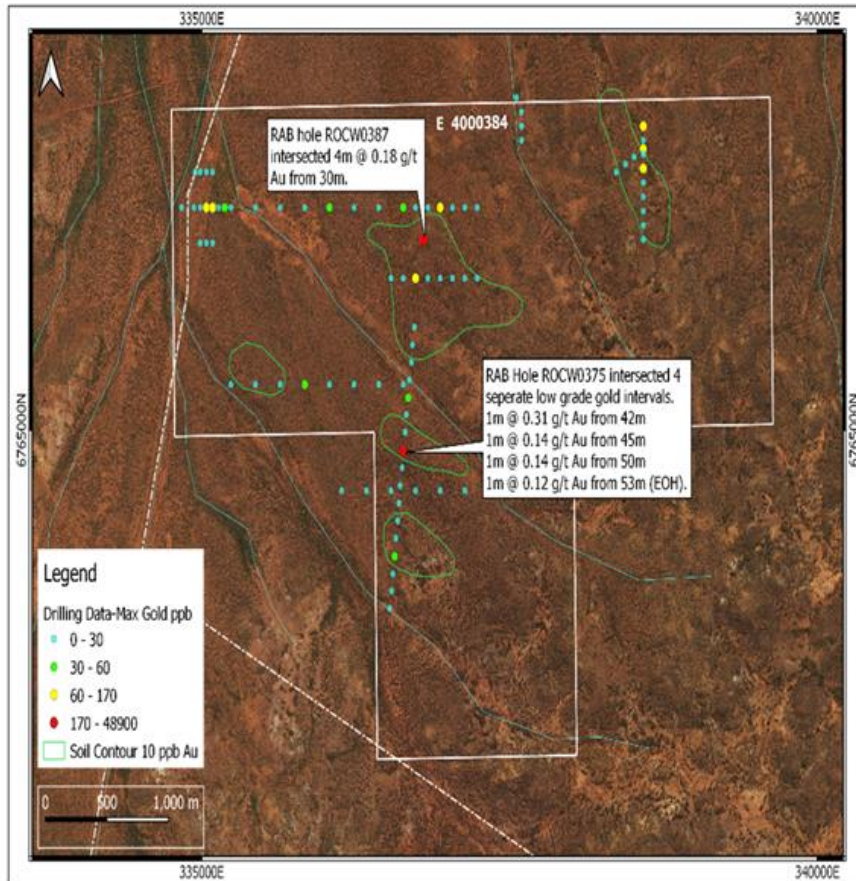


Figure 11. Historical data summary of application E40/384. Underlying image is the aerial satellite image of the area.

Upon granting of the tenement, Shree will conduct reconnaissance aircore drilling in the vicinity and the surrounds of holes ROCW0375 and ROCW0387. Drill holes with anomalous drilling intersections will then be evaluated by RC drilling.

Amalgamation of P40/1354 with Golden Chimney Project (E40/378).

Shree Minerals decided to apply for the amalgamation of P40/1354 following its surrender in 2019. The location of the prospecting licence is illustrated in Figure 12. P40/1354 surrounds excluded mining lease M40/09. The tenement shows extensive gold mining activity, as illustrated in Figure 13. Gold production records from the Mines and Mineral Deposits database (MINEDEX) from the WA Department of Mines, Industry Regulation and Safety indicate 358 kgs of ore at a grade of 2.08 g/t Au was treated from both the Lone Hand and the Blue-Ribbon gold workings during the period from 1983-1984.

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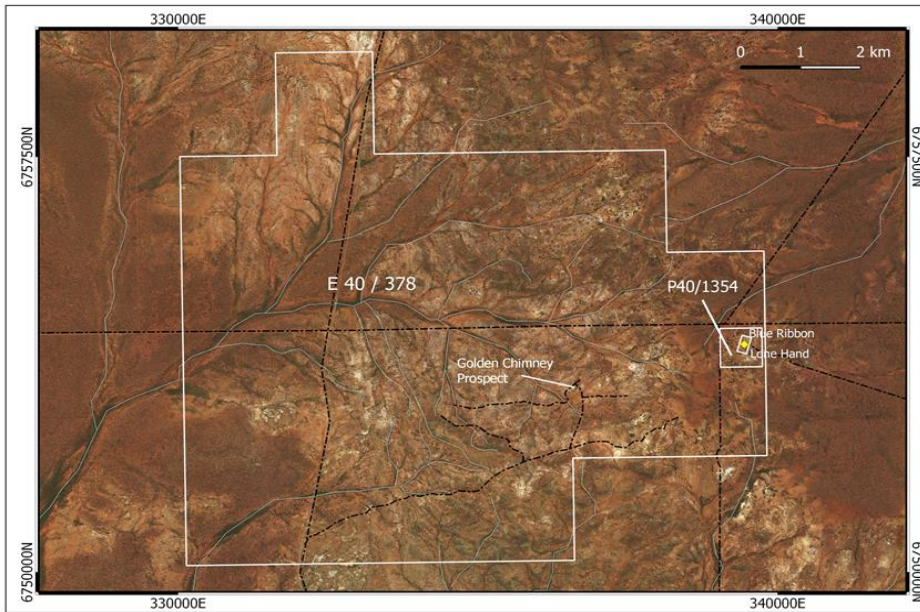


Figure 12. Aerial photo of Shree's Golden Chimney Project, E40/378 and the prospecting licence P40/1354.

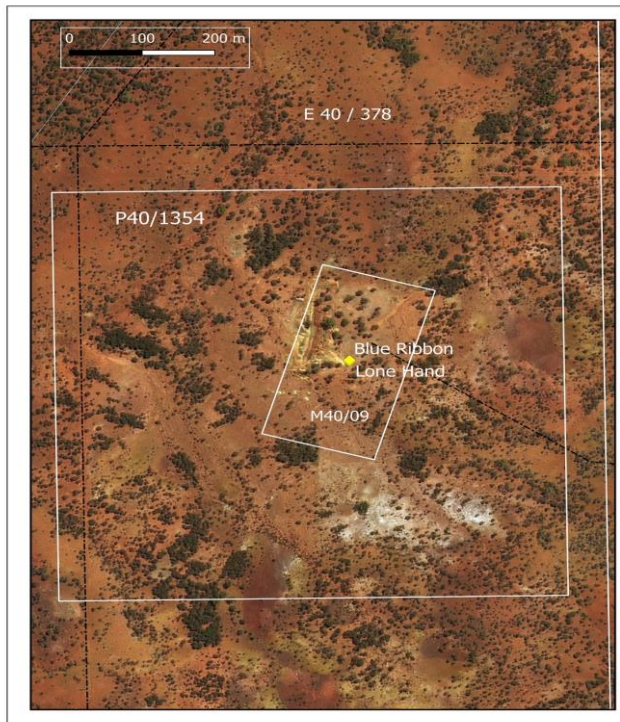


Figure 13. Close-up of P40/1354 and the mining lease M40/09. The tenement contains the Lone Hand and Blue-Ribbon gold workings.

The amalgamation of P40/1354 allows Shree Minerals to assess the exploration potential of the area and identify prospective structures that may strike onto Shree's surrounding E40/378 from M40/09. Identification techniques may include geochemical soil and rock chip sampling and geological mapping.

GOLDEN CHIMNEY PROJECT

The project is located 40km south of Leonora (Figure 10). The world class deposit known as the Sons of Gwalia Gold mine occurs within this geological terrain (1.9 Moz Au in reserve at a grade of 7.5 g/t Au and past production of 4 Moz Au). Other significant and economic deposits include King of the Hills Mine (resources of

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380,000oz Au), Tower Hill (625,000oz Au in resources), and Kallis– Trump and Ulysses (760,000oz Au in resources).

Figure 14 illustrates the geochemical soil contours derived from the auger traverses completed in July 2019. Coherent near - surface gold anomalism is located over mostly mafic and felsic rocks as interpreted from aeromagnetic images and geological mapping. Three prospects were RC drilled (Figure 2): The Golden Chimney prospect, the Golden Chimney East and Golden Chimney West prospects. Only the Golden Chimney prospect, has been drilled by previous workers. Table1 below illustrates the specifications of the drilling program.

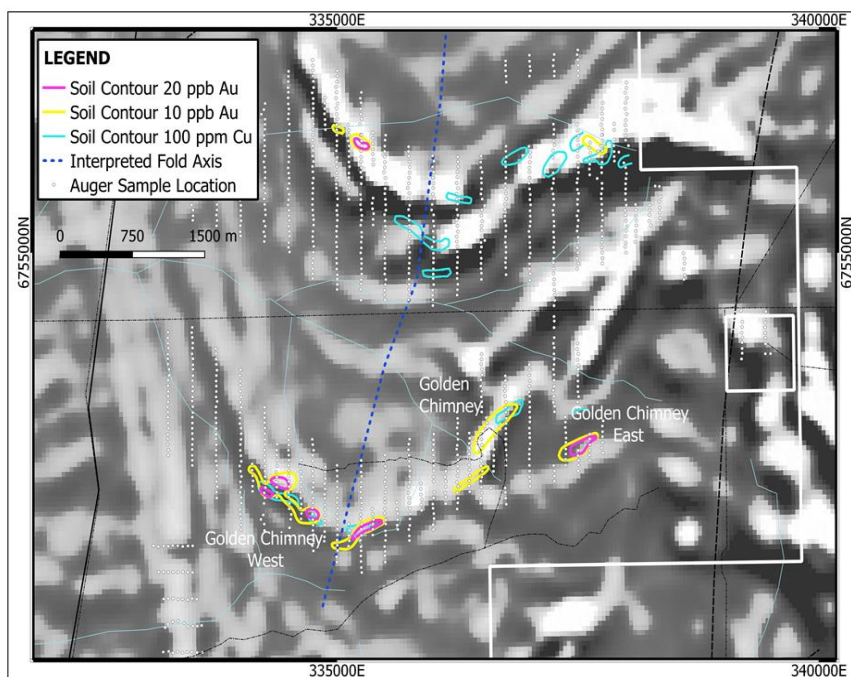


Figure 14. Multi-element (Au, Cu) soil contours derived from Shree’s auger program. Also illustrated is the location of all auger samples and the interpreted position of the regional fold axis. The underlying image is the aerial magnetics.

Table 1. RC drill hole details.

Hole	Prospect	MGA_East	MGA_North	Depth_m	Azimuth°	Dip°
19GCRC01	Golden Chimney	336615	6753330	120	315	-60
19GCRC02	Golden Chimney	336630	6753310	180	315	-60
19GCRC03	Golden Chimney	336653	6753337	186	315	-60
19GCRC04	Golden Chimney	336718	6753467	114	315	-60
19GCRC05	Golden Chimney East	337510	6753136	127	315	-60
19GCRC06	Golden Chimney East	337472	6753205	138	315	-60
19GCRC07	Golden Chimney East	337655	6753220	114	315	-60
19GCRC08	Golden Chimney East	337610	6753291	114	315	-60
19GCRC09	Golden Chimney West	335261	6752405	50	225	-60
19GCRC10	Golden Chimney West	334390	6752864	108	225	-60
19GCRC11	Golden Chimney West	334357	6752835	100	225	-60
TOTAL				1351		

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Golden Chimney Prospect.

In 1993, historical RC drilling of soil and rock chip anomalies at the Golden Chimney prospect intersected broad zones of low-grade gold mineralisation including **26m @ 0.36 g/t Au in RCGC014 from 6m, 15 m @ 0.46 g/t Au in RCGC07 from 12m and 5 m @ 0.47 g/t Au in RCGC011 from 102 m**. These intersections are illustrated in Figure 15. Drilling encountered a mineralised structure containing common coarse crystalline arsenopyrite and pyrite.

The positions of the recently completed RC drill holes at the Golden Chimney prospect are also illustrated in Figure 15. Drilling was aimed at extending the mineralisation in a south westerly direction (holes 19GCRC01, 19GCRC02) and in a north-easterly direction (hole 19GCRC04). A 45° south westerly plunge to the mineralisation was also tested by hole 19GCRC03. Altered quartz gabbros and dolerites containing common arsenopyrite and pyrite, was seen in the four drill holes. Extensive carbonate haloes were a feature of the alteration.

Best assays received were from drill hole 19GCRC01 where 12 m @ 83 ppb Au from 28-40 m was intersected (4m composite samples). This drill hole suggests the mineralisation remains open along strike to the south west in Figure 6. In hole 19GCRC03 12 m @ 67 ppb Au from 128–140 m was intersected (also 4m composite samples). This drill hole suggests the mineralisation remains open down dip to the south east in Figure 6. No anomalous assays were received from hole 19GCRC04 and the south westerly striking mineralisation now appears to be closed off to the north east.

Table 2 lists all assays > 25 ppb Au received from the 4m composite samples.

Table 2 : Anomalous drilling assays. (> 25 ppb Au).

Hole No.	Hole Type	Prospect	From (m)	To (m)	Sample No.	Sample Type	Au ppb	As ppm	Cu ppm	Zn ppm	Bi ppm
19GCRC01	RC	Golden Chimney	28	32	43508	composite	175	150	198	41	1.48
19GCRC01	RC	Golden Chimney	32	36	43509	composite	42.5	123	61	49	0.24
19GCRC01	RC	Golden Chimney	36	40	43510	composite	30.5	111	91	52	0.3
19GCRC03	RC	Golden Chimney	64	68	43592	composite	48	5.6	109	48	2
19GCRC03	RC	Golden Chimney	80	84	43596	composite	38.5	3.8	129	41	1.14
19GCRC03	RC	Golden Chimney	104	108	43602	composite	28.5	5.8	215	80	0.34
19GCRC03	RC	Golden Chimney	116	120	43605	composite	29.5	3.2	400	47	0.9
19GCRC03	RC	Golden Chimney	128	132	43608	composite	146	6.4	84	41	0.42
19GCRC03	RC	Golden Chimney	136	140	43610	composite	44	1.6	148	65	0.66
19GCRC05	RC	GC East	72	76	43668	composite	118	5	7	47	0.08
19GCRC05	RC	GC East	120	127	43682	composite	26.5	19.6	13	51	1.16
19GCRC06	RC	GC East	132	138	43716	composite	38.5	189	9	32	0.18
19GCRC07	RC	GC East	56	60	43731	composite	54	942	13	44	2.4
19GCRC09	RC	GC West	12	16	43776	composite	46	0.4	103	28	1.94

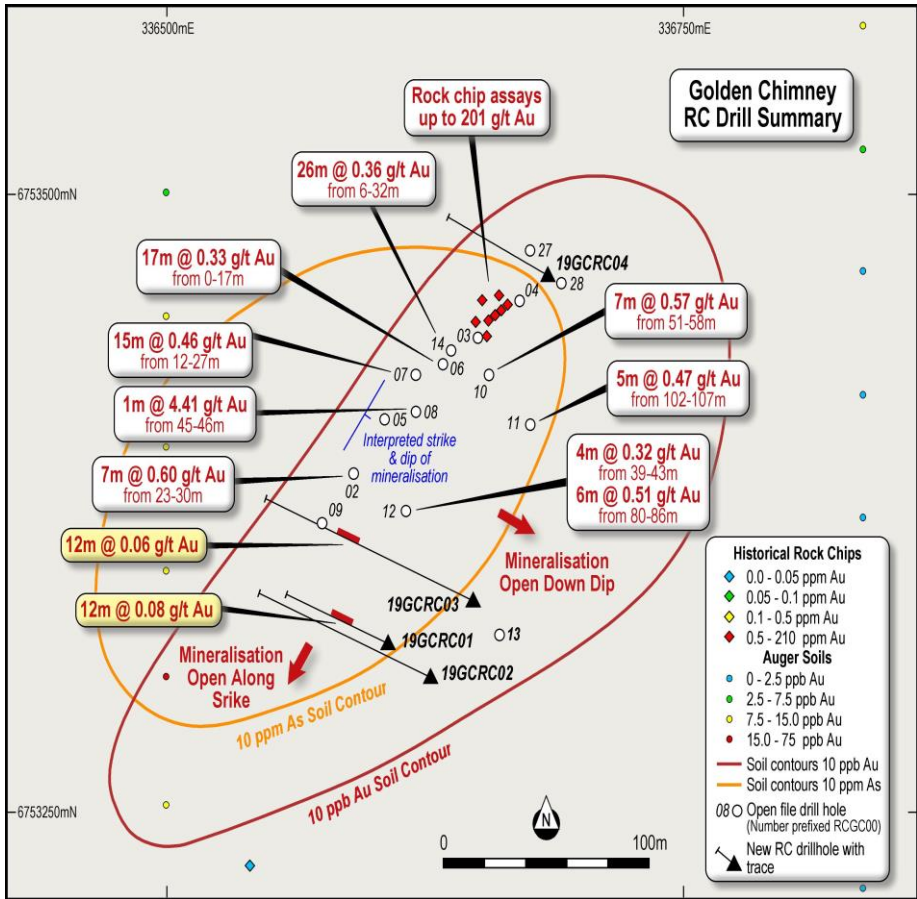


Figure 15. Location of the historical and the recent RC drilling at the Golden Chimney prospect. Auger soil geochemistry contours (Au, ppb and As, ppm) are also shown.

Golden Chimney East Prospect.

Four RC drill holes tested the auger soil anomaly at Golden Chimney East. Drill hole positions with respect to the anomalous geochemistry are illustrated in Figure 16. Mainly dolerites and gabbros were intersected. The highest assay in drilling was from hole 19GCRC05 (hole 8 in figure 4) where 4m @ 118 ppb was received from 72-76m (4m composite sample).

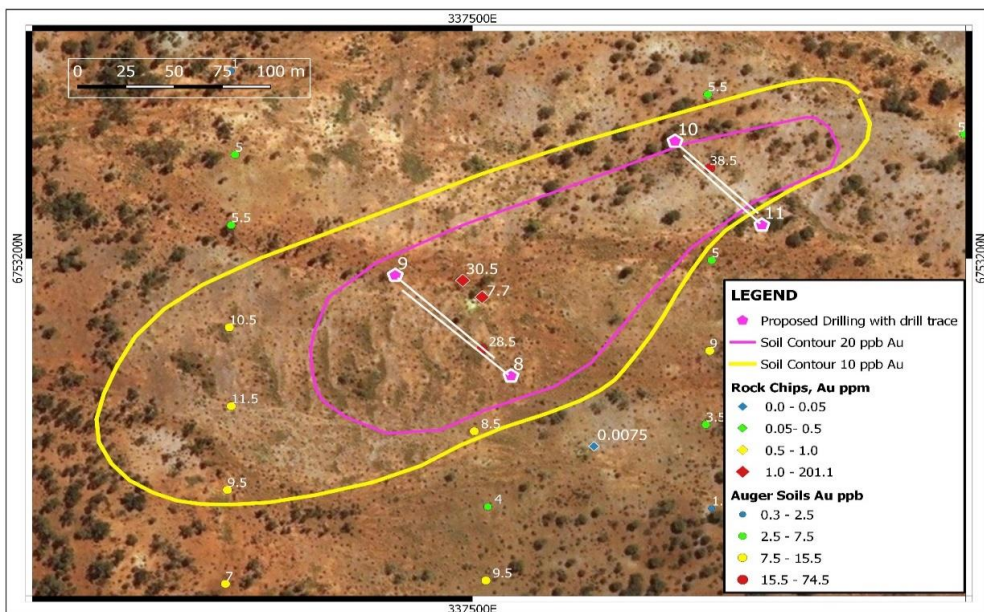


Figure 16. Location of the recently completed RC drill holes at the Golden Chimney East prospect.

Golden Chimney West Prospect.

Three RC drill holes tested the auger soil anomaly at Golden Chimney West. The regional location of this prospect is shown in Figure 5. Drilling intersected two silicified quartz feldspar porphyries within a suite of dolerites and gabbros. Very fine sulphides (possibly pyrite) were visible within the extremely calcareous porphyries. Drilling assays (4m composite samples) did not exceed 50 ppb Au.

Golden Chimney West is located 2.2 kms west of the Golden Chimney Prospect in E40/378, illustrated in Figure 17. An auger soil exploration program completed during the September quarter 2019 (see 2019 September Quarterly Report) generated Au anomalism in several auger holes with grades up to 27 ppb Au. Three separate areas were outlined by the anomalous 20ppb Au geochemical contour (Figure 18). Two RC drill holes (19GCRC010 and 19GCRC011) tested only one of the 20 ppb soil anomalies in November 2019. Holes were drilled to 108m and 100m respectively.

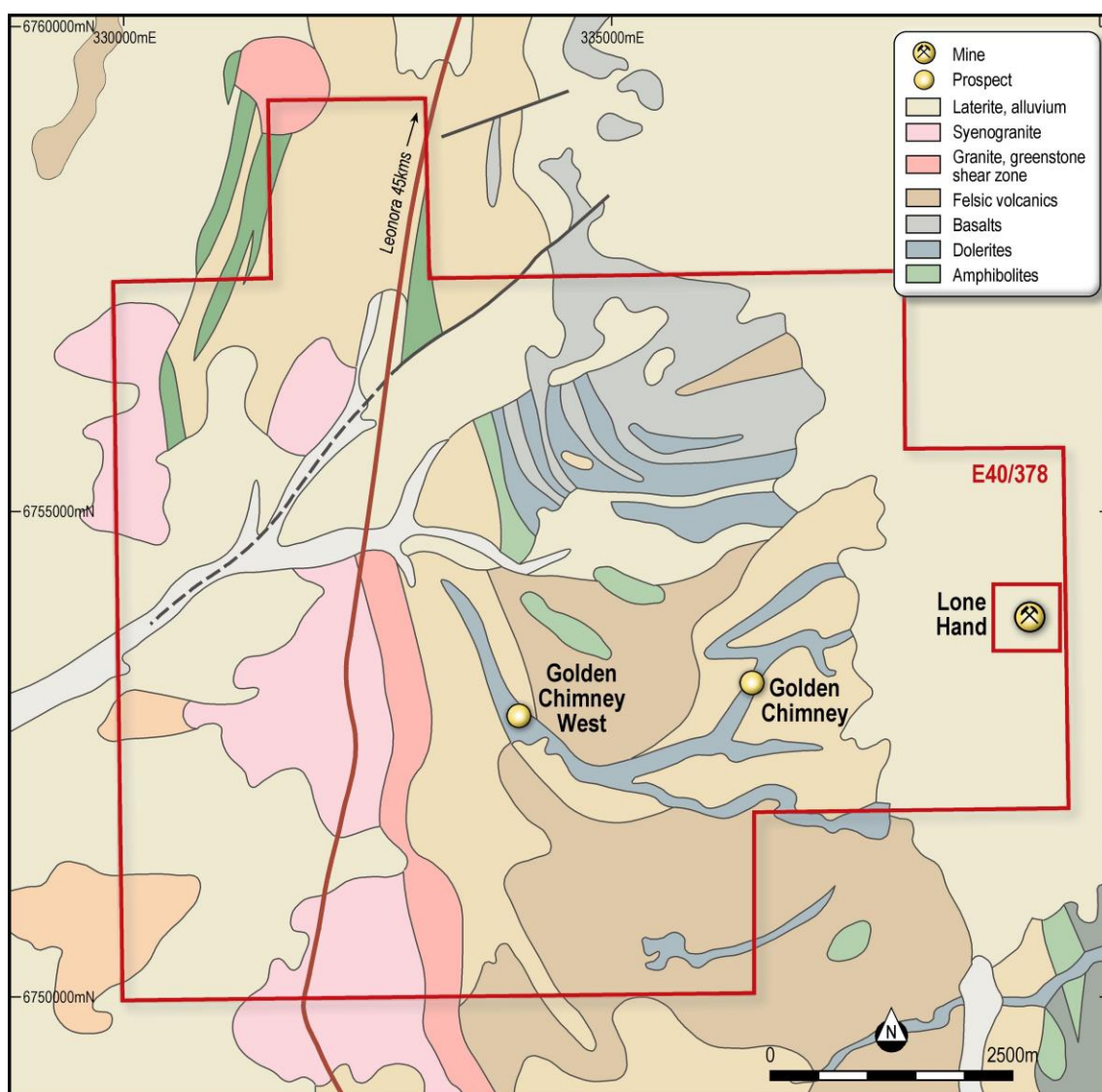


Figure 17. Local geology and location of the Golden Chimney West prospect.

Drilling intersected two silicified quartz feldspar porphyries within a suite of dolerites and gabbros. Very fine sulphides (possibly pyrite) were visible within the extremely calcareous porphyries. Drilling assays (4m composite samples) did not exceed 50 ppb Au.

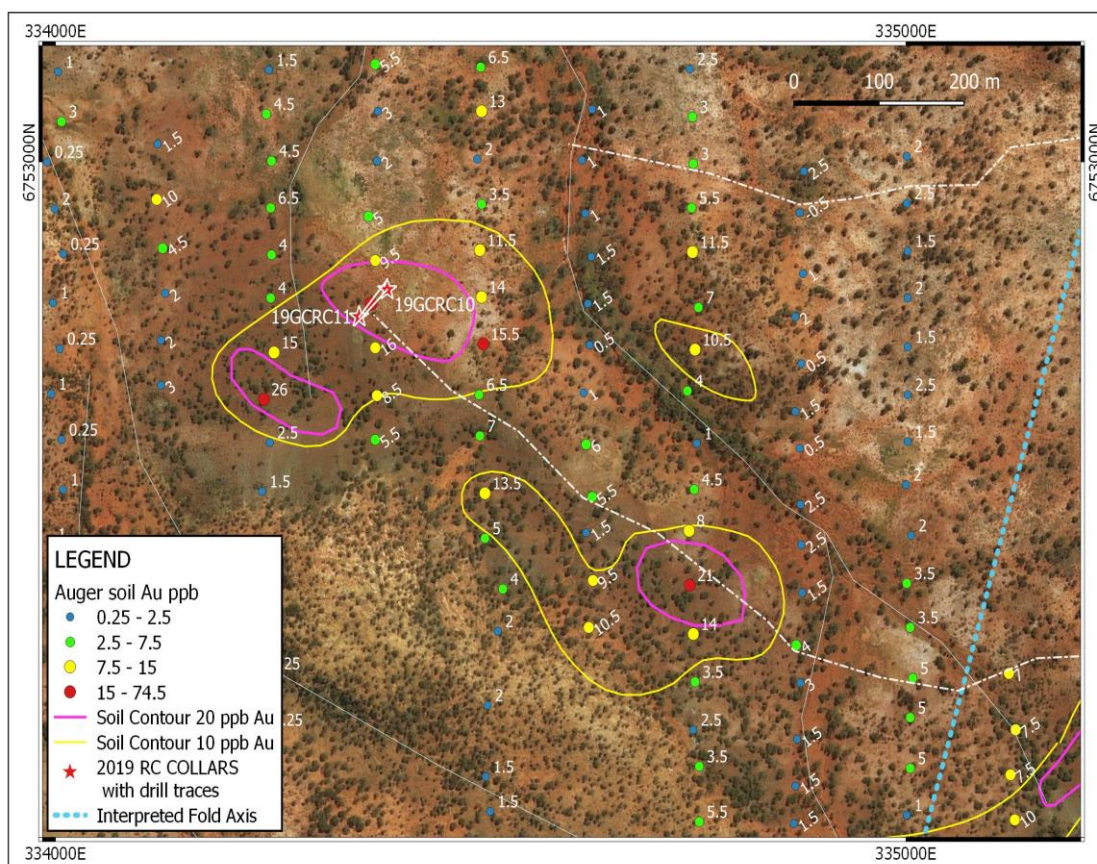


Figure 18. Golden Chimney West auger soil geochemistry (ppb Au) on the aerial photo. 2019 RC drill holes are also shown. Two 20 ppb Au soil geochemical anomalies remain to be evaluated.

As there are two soil anomalies, outlined by the 20 ppb Au soil contour, yet to be evaluated by drilling, in Figure 18, further work is recommended at Golden Chimney West. A thin (0.3m) veneer of transported colluvium and alluvium over the area suggests geological mapping and the collection of rock chips is ideally suited to defining new drill targets.

Next Steps.

In order to target further drilling, Induced Polarization (IP) geophysics may be applicable to the pyrite altered mafic sequence at Golden Chimney. IP is a commonly-used geophysical survey method for measuring the electrical properties of subsurface rock. Measurements are made by introducing a controlled electrical current into the ground using two current electrodes, thus energizing the ground, and then measuring the induced potential-field gradient voltage between two non-polarizable receiver electrodes. The measured IP phase indicates the ability of rocks to briefly hold an electrical charge after the transmitted voltage is turned off. Metallic minerals (pyrite) hold an electrical charge longer than non-metallic minerals and this is measured in an IP survey. Higher IP voltages reflect higher concentrations of metallic minerals (pyrite) and hence can be an effective targeting tool. IP responses can be received from 400 m below surface using higher electrical currents.

Extensional drilling at Golden Chimney may be warranted. In figure 6, auger Au and As geochemistry contours suggest the mineralisation may be open to the south-west of hole 19GCRC01. Additionally, assays received from drill hole 19GCRC03 confirm the down dip continuity of the south easterly dipping mineralisation and a new drill hole in between 19GCRC03 and RGC11 (in figure 17) may be warranted.

Competent Person Statement

The review of historical exploration activities and results contained in this report is based on information compiled by Michael Busbridge, a Member of the Australian Institute of Geoscientists and a Member of the Society of Economic Geologists. He is a consultant to Shree Minerals Ltd. He has sufficient experience which is relevant to the style of

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mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Michael Busbridge has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed.

Cautionary Statement (for Box Hole, Edwards Creek, Bruce Gold, Dundas and Ulysses South Gold Projects)

- The Exploration Results for Box Hole, Edwards Creek, Bruce Gold, Dundas and Ulysses South Gold Projects have been reported by former owners;
- The source and date of the Exploration Results reported by the former owners have been referenced in the company's announcement to ASX dated 30/6/2020 and 15/07/2020;
- The historical Exploration Results have not been reported in accordance with the JORC Code 2012;
- A Competent Person has not done sufficient work to disclose the historical Exploration Results in accordance with the JORC Code 2012;
- It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
- That nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the historical Exploration Results; but
- Shree has not independently validated the historical Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results
- A summary of the work programs on which the Exploration Results quoted in this announcement are included as Appendices in the company's announcement to ASX dated 30/6/2020 and 15/07/2020;
- There are no more recent Exploration Results or data relevant to the understanding of the Exploration Results;
- An assessment of the additional exploration or evaluation work that is required to report the Exploration Results in accordance with JORC Code 2012 will be undertaken following acquisition & will be funded by the Company.

Junior Minerals Exploration Incentive ("JMEI")

The Company is pleased to advise that it has been successful in its application to participate in the Junior Minerals Exploration Incentive and has received an allocation to create exploration credits up to \$600,000 for the 2021 income year. This allows the Company to create exploration tax credits by raising capital and conducting eligible exploration activities. The exploration credits can subsequently be distributed to eligible investors. Australian resident shareholders who are issued an exploration credit will be entitled to a refundable tax offset or, if the shareholder is a corporate tax entity, additional franking credits. Exploration credits issued to the eligible investors must be in proportion to their exploration investment. Eligible investors are those investors who have participated in any new capital raising issued in the form of ordinary shares.

Nelson Bay River Iron Ore Project (“NBR Project”)

Shree’s wholly owned Nelson Bay River Project (“NBR” or the “Project”) including Mining Lease 3M/2011 is engaged in the mining and shipment of iron ore. The location of the Mining Lease 3M/2011 is shown in Figure 19.



Figure 19: Location Plan – NW Tasmania

The Project is within an established mineral province in the region. Operating mines include Grange Resources’ (ASX: GRR) Savage River Iron Ore and MMG’s Roseberry Mine.

The project has three types of resources: Direct Shipping Ore (“DSO”), Beneficiable low-grade resource (“BFO”) and a Magnetite Resource.

The NBR occurrence is a 4km long magnetic feature (anomaly). The iron mineralisation is hosted by a steeply SW dipping mafic dyke, intruded into siliciclastic country rocks. The magnetic feature has been divided into two parts, northern and southern.

NBR was previously producing direct shipping Iron Ore (Fines and Lump) products until being placed on care and maintenance since June 2014 following sharp iron ore price falls.

Following the recent improvement in Iron Ore Prices, Shree is proposing to re-open the mine and is seeking environmental permit from Tasmanian EPA. These would allow the company to complete the existing DSO pit (“SDSO”) by extracting, processing (crushing and screening) and shipping the remaining hematite ore. The NBR product (DSO Lump and Fines) has been very well received and is in demand by customers due to its low impurities like alumina (Al₂O₃) at only 1.3%.

As part of the process, a working Draft Development Proposal & Environment Management Plan (“DPEMP”) has been prepared earlier this year to facilitate finalisation of various technical studies & plans. While the progress during the quarter was hampered due to COVID issues, the company is working in consultation with EPA to finalise the DPEMP.

The SDSO pit is proposed to be deepened to mine the remains of the near-surface oxidised ore body, comprising DSO hematite, to a depth of approximately 80 m.

Resource and Reserves

Mineral Resources and Reserves Estimates, summarised by JORC classification are as follows:

DIRECTORS' REPORT

The in situ DSO Mineral Resource Estimates, September 2015

Category	Tonnes	Fe %	Al ₂ O ₃ %	P ppm	S ppm	SiO ₂ %	LOI %
Measured	300,000	57.6	1.3	947	362	9.2	6.4
Indicated	190,000	57.5	1.4	919	377	9.3	6.3
Inferred	150,000	57.3	1.2	945	421	10.0	6.2
Total	640,000	57.5	1.3	938	380	9.4	6.4

(Nominal 54% Fe cut off; average density 3t/m³; minor rounding errors)

BFO Resource Estimates 2012

Category	Tonnes	Fe %	Al ₂ O ₃ %	P ppm	S ppm	SiO ₂ %	LOI %
Inferred	730,000	46.8	2.7	180	680	23.7	4.7
Total	730,000	46.8	2.7	180	680	23.7	4.7

(30% Fe cut off; average density 3t/m³; minor rounding errors)

“This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.”

Skarn Dyke Global Iron Resource Estimates

(Includes Magnetite Resource)

Category	M Tonnes	Iron %
Indicated	1.8	38.6
Inferred	9.5	35.9
Total	11.3	36.3

(30% Fe cut off; fresh rock material; minor rounding errors)

“This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.”

Skarn Dyke Recoverable Magnetite Resource Estimates

Category	M Tonnes	DTR Mag %	Magnetite Kt
Indicated	1.7	38.5	667
Inferred	6.1	38.2	2,324
Total	7.8	38.3	2,991

(20% DTR cut off; average density 3.71t/m³; fresh rock material; minor rounding errors)

“This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.”

Magnetite Resource Estimate Concentrate Grades

Category	Fe %	Al ₂ O ₃ %	S %	SiO ₂ %
Indicated	66.4	0.16	0.21	4.6
Inferred	64.3	0.31	0.42	6.0
Total	65.5	0.22	0.30	5.2

“This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.”

DIRECTORS' REPORT

The in situ DSO Ore Reserve Estimates for the Southern DSO pit, September 2015

Category	M tonnes	Fe %	Al2O3 %	P %	S %	SiO2 %	LOI %
Proved	0.27	56.5	1.4	0.091	0.035	8.7	6.5
Probable	0.19	56.5	1.5	0.092	0.036	8.8	6.5
Total	0.46	56.5	1.4	0.091	0.035	8.7	6.5

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

Competent Person Statement

The information in this report that relates to Mineral Resources is based on information evaluated by Mr Simon Tear, who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). And who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("the JORC Code"). Mr Tear is a Director of HandS Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Ore Reserve Estimates for the Nelson Bay deposit is based on information evaluated by Mr Richard Beazley who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (MAusIMM CP(Min)) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Richard Beazley is the Principal of Altair Mining Consultancy Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Tenements

The mining tenements held at the end of the reporting period and their locations are as following:

<u>Mine Lease/ Exploration License</u>	<u>Locality</u>	<u>Remarks</u>
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
E40/378	Golden Chimney	100% Shree Minerals Ltd
E40/384	Ulysses South	*ELA, 100% Shree Minerals Ltd
E63/2046	Dundas	*ELA, 100% Shree Minerals Ltd

*ELA: Exploration Licence Application

The above table does not include ELA made after 30/6/2020 being E63/2048 & ELA6044.

- The mining tenement interests relinquished during the year and their location

NIL

- The mining tenements interests acquired and disposed of during the year and their location

E40/384, E63/2046.

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

NIL (The Company has entered into a farm-in and joint venture agreement ("Arunta Joint Venture") with Territory Lithium Pty Limited ("TLPL") to explore TLPL's tenements for Gold & base metals but has not yet earned any beneficial percentage interest).

DIRECTORS' REPORT

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

NIL (The Company has entered into a farm-in and joint venture agreement ("Arunta Joint Venture") with Territory Lithium Pty Limited ("TLPL") to explore TLPL's tenements for Gold & base metals but has not yet earned any beneficial percentage interest).

OTHER TENEMENTS

Shree Minerals' exploration activities for the year in review were confined to those referred to in this report. However, the Company can report that all other tenements remain in good standing and meet statutory requirements.

OUTLOOK

The Company has now assembled an exciting portfolio of exploration projects in Gold & Base metals in Australia.

Securing these new tenements along with our current exploration projects, now provides the Company an exciting portfolio of early to mid-stage highly prospective opportunities in Gold & Base Metals. These projects have not benefited from modern exploration techniques, in an emerging area which has an established reputation as a world-class mineral province. We believe this will be an inflection point in our journey as an emerging explorer in this very exciting sector.

Additionally, iron ore price environment since late 2018 has been supportive for restart of NBR operations.

The Company is targeting DPEMP finalisation this year to facilitate progress to next stage of approval process. On that basis, the Company hopes to be in a position to consider decision for recommencement of the mine in 2021.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review other than those disclosed in this report.

FINANCIAL POSITION

The net assets of the Company at 30th June 2020 are \$1,201,144 (2019: \$1,580,148)

AFTER BALANCE DATE EVENTS

Share Placement completed in August 2020 for \$0.9 million. Additionally, a share placement of \$0.3 million to Directors has been announced which is subject to Shareholders approval in the next general meeting of the Company.

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

DIRECTORS' REPORT

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company intends to continue to pursue its goals to acquire and explore mineral deposits and pursue development and mining operations of these deposits.

ENVIRONMENTAL REGULATIONS

The Company holds exploration and mining licences to regulate its activities in the States of Tasmania and Western Australia, Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its activities. As far as the Directors are aware, there has been no known breach of the Company's licence conditions other than those disclosed in this report.

DIRECTORS' INTERESTS

The relevant interests of each Director in the securities of Shree Minerals as at date of this report are as follows:

	ORDINARY SHARES FULLY PAID	OPTIONS
Mr S Loyalka	47,840,358	12,500,000
Mr A Shah	8,121,367	5,000,000
Mr D Bosio	38,733,054	12,500,000
Total	94,694,779	30,000,000

Mr. Andy Lau retired on 28th November 2019, holds 2,877,907 Shares as at date of this report.

INFORMATION ON DIRECTORS

Mr Sanjay Loyalka, Director and Company Secretary, FAIM,ACA, B Com (Hons)

Director of Shree Minerals Ltd since April 2008

Mr Sanjay Loyalka has experience in various functional roles including CEO, General Management, and Corporate finance experience in mining and metals, manufacturing, and logistics based industries in a multinational environment.

Mr Loyalka is the founder of Investment advisory firm IACG Pty Ltd in Australia which has been engaged in cross border MandA, strategic consulting as well as a mineral commodity trading business.

As the founding CEO and Managing Director, he was instrumental in the development of the Aditya Birla Group's operations within Australia. He led the acquisition of Nifty and Mount Gordon Copper mines, successful development of the Nifty Sulphide project (a remote site, 2.5 million TPA underground mine, concentrator plant and associated infrastructure) and operational restructure of Mount Gordon Copper Operations. These led to a successful listing of the Company on the Australian Securities Exchange under an IPO raising \$300 million and inclusion in the ASX S&P 300 index.

Mr Loyalka has been a member of the Executive Council of Chamber of Minerals and Energy (Western Australia) in 2005 and 2006.

Directorship in other listed companies in last 3 years: N/A

Mr Amu Shah, Non-Executive Director

Director of Shree Minerals Ltd since March 2011

Mr Amu Shah is a director and shareholder in various businesses ranging from retail trade, distribution of office and stationery products, services to the mining industry, manufacturing, and property development and ownership.

Mr Amu Shah is the Honorary Consul for Kenya in Perth.

Mr Amu Shah has extensive international and local business experience.

Directorship in other listed companies in last 3 years: N/A

DIRECTORS' REPORT

Mr Davide Bosio, Non-Executive Director, BComm, FFin, GAICD

Director of Shree Minerals Ltd since October 2018

Mr Davide Bosio is the WA State Manager and Director, Corporate Finance at Shaw and Partners Limited. Davide has over 18 years' experience in the stockbroking industry with a focus on corporate services to listed companies, specifically in relation to capital raisings and M&A advice.

Directorship in other listed companies in last 3 years: Connected IO Limited (ASX:CIO), March 2019 – Present ; Spectrum Metals Limited (ASX:SPX), Dec 2017 – November 2018 ; De Grey Mining Limited, Dec 2015 – November 2017.

Mr Andy Lau, Independent Non-Executive Director, MBA

Director of Shree Minerals Ltd since Nov 2009. Retired as Director of Shree Minerals on 28th November 2019.

Mr Andy Lau is a professional engineer and held senior management responsibilities for over 10 years in computer information and financing industry.

Mr Lau holds a MBA and graduate majoring in Computer Technology and held the certificates of MCSE, MCDBA, MCP, and CCNA. He worked for a number of large international companies in securities, venture capital, and high-tech industries.

Directorship in other listed companies in last 3 years: N/A

REMUNERATION REPORT (AUDITED)

The full Board fulfils the roles of remuneration committee (the "Committee") and is governed by the Company's adopted remuneration policy. The information provided in this remuneration report has been audited as required by Section 308 (3c) of the Corporations Act 2001.

Remuneration Policy

This policy governs the operations of the Committee. The Committee shall review and reassess the policy at least annually and obtain the approval of the Board.

General Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for non-executive directors' fees. The Directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any broad-based equity-based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

Executive remuneration

The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long-term commitment to the Company. Executives receive a base remuneration which is market related, and may be entitled to performance-based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information, and expert advice.

The Committee's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- a. reward reflects the competitive market in which the Company operates;

DIRECTORS' REPORT

- b. individual reward should be linked to performance criteria; and
- c. Directors and executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives and other senior managers consists of the following:

- a. salary - directors, executives and senior manager receive a fixed sum payable monthly in cash;
- b. bonus - directors, executives and nominated senior managers are eligible to participate in a profit participation plan if deemed appropriate;
- c. Long-term incentives - directors, executives, and nominated senior managers may also participate in employee share-option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and
- d. Other benefits - directors, executives and senior managers are eligible to participate in superannuation schemes and other appropriate additional benefits.

Remuneration of other executives consists of the following:

- a. salary - senior executive receives a fixed sum payable monthly in cash;
- b. bonus - each executive is eligible to participate in a profit participation plan if deemed appropriate;
- c. long term incentives - each senior executive may, where appropriate, participate in share option schemes which have been approved by shareholders; and
- d. Other benefits – senior executives are eligible to participate in superannuation schemes and other appropriate additional benefits.

Non-executive remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for non-executive directors is currently \$200,000.

It is recognised that non-executive directors' remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the non-executive directors, are included in the operations of the Company more intimately than may be the case with larger companies the non-executive directors are entitled to participate in equity-based remuneration schemes.

All directors are entitled to have their indemnity insurance paid by the Company.

Profit participation plan

Performance incentives may be offered to directors, executives, and senior management of the Company through the operation of a profit participation plan at the ultimate discretion of the Board. Currently, there is no such plan in practice for last 5 years.

Details of remuneration

Key Management Personnel (KMP) comprises the executive and non- executive directors only during FY2020.

The Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts for current and former directors, executive officers and secretary. The directors have not included details of the premium paid in respect of the directors' and officers' liability; as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT

The remuneration for Key Management Personnel of the Company during the year and the previous year was as follows:

2020

	Short-term Employee Benefits				Post-employment Benefits			Total	% Performance Based
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation	Other Long-term Benefits	Share Based Payments *		
Mr S Loyalka	109,589	0	0	0	10,411	0	30,974	150,974	21
Mr Andy Lau**	0	0	0	0	0	0	0	0	0
Mr Davide Bosio	27,397	0	0	0	2,603	0	30,974	60,974	51
Mr Amu Shah	13,699	0	0	0	1,301	0	12,390	27,390	45
	150,685	0	0	0	14,315	0	74,338	239,338	31

*Option Valuation using Black Scholes model as per Note 22.

** Mr Andy Lau retired on 28th November 2019. He was not paid any remuneration for the period 1 July to 28 November 2019 as he neither attended any Board meetings nor had any engagement / communication with the Company during the period.

2019

	Short-term Employee Benefits				Post-employment Benefits			Total	% Performance Based
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation	Other Long-term Benefits	Share Based Payments		
Mr S Loyalka	109,589	0	0	0	10,411	0	0	120,000	0
Mr Andy Lau	15,000	0	0	0	0	0	0	15,000	0
Mr Davide Bosio	20,548	0	0	0	1,952	0	0	22,500	0
Mr Amu Shah	13,699	0	0	0	1,301	0	0	15,000	0
	158,836	0	0	0	13,664	0	0	172,500	0

The table above do not include cash & equity payments made by the Company in relation to the settlement of earlier year's outstanding remuneration, as per detailed below.

DIRECTORS' REPORT

To conserve cash resources of the Company during the period the operations are under suspension, the key managerial personnel had voluntarily elected to take reduced drawings of their remuneration. The undrawn amount of remuneration has been accrued each month as a liability, as disclosed in previous published financial reports. The Directors have agreed to waive any further accruals effective 1st January 2018 so that the Company's total liability on this account does not increase. The total liability on this account was \$860,000 as at 30th June 2018. In FY 2019, the directors agreed to settle (as approved in AGM) the amount of \$860,000 outstanding for their remuneration as at 30th June 2018 as follows:

- Waived \$610,000 (presented as debt forgiveness in statement of Profit or Loss and other Comprehensive income)
- \$150,000 payment by way of issue of 30,000,001 fully paid ordinary shares at \$0.005 per share
- \$100,000 cash payment

For financial years ended 30th June 2020 and 2019 the KMPs held the positions and dates of change in responsibilities are as follows:

Mr. Sanjay Loyalka: Executive Chairman up to 27th July 2016. Continuing as Director and Company Secretary.

Mr. Andy Lau: Non-Executive Director. Retired 28th November 2019.

Mr. Amu Shah: Non-Executive Director

Mr. Davide Bosio: appointed as Non-Executive Director , effective 4th October 2018

Options, Performance shares and Shares issued as part of remuneration for the year ended 30 June 2020

During the year, unlisted options were issued to Directors as following:

Mr. Sanjay Loyalka: 12,500,000

Mr. Amu Shah: 5,000,000

Mr. Davide Bosio: 12,500,000

These Options have an expiry date of 30 November 2023 and an exercise price equal to 1.0 cents.

There were no other Options, Performance shares and Shares issued as part of remuneration for the year ended 30 June 2020. Please refer to Note 22 for further information.

Shares Issued on Exercise of Compensation Options

No options granted as compensation in prior periods were exercised during the year or in the previous year.

Number of Shares Held by Key Management Personnel 30 June 2020

Key Management Person	Balance 1 July 2019	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2020
Mr Sanjay Loyalka	47,840,358	0	0	0	0	47,840,358
Mr Andy Lau *	2,877,907	0	0	0	(2,877,907)	0
Mr Amu Shah	8,121,367	0	0	0	0	8,121,367
Mr Davide Bosio **	2,619,048	0	0	36,114,006	0	38,733,054
	61,458,680	0	0	36,114,006	(2,877,907)	94,694,779

* Mr. Andy Lau retired on 28th November 2019. He continues to hold these shares as at date of this report.

** Following a share buy-back and cancellation within DJ Carmichael Pty Ltd, Pareto Nominee's Pty Ltd have acquired a relevant interest in shares held by DJ Carmichael Pty Ltd by virtue of now having an interest greater than 20% in DJ Carmichael Pty Ltd.

DIRECTORS' REPORT

Number of Options Held by Key Management Personnel 30 June 2020

Key Management Person	Balance 1 July 2019	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2020
Mr Sanjay Loyalka	0	12,500,000	0	0	0	12,500,000
Mr Andy Lau *	0	0	0	0	0	0
Mr Amu Shah	0	5,000,000	0	0	0	5,000,000
Mr Davide Bosio	0	12,500,000	0	0	0	12,500,000
	0	30,000,000	0	0	0	30,000,000

* Mr Andy Lau retired on 28th November 2019.

Number of Share Performance Rights Held by Key Management Personnel

Key Management Personnel did not hold any Share Performance Rights ("SPR") at the beginning of the year and no SPRs were issued to them during the year.

Employment contracts of directors and senior executives

The employment arrangements for Davide Bosio are as follows:

- Term: to retire by rotation at least once every 3 years.
- Remuneration: comprising salary and superannuation totalling \$30,000 per annum.
- Termination: Mr. Bosio may resign from the office by notice in writing to the Company. He may also cease to be a director if any of the disqualifying events prescribed in the Constitution occur. In addition, Mr. Bosio's appointment is subject to re-election by shareholders at least every 3 years.

The employment arrangements for Sanjay Loyalka are as follows:

- Term: to retire by rotation at least once every 3 years.
- Remuneration: comprising salary and superannuation totalling \$120,000 per annum.
- Termination: Mr. Loyalka may resign from the office by notice in writing to the Company. He may also cease to be a director if any of the disqualifying events prescribed in the Constitution occur. In addition, Mr. Loyalka's appointment is subject to re-election by shareholders at least every 3 years.

The employment arrangements for Amu Shah are as follows:

- Term: to retire by rotation at least once every 3 years.
- Remuneration: comprising salary and superannuation totalling \$30,000 per annum.
- Termination: Mr. Shah may resign from the office by notice in writing to the Company. He may also cease to be a director if any of the disqualifying events prescribed in the Constitution occur. In addition, Mr. Shah's appointment is subject to re-election by shareholders at least every 3 years.
- Mr. Shah has voluntarily decided to a reduced remuneration of \$15,000 per annum effective 1st July 2019 until further notice and Board approval of any change.

The changes to remuneration of Directors over the years are Board approved and there is no formal agreement between the Company and Directors in this regard.

There have been no remuneration consultants used during the year.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

COVID 19

The COVID-19 crisis continues to cause significant damage to communities across Australia and the world. Since the outbreak in January 2020, SHH has continuously monitored developments around the world along with guidelines introduced by the Federal and State Governments and health authorities to minimise the risks that COVID-19 presents to us. As the Company does not currently have any Revenue generating activities, there were no financial impacts on the Company. However, the progress of re-permitting activities as well as field exploration activities were adversely impacted during April to June 2020.

Meetings of Directors

During the financial year, 6 formal meeting of Directors (including committees of directors) was held. Attendances by each Director during the year were as follows:

Director	Board Meetings	
	Meetings attended	Meetings held whilst in office
Sanjay Loyalka	6	6
Andy Lau	0	2
Amu Shah	5	6
Davide Bosio	5	6

The full Board fulfils the role of remuneration, nomination, and audit committees.

Indemnifying Officers or Auditor

The Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts for current and former directors, executive officers and secretary. The directors have not included details of the premium paid in respect of the directors' and officers' liability; as such disclosure is prohibited under the terms of the contract.

Options

142,184,223 Unlisted Options exercisable at \$0.01 Expired on 29 November 2019. At the date of this report, the unissued ordinary shares of Shree Minerals Limited under option are 30,000,000 Unlisted Options exercisable at \$0.01 Expiring 30 November 2023.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring any proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for taking responsibility on behalf of the Company for all or any part of these proceedings. The Company is not a party to any other proceedings as at date of this report.

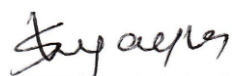
Non-audit Services

There was no non-audit service provided by the external auditors during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the financial year ended 30 June 2020 has been received and can be found on page 29 of annual report.

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



Sanjay Loyalka
Director

Signed in Perth the 14th day of August 2020.

14 August 2020

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

Dear Directors

RE: SHREE MINERALS LIMITED

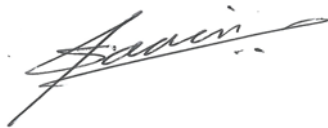
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Shree Minerals Limited.

As Audit Director for the audit of the financial statements of Shree Minerals Limited for the year ended 30 June 2020, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

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



Samir Tirodkar
Director

West Perth, Western Australia

SHREE MINERALS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
Revenue from continuing operations			
Interest		28,198	47,028
Government Grants		33,503	0
Expenses from continuing operations			
Care and maintenance expenses of mine		(49,237)	(175,934)
Depreciation expense		(9,986)	(0)
Finance charges		(12,954)	(13,314)
Employee and consulting fees		(287,778)	(199,066)
Debt Forgiveness (Directors unpaid remuneration of earlier years)		0	610,000
Regulatory costs		(23,811)	(26,505)
Occupancy and communication		(2,563)	(11,947)
Foreign exchange gain		340	24
Accounting and legal fees		(30,648)	(50,668)
Provision for impairment of mine development	10A	(71,449)	(171,624)
Other expenses		(26,957)	(41,575)
Loss before income tax		<u>(453,342)</u>	<u>(33,581)</u>
Income tax benefit		0	0
Loss for the year		<u>(453,342)</u>	<u>(33,581)</u>
Other comprehensive income		0	0
Total Comprehensive loss for the year		<u>(453,342)</u>	<u>(33,581)</u>
Loss per share attributable to ordinary equity holders of the Company:			
Basic and diluted (loss) per share (cents per share)	5	(0.07)	(0.01)

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6	854,153	1,524,849
Other receivables	7	39,446	50,843
Prepayments		24,149	0
Inventories	8	0	0
Total Current Assets		917,748	1,575,692
<i>Non-Current Assets</i>			
Exploration and evaluation	10	320,115	121,492
Mine Development	10A	0	0
Other Assets	6A	838,700	838,700
Right-of-Use Asset	11	6,320	0
Plant and equipment	9	2,132	0
Total Non-Current Assets		1,167,267	960,192
Total Assets		2,085,015	2,535,884
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	12	48,472	116,967
Lease Liability	11	6,630	0
Provision for employee entitlements		1,769	11,769
Total Current Liabilities		56,871	128,736
<i>Non-Current Liabilities</i>			
Rehabilitation Provision	13	827,000	827,000
Total Non-Current Liabilities		827,000	827,000
Total Liabilities		883,871	955,736
Net Assets		1,201,144	1,580,148
Equity			
Contributed equity	14	19,049,690	19,049,690
Reserves	15	654,446	580,108
Retained (losses)	15	(18,502,992)	(18,049,650)
Total Equity		1,201,144	1,580,148

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Contributed Equity	Retained Losses	Reserves	Total
		\$	\$	\$	\$
BALANCE AT 1 JULY 2018		17,897,568	(18,016,069)	284,587	166,086
Total comprehensive loss for the year		0	(33,581)	0	(33,581)
Shares issued during the year		1,616,843	0	0	1,616,843
Options issued during the year		0	0	14,218	14,218
Capital raising costs		(464,721)	0	281,303	(183,418)
BALANCE AT 30 JUNE 2019		19,049,690	(18,049,650)	580,108	1,580,148
BALANCE AT 1 JULY 2019		19,049,690	(18,049,650)	580,108	1,580,148
Total comprehensive loss for the year		0	(453,342)	0	(453,342)
Options issued during the year		0	0	74,338	74,338
BALANCE AT 30 JUNE 2020		19,049,690	(18,502,992)	654,446	1,201,144

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(482,931)	(638,546)
Government grants received		33,503	0
Interest received		42,216	38,597
Net cash (used in) operating activities	18	<u>(407,212)</u>	<u>(599,949)</u>
Cash flows from investing activities			
Payment for plant and equipment		(2,638)	0
Payment for mineral exploration		(179,461)	(57,835)
Payment for mine development		(71,449)	(171,624)
Net cash (used in) investing activities		<u>(253,548)</u>	<u>(229,459)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options		0	1,436,061
Repayment of lease liability		(9,936)	0
Payments for share issue costs		0	(183,418)
Net cash (used in) / generated from financing activities		<u>(9,936)</u>	<u>1,252,643</u>
Net (decrease)/ increase in cash and cash equivalents		(670,696)	423,235
Cash and cash equivalents at the beginning of the financial year		<u>1,524,849</u>	<u>1,101,614</u>
Cash and cash equivalents at the end of the financial year		<u>854,153</u>	<u>1,524,849</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Shree Minerals Limited, a Company domiciled and incorporated in Australia.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Accounting standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"). Shree Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report is presented in Australian dollars.

Basis of Preparation

Historical cost convention

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

These financial statements have been prepared on a going concern basis and, as a result, the financial report for the year ended 30 June 2020 does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Significant efforts have been made to preserve cash and reduce costs and secure additional finance, however material uncertainties over the future cash flows exist.

The Company continues to engage with its stakeholders and continues to monitor opportunities from interested investors to raise additional equity for the business. 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
- Raising share capital or debt as and when required.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

The significant accounting policies set out below have been applied in the preparation and presentation of the financial report for the year ended 30 June 2020 and comparative information.

New and amended standards adopted by the Company for these financial statements

The Company has considered the application of new standards and amendments for the first time in the annual reporting period commencing 1 July 2019.

AASB 16: Leases

The Company has adopted AASB16: Leases using modified retrospective approach with the cumulative effect of initially applying AASB 16 recognised as at 1 July 2019. In accordance with AASB 16, the comparatives for 2019 reporting period have not been restated. The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: *Leases* on the Company's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

As a result of the changes in Company's accounting policies, prior year financial statements were required to be restated. However, the Company has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019.

Leases

The Company as lessee

At inception of a contract the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

AASB 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the financial statements of the Company as there is no transaction where joint control is obtained.

AASB 112 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Company has not previously and is unlikely to pay a dividend in the near future these amendments had no impact on the financial statements of the Company.

a. Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed by directors first when indicators of impairment exist and thereafter annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Motor Vehicle	20%
Leased Assets	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Exploration, Evaluation Expenditure

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

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

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

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

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

d. Mine Development

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

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

The Company defers waste stripping costs for matching costs with the related economic benefits. Stripping costs incurred in the period are deferred to the extent that the current period ratio exceeds the life of mine or pit ratio. Such deferred costs are then charged in subsequent periods, the ratio falls short of the life of mine or pit ratio. The life of mine or pit ratio is obtained by dividing the volume of waste mined either by the volume of ore mined. The life of mine or pit waste-to-ore ratio is a function of an individual mine's pit design and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

therefore changes to that design will generally result in changes to the ratio. Changes to the life of mine or pit ratio are accounted for prospectively. Deferred stripping costs are included in Mine development costs.

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

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

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets an entity is also required to recognise as a provision the best estimate of the present value of expenditure required to settle the obligation.

e. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

- the contractual cash flow characteristics of the financial assets; and
- the entities business model for managing the financial asset.

i. Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

ii. Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

iii. Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

f. Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

g. Interests in Joint Operations

The Company's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the financial statements.

h. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

k. Revenue and other income

Interest income is recognised using the effective interest method.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

l. Inventories

Crushed Ore at site and port and run of mine ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price (in the ordinary course of business assuming sales are made at the end of the reporting period such that applicable price for the next month to coincide with time it reaches customer's discharge port), less estimated costs of completion and costs of selling final product.

Cost is determined using the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods.

m. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

n. Comparative Figures

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

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Key Judgements – Ore reserve and resource estimates

The Company estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC Code)). These are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure.

In estimating the remaining life of the mine for the purposes of amortisation and depreciation calculations, due regard is given, not only to remaining recoverable ore contained in reserves and resources, but also to limitations which could arise from the potential for changes in technology, demand, and other issues which are inherently difficult to estimate over a lengthy time frame.

Where a change in estimated recoverable ore over the remaining life of the mine is made, depreciation and amortisation is accounted for prospectively.

The determination of ore reserves and remaining mine life affects the carrying value of a number of the Company's assets and liabilities including deferred mining costs and the provision for rehabilitation.

Key Judgements – Units-of-production depreciation

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

Key Judgements – Inventories

Costs incurred in or benefits of the productive process are accumulated as Crushed Ore at site and port and run of mine ore stockpiles. Net realisable value tests are performed at least annually and represent the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

estimated future sales price of the product based, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the Stockpile. Stockpile tonnages are verified by periodic surveys.

Key Judgements – Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(c). The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Key Judgements – Mine Development expenditure

Mine Development expenditure are carried forward in respect of each identifiable area of interest where a mineable resource has been established and published as per JORC guidelines and has reached a stage that permits reasonable assessment that necessary steps to commence a mining development for that area have been commenced. Refer to the accounting policy stated in note 1(d). The net carrying value of each area of interest is reviewed using long term commodity price forecasts from within the range of forecasts by Industry analysts as per note 1(d).

Key Judgements Impairment of Property, Plant and Equipment

The Company assesses each asset at the end of each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and Value in Use (VIU).

Future cash flows

VIU calculation use pre-tax free cash flows based on projections approved by the Company. The key operating assumptions and their basis of estimation are:

- Future production based on latest mine plan available
- Commodity price forecast derived from public available information and a range of external global commodity forecasters; and
- Future cost of production and future capital expenditure

Discount rate

The discount rate applied to the cash flow projections has been assessed to reflect the time value of money and the perceived risk profile of the industry. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets.

Key Judgements Rehabilitation Provision

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment.

The Company makes a provision for restoration, rehabilitation and environmental costs as soon as the obligation arises. Cost estimates at the start of each project / stage are capitalised and charged to the income statement over the life of the project through depreciation and amortisation of the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Costs are estimated using either the work of external consultants or internal experts. Management uses its judgement and experience to provide for these estimated costs at higher of the estimated costs or the security for rehabilitation costs provided to the Government authorities.

Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate costs incurred. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes etc. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

p. Operating segments

Identification and measurement of segments – AASB 8 requires the ‘management approach’ to the identification measurement and disclosure of operating segments. The ‘management approach’ requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity’s chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

q. Accounting standards not yet effective

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Board expects no impact on the financial statements of the Company.

r. Contributed equity

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

s. Earnings per share

Basic Earnings per Share

Basic earnings per share is determined by dividing net profits after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel (“KMP”) remuneration has been included in the Remuneration Report section of the Directors’ Report. Total amount payable was as follows:

	2020 \$	2019 \$
Short term employee benefits		
Salaries including bonuses and fees	150,685	158,836
Total short term employee benefits	150,685	158,836
Long service leave	0	0
Share Options	74,338	0
Total other long-term benefits	74,338	0
Superannuation	14,315	13,664
Total post-employment benefits	14,315	13,664
Total remuneration	239,338	172,500

Total KMP remuneration is included in “Employee and Consulting Fees” in the statement of Profit or Loss and other Comprehensive income.

NOTE 3: EXPENSES INCLUDED IN INCOME STATEMENT

	30 June 2020 \$	30 June 2019 \$
Depreciation of plant and equipment and right of use asset	9,986	0
Employee benefit expenses (including writeback of \$610,000 being debt forgiveness of earlier year’s outstanding remuneration in FY 2019)	287,778	(483,308)
Operating lease rental expenses	0	9,646

NOTE 3A: AUDITOR’S REMUNERATION

	30 June 2020 \$	30 June 2019 \$
Remuneration paid or payable to the auditor for:		
– Auditing or reviewing the financial report	19,811	23,236
	<u>19,811</u>	<u>23,236</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: INCOME TAX EXPENSE NOTE

	30 June 2020	30 June 2019
	\$	\$
<p>The major components of tax expense and the reconciliation of the expected tax expense based on the effective tax rate of Shree Minerals Limited at 27.5% (2019: 27.5%) and the reported tax expense in profit or loss are as follows:</p>		
<p>Tax expense comprises:</p>		
(a) Current tax expense	0	0
Under provision in respect of prior years		
Deferred tax expense	0	0
Under provision in respect of prior years	0	0
Tax expense	<u>0</u>	<u>0</u>
(b) Prima Facie Tax expense	(124,669)	9,235
Non-Deductible expenses	11,365	1,852
Deferred Tax Asset not brought to account	113,304	(11,087)
Deferred Tax Asset Losses not previously brought to account, now brought to account	0	0
Under provision in respect of prior years	0	0
Income tax expense	<u>0</u>	<u>0</u>

NOTE 4A: DEFERRED TAX ASSET / LIABILITY NOTE

	30 June 2020	30 June 2019
	\$	\$
<p><u>Recognised Deferred Tax Balances</u></p>		
DTA - Temp Differences	1,813,542	1,691,183
DTA - Losses	0	0
DTA - Non-refundable R&D	0	
DTL	<u>(1,813,542)</u>	<u>(1,691,183)</u>
Net DTA	<u><u>0</u></u>	<u><u>0</u></u>

The applicable weighted average effective tax rates are as follows:

	Nil	Nil
Balance of franking account at year end	Nil	Nil

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	30 June 2020	30 June 2019
	\$	\$
c. Deferred tax assets		
Tax Losses	-	-
Provisions	1,736,339	1,586,196
Other	77,203	104,987
Set-off deferred tax liabilities	<u>(1,813,542)</u>	<u>(1,691,183)</u>
Net deferred tax assets	<u>0</u>	<u>0</u>
d. Deferred tax liabilities		
Exploration expenditure	88,032	33,410
Mine development costs	1,725,510	1,657,773
Set-off deferred tax assets	<u>(1,813,542)</u>	<u>(1,691,183)</u>
Net deferred tax liabilities	<u>0</u>	<u>0</u>
e. Deferred Tax Assets		
Provisions (balance of DTA)	674,642	806,157
Tax Effect of Tax losses - offset to DTA	0	0
Tax Effect of Unused tax losses for which no deferred tax asset has been recognised	<u>3,634,439</u>	<u>3,548,644</u>
Total	<u>4,309,081</u>	<u>4,354,801</u>

NOTE 5: EARNINGS PER SHARE

	30 June 2020	30 June 2019
	\$	\$
a. Loss used to calculate basic EPS	(453,342)	(33,581)
	Number of Shares	Number of Shares
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	<u>607,736,893</u>	<u>471,722,463</u>
Basic and diluted (loss) per share (cents per share)	<u>(0.07)</u>	<u>(0.01)</u>

Options totalling 30,000,000 (2019: 142,184,223) are anti – dilutive and not included in the calculation of diluted earnings per share.

NOTE 6: CASH AND CASH EQUIVALENTS

	30 June 2020	30 June 2019
	\$	\$
Cash at bank / on deposits and in hand	<u>854,153</u>	<u>1,524,849</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6A: OTHER ASSETS

	30 June 2020	30 June 2019
	\$	\$
Cash deposits supporting Guarantees for Rehabilitation Bonds	838,700	838,700

NOTE 7: OTHER RECEIVABLES

	30 June 2020	30 June 2019
	\$	\$
Interest receivable	10,295	24,313
Other receivables	210	210
Advances - exploration	11,162	0
GST and ABN withholding tax receivables	17,779	26,320
	<u>39,446</u>	<u>50,843</u>

NB: At the reporting date, none of the trade and other receivables were past due or impaired.

NOTE 8: INVENTORIES

	30 June 2020	30 June 2019
	\$	\$
Iron ore (crushed and uncrushed) at lower of cost and net realisable value	255,630	255,630
Provision for Impairment	(255,630)	(255,630)
Iron ore (crushed and uncrushed) at lower of cost and net realisable value	<u>0</u>	<u>0</u>

Inventory comprises iron ore stocks that are sub grade material of 27,470 tonnes of uncrushed ROM stocks and 15,007 of crushed ore. The accounting policy in this regard is Crushed Ore at site and port and run of mine ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price (in the ordinary course of business assuming sales are made at the end of the reporting period such that applicable price for the next month to coincide with time it reaches customer's discharge port), less estimated costs of completion and costs of selling final product less impairment. Cost is determined using the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods.

NOTE 9: PLANT AND EQUIPMENT

a. Movements in Carrying Amounts

Movements in the net carrying amounts for each class of plant and equipment between the beginning and the end of the financial year are as follows:

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
Opening balance at 1 July 2018	0	0	0
Additions	0	0	0
Disposals	0	0	0
Depreciation	0	0	0
Impairment	0	0	0
Balance at 30 June 2019	0	0	0
At Cost	387,374	30,067	417,441
Accumulated depreciation/impairment Losses	(387,374)	(30,067)	(417,441)
Balance at 1 July 2019	0	0	0
Additions	2,638	0	2,638
Disposals	0	0	0
Depreciation	(506)	0	(506)
Impairment	0	0	0
Balance at 30 June 2020	2,132	0	2,132
At Cost	390,012	30,067	420,079
Accumulated depreciation/impairment Losses	(387,880)	(30,067)	(417,947)
Balance at 30 June 2020	2,132	0	2,132

NOTE 10: EXPLORATION EXPENDITURE

	30 June 2020	30 June 2019
	\$	\$
Exploration and evaluation phase expenditure capitalised	<u>320,115</u>	<u>121,492</u>
Movements		
Opening balance	121,492	0
Exploration capitalised	<u>198,623</u>	<u>121,492</u>
Balance	<u>320,115</u>	<u>121,492</u>

The value of the Company's interest in exploration expenditure is dependent upon the:

- the continuance of the economic entity rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10A: MINE DEVELOPMENT

	30 June 2020	30 June 2019
	\$	\$
<i>Opening Balance</i>	0	0
Mine Development capitalised	71,449	171,624
Provision for Impairment	(71,449)	(171,624)
	<u>0</u>	<u>0</u>

NOTE 11: RIGHT OF USE ASSET AND LEASE LIABILITY

The Company's lease portfolio includes the office lease. The average term of the lease is 1-2 years.

(a) Carrying Value

	Office \$
Balance at inception of the lease	15,800
Accumulated depreciation	<u>(9,480)</u>
	<u>6,320</u>

(b) AASB 16 related amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

Depreciation expense	9,480
Interest expense (included in Finance charges)	<u>588</u>
	<u>10,068</u>

(c) Total Cash outflows for leases

Repayment of lease liabilities	<u>(9,936)</u>
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(d) Option to extend or terminate

The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(e) Lease Liability

Recognised on 1 July 2019	15,978
Less: Principal repayments	(9,936)
add: interest expense on lease liability	<u>588</u>
	<u>6,630</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: TRADE AND OTHER PAYABLES

	30 June 2020	30 June 2019
	\$	\$
<i>Current</i>		
Trade creditors	23,391	62,731
Other creditors and accruals	25,081	54,236
	<u>48,472</u>	<u>116,967</u>

NOTE 13: REHABILITATION PROVISION

	30 June 2020	30 June 2019
	\$	\$
Opening Balance	<u>827,000</u>	<u>827,000</u>
Closing Balance	<u>827,000</u>	<u>827,000</u>

These are security deposits/Bond with Mineral Resources Tasmania and this amount is included in the Other Assets as per note 6A.

NOTE 14: CONTRIBUTED EQUITY

	30 June 2020	30 June 2019
	\$	\$
607,736,893 (2019: 607,736,893) Fully paid ordinary shares	<u>19,049,690</u>	<u>19,049,690</u>
Movements		
Opening balance	19,049,690	17,897,568
Shares issued (for acquisition of Golden Chimney)	0	45,000
Shares issued (for settlement of unpaid Remuneration)	0	150,000
Shares issued (Non-Renounceable Rights issue)	0	1,421,843
Capital raising costs	0	(464,721)
Closing balance	<u>19,049,690</u>	<u>19,049,690</u>

(a) Ordinary Shares

	Number of Shares	Number of Shares
	30 June 2020	30 June 2019
At the beginning of the reporting year	607,736,893	284,368,446
Shares issued (for acquisition of Golden Chimney)	0	9,000,000
Shares issued (for settlement of unpaid Remuneration)	0	30,000,001
Shares issued (Non-Renounceable Rights issue)	0	284,368,446
At end of year	<u>607,736,893</u>	<u>607,736,893</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(b) Options

	Number of Options 30 June 2020	Number of Options 30 June 2019
Opening balance	142,184,223	0
Issued during the year	30,000,000	142,184,223
Expired during the year	(142,184,223)	0
Closing balance	<u>30,000,000</u>	<u>142,184,223</u>

(c) Share Performance Rights ("SPR")

There were no Share Performance Rights ("SPR") at the beginning and end of financial year.

(d) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2020 and 30 June 2019 are as follows:

	30 June 2020	30 June 2019
	\$	\$
Cash and cash equivalents	854,153	1,524,849
Other receivables	39,446	50,843
Prepayments	24,149	
Trade and other payables and provisions	(56,871)	(128,736)
Working capital position	<u>860,877</u>	<u>1,446,956</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: ACCUMULATED LOSSES AND RESERVES

	30 June 2020	30 June 2019
	\$	\$
a. Accumulated Losses		
At the beginning of the year	(18,049,650)	(18,016,069)
Net loss for the year	(453,342)	(33,581)
At end of year	<u>(18,502,992)</u>	<u>(18,049,650)</u>

b. Option Reserve

The option reserve represents the fair value of the actual or estimated number of unexercised share options granted to management, advisors and suppliers of the Company recognised in accordance with the accounting policy adopted for share-based payments. Please refer note 22 for more information.

During the year 30,000,000 (2019: 142,184,223) options and nil (2019: nil) Share Performance Rights were issued.

NOTE 16: COMMITMENTS

	30 June 2020	30 June 2019
	\$	\$
The Company has tenements rental and expenditure commitments of:		
Payable:		
– not later than 12 months	75,036	25,036
– between 12 months and 5 years	126,144	122,144
– greater than 5 years	71,072	100,108

NB: The rental and expenditure commitments for Exploration Licence Applications have not been considered pending grant of the tenements.

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any other contingent liabilities or contingent assets other than mentioned elsewhere in the financial report.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: CASH FLOW INFORMATION

	30 June 2020	30 Jun 2019
	\$	\$
Reconciliation of Cash Flow from Operations with		
Loss for the year		
Loss for the year	(453,342)	(33,581)
Non-cash flows:		
Debt Forgiveness (income)	0	(610,000)
Depreciation	9,986	0
Interest on lease liability	588	0
Provision- Impairment of Mine Development	71,449	171,624
Share-based Payment expense	74,338	0
<i>Changes in assets and liabilities</i>		
(Increase) in other receivables	(12,752)	(26,753)
Increase/(decrease) in trade and other payables	(87,479)	(101,239)
(Decrease) in provision for employee entitlements	(10,000)	0
	<u>(407,212)</u>	<u>(599,949)</u>

During the year, there were no non-cash financing or investing activities.

NOTE 19: RELATED PARTY TRANSACTIONS

There are no related party transactions except for payments in normal course of business at arm's length.

NOTE 20: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and receivables and payables.

The main purpose of non-derivative financial instruments is to raise finance for the Company's operations.

Derivatives are not currently used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

The senior executives of the Company meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Company does not have any debt that may be affected by interest rate risk.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Sensitivity analysis

At 30 June 2020, if interest rates had changed by +/- 25 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been \$7,600 lower/higher (2019 \$6,000 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows. The decision on how the Company will raise future capital will depend on market conditions existing at that time. All the financial liabilities of the Company will mature within 12 months.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

b. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount.

The carrying value of other receivables and trade and other payables and lease liability are assumed to approximate their fair values due to their short-term nature.

c. Interest Rate Risk-

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	Floating Interest Rate		Fixed Interest Rate				Non Interest Bearing		Total		Weight Effective Interest Rate	
	2020	2019	1 Year or Less		1 to 5 Years		2020	2019	2020	2019	2020	2019
			2020	2019	2020	2019						
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Cash	95,776	516,321	753,063	1,003,555	0	0	5,314	4,974	854,153	1,524,850	0.71%	1.71%
Other Assets (Security Deposits)	0	0	735,000	735,000	0	0	103,700	103,700	838,700	838,700	1.36%	2.20%
Trade and other receivables	0	0	0	0	0	0	39,446	50,843	39,446	50,843	N/A	N/A
Total Financial Assets	95,776	516,321	1,488,063	1,738,555	0	0	148,460	159,517	1,732,299	2,414,393		
Financial Liabilities												
Trade and other payables	0	0	0	0	0	0	48,472	116,967	48,472	116,967	N/A	N/A
Total Financial Liabilities	0	0	0	0	0	0	48,472	116,967	48,472	116,967		

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 21: OPERATING SEGMENTS

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

NOTE 22: SHARE-BASED PAYMENTS

Issue of Options:

During the year, unlisted options were issued to Directors as following:

Mr. Sanjay Loyalka: 12,500,000
Mr. Amu Shah: 5,000,000
Mr. Davide Bosio: 12,500,000

These Options have an expiry date of 30 November 2023 and an exercise price equal to 1.0 cents.

As the options to Directors are share based payments, they have been valued using Black Scholes Model for a fair value of \$74,338 with credit to share based payment reserve in Equity.

Details of Fair valuation:

P= Current Price of share	\$	0.0050	On Grant date 23/11/2019 - AGM date
X=Strike price	\$	0.0100	
r=Risk free rate		0.650%	2 year Australian Govt. Bond rate
t=expiry period		1,463	Days
ó=volatility		107.96%	
Value of call option	\$	<u>0.003097</u>	per option

OPTIONS:

Number of options		30,000,000
Valuation of options:	\$	92,922
Less: Discount since unlisted	\$	<u>18,584</u>
	\$	<u>74,338</u>

In FY 2019, Share based payments were made as follows:

- (a) 9,000,000 shares valued at \$45,000 towards acquisition of Golden Chimney.
- (b) 142,184,223 unlisted options to DJ Carmichael at an issue price of \$0.0001 per option to raise approximately \$14,218. The expiry date of the option was 29 November 2019. The exercise price of options was \$0.01 per option. 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 Model and the balance of \$281,303 has been expensed as capital raising cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: AFTER BALANCE SHEET DATE EVENTS

Share Placement completed in August 2020 for \$0.9 million. Additionally, a share placement of \$0.3 million to Directors has been announced which is subject to Shareholders approval in the next general meeting of the Company.

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

NOTE 24: SUBSIDIARY

The Company has 100% interest in SHH Prospecting Pty Ltd. incorporated in Australia during the year for \$1. The subsidiary has been dormant since incorporation. As the subsidiary has no assets or liabilities, consolidated financial statements have not been prepared.

SHREE MINERALS LTD

DIRECTORS' DECLARATION

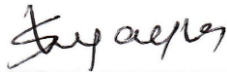
1. in the opinion of the directors of Shree Minerals Limited ('the Company'):

- (a) The financial statements and notes as set out on pages 30 to 58 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
- (b) The audited remuneration disclosures included in the Directors' report for the year ended 30 June 2020, comply with section 300A of the Corporations Act 2001.
- (c) Having regard to matters as set forth in Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

2. The directors have been given the declarations required by Section 295A of the Corporations Act from the chief executive officer and chief financial officer for the financial year ended 30 June 2020.

Dated at Unit 38, 18 Stirling Highway, Nedlands, WA 6009 this 14th day of August 2020.

Signed in accordance with a resolution of the directors:



Sanjay Loyalka

Director

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

Report on the Audit of the Financial Report

Our Opinion

We have audited the financial report of Shree Minerals Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

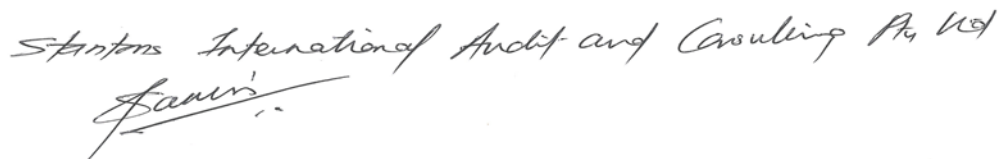
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 27 of the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Shree Minerals Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

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

A handwritten signature in cursive script, appearing to read "Samir Tirodkar", is written over a faint, larger cursive signature that reads "Stantons International Audit and Consulting Pty Ltd".

Samir Tirodkar
Director
West Perth, Western Australia
14 August 2020

SHREE MINERALS LTD

SHAREHOLDER INFORMATION

ADDITIONAL INFORMATION

The following additional information not shown elsewhere in the report is required by the Australian Securities Exchange Ltd in respect of listed public companies only. This information is current as at 7th August 2020.

SUBSTANTIAL SHAREHOLDERS

The company has received substantial shareholder notices from;

- Mr Sanjay Loyalka (47,840,358 ordinary shares & 12,500,000 unlisted options)
- Rajesh Bothra (175,499,630 ordinary shares)
- DJ Carmichael Pty Ltd (36,114,006 ordinary shares)
- Davide Bosio (38,773,954 ordinary shares & 12,500,000 unlisted options) *Including 36,114,006 (FPO) held by DJ Carmichael Pty Ltd (Following a share buy-back and cancellation within DJ Carmichael Pty Ltd, Pareto Nominee's Pty Ltd have acquired a relevant interest in shares held by DJ Carmichael Pty Ltd by virtue of now having an interest greater than 20% in DJ Carmichael Pty Ltd).*

ISSUED SECURITIES

Refer note 14 of the financial statements.

VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

1. At a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
2. On a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

DISTRIBUTION SCHEDULE – SHAREHOLDINGS AS AT 7th August 2020

Securities

Fully Paid Ordinary
Shares

Holdings Ranges	Holders	Total Units	%
1-1,000	12	4,423	0.000
1,001-5,000	16	56,744	0.010
5,001-10,000	161	1,571,244	0.260
10,001-100,000	206	10,325,657	1.700
100,001-999,999,999	268	595,778,825	98.030
Totals	663	607,736,893	100.000

UNMARKETABLE PARCELS

There are 334 unmarketable parcels as at 7th August 2020 totalling 6,434,652 ordinary shares.

SHREE MINERALS LTD

SHAREHOLDER INFORMATION

20 LARGEST SHAREHOLDERS AS AT 7th August 2020

Holder Name	Balance	%
RB INVESTMENTS PTE LTD	172,621,723	28.404%
DJ CARMICHAEL PTY LTD	36,114,006	5.942%
IACG PTY LTD	25,809,078	4.247%
CHINA ALLIANCE INTERNATIONAL	23,223,632	3.821%
MR SANJAY KUMAR LOYALKA	21,931,280	3.609%
OCEANIA COAL RESOURCES NL	15,000,000	2.468%
COMSEC NOMINEES PTY LIMITED	10,778,738	1.774%
MEGAWILD ENTERPRISES PTY LTD	7,402,907	1.218%
AYERS CAPITAL PTY LTD	7,390,648	1.216%
YUCAJA PTY LTD	6,800,000	1.119%
MR SUKHDEEP SINGH	5,818,014	0.957%
MRS ENID HOON HOON WONG	5,700,000	0.938%
MR WAYNE JEFFERY MARCH &	5,000,000	0.823%
MISS SANDRA JOY FEELEY	5,000,000	0.823%
MR PAUL IVOR WILLIAM DAVIES	5,000,000	0.823%
AYMON PACIFIC PTY LTD	4,912,989	0.808%
KOOMBA HOLDINGS PTY LTD	4,800,000	0.790%
MS CHUNYAN NIU	4,768,925	0.785%
SABA NOMINEES PTY LTD	4,500,000	0.740%
ULLAPOOL INVESTMENTS PTY LTD	4,400,000	0.724%
Total Securities of Top 20 Holdings	376,971,940	62.029%
Total of Securities	607,736,893	

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place during the financial year.

The Directors on behalf of the shareholders monitor the business affairs of the Company. For this, they formally have adopted a Corporate Governance Charter, which is designed to encourage Directors and other Shree personnel to focus their attention on accountability, risk management, and ethical conduct. The Company has adopted the following policies, protocols, and corporate governance structures:

- Structure of Board and Committees
- Nominations and Remuneration Committee Charter
- Audit and Risk Management Committee Charter
- Board Members' Code of Conduct
- Conflict of Interest Protocol
- Group Code of Conduct/Values
- Risk Management Policy
- Policy on the Trading of Company's Shares
- Release of Price Sensitive Information
- Board Calendar (Strategic Governance Issues)
- Board and Management Performance Enhancement Policy

This statement describes Shree Minerals Ltd's position in relation to each of the recommendations set by the ASX Corporate Governance Council ("Recommendations"). The Recommendations are set out in the ASX Corporate Governance Council's Corporate Governance Principles and recommendations (3rd Edition) so as to ensure that its practices are largely consistent with those Recommendations from time to time. The Corporate Governance Charter will be reviewed and adjusted, as required, on an on-going basis including in line with the ASX Corporate Governance Council amendments to the Recommendations.

The Company is committed to implementing high standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2020.

Board Composition

The skills, experience, and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the director's report.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

The Board sets out below its “if not why not” report in relation to those matters of corporate governance where the Company’s practices depart from the Recommendations

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
1.1	The role of the Board and Management.	Satisfied. Board Charter is available at www.shreeminerals.com in the Corporate Governance Statement.
1.2	Appointment and re-election of Board members.	Satisfied. Procedures For Selection And Appointment Of Directors is available at www.shreeminerals.com in the Corporate Governance Statement.
1.3	Written agreements.	Satisfied. All directors and senior executives are provided with formal letter of appointment which sets out the terms and conditions of appointment including their duties, rights, responsibilities and expectations.
1.4	Company Secretary	Satisfied. The company secretary is accountable directly to the board on all matters to do with the proper functioning of the board.
1.5	Diversity	Not satisfied. The company considers that given the current small size of the company’s operations where there are very few employees, this objective is not practical to be achieved till such time that the company’s operations are increased. Accordingly, the company has not established a policy concerning diversity.
1.6	Board Evaluation	It is the policy of the Board to conduct annual evaluations of its effectiveness and that of individual Directors. Whilst the performance of the Board is appraised on an ongoing basis, during the year no formal appraisal was conducted.
1.7	Performance evaluation of senior executives	Whilst the performance of management is appraised on an ongoing basis. During the year no formal appraisal of management was conducted.
2.1	Nomination Committee	Not satisfied. The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established a nomination committee.
2.2	Board and skills matrix	Satisfied. The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Please also refer to the Procedures For Selection And Appointment Of Directors which is available at

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
		www.shreeminerals.com in the Corporate Governance Statement.
2.3	Size and Composition of the Board	Disclosed in the Directors report.
2.4	A majority of the board should be independent directors.	Not Satisfied. Due to the size of the company and its operations the Board has determined increasing the size of the Board to achieve this would not be efficient.
2.5	The chair should be an independent director.	Not Satisfied. Due to the size of the company and its operations.
2.6	Induction Program.	Non informal induction process exists. The process includes the new Directors meeting with the other Board members and the senior management in order to gain an insight into the key issues and culture of the Company.
3.1	Companies should have a code of conduct and disclose the code or a summary of the code	Satisfied. The Code of conduct is available at www.shreeminerals.com in the Corporate Governance Statement.
4.1	The board should establish an audit committee.	Not satisfied. The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established an audit committee.
4.2	The board should receive assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Satisfied. The Board has received a section 295A declaration pursuant to the 2019 financial period.
4.3	External Auditor at AGM	The Company has ensured that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
5.1	Make timely and balanced disclosure	Satisfied. Continuous disclosure policy is available at www.shreeminerals.com in the Corporate Governance statement.
6.1	Information on website	The company has provided information about itself and

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
		its governance to investors via its website.
6.2	Investor relations	Satisfied. Shareholders communication strategy is available at www.shreeminerals.com in the Corporate Governance statement.
6.3	Security holders meetings	The Company has adopted the ASX Guidelines for Notice of Meetings.
6.4	Electronic communication	Shareholders communication strategy is available at www.shreeminerals.com in the Corporate Governance statement.
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	<p>The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established a Risk committee.</p> <p>Risk management program is available at www.shreeminerals.com in the Corporate Governance statement.</p>
7.2	Implementation of risk management systems and risk review.	The Board is responsible for reviewing annually its risk management system. The review for this year is yet to be completed.
7.3	Internal Audit function	Given the size of the current operations, currently there is no internal audit activity undertaken.
7.4	Sustainability risks.	<p>The Company manages its exposure to economic risk and environmental risk while it does not consider that it currently has any material exposure to social sustainability risks, however will monitor the exposure.</p> <p>External Risk factors that materially have an impact include :</p> <ol style="list-style-type: none"> 1. Fluctuations in commodity prices and impacts of ongoing global economic volatility may negatively affect our results, including cash flows and asset values. 2. Currency exchange rate fluctuations 3. Financial : Liquidity and cash flow risks 4. Increased costs 5. Unexpected natural and operational catastrophes <p>EPA Tasmania has notified the company that that the variation of the Environment permit in Nov'13 to allow a temporary PAF rock dump for DSO south pit has been rendered invalid in a judicial review by the Court in Dec'14. As a consequence, the current PAF storage temporary dump is not compliant. To resolve the issue, the Company is pursuing a new permit and is in</p>

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
		<p>discussions with the EPA to finalise DPEMP.</p> <p>All other government approvals for the project remain valid. These include the Mining Lease and Federal Government Environmental Approval.</p> <p>The Company holds various exploration and mining licences to regulate its activities in the State of Tasmania, Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its activities. As far as the Directors are aware, there has been no known breach of the Company's licence conditions other than those disclosed in the Directors report.</p> <p>The implementation of best practice social and environmental practices, well beyond simple compliance, has been an integral part of Company's philosophy. Shree Minerals also recognises the opportunities that the presence of our project creates to support Devil Facial Tumour research. Hence, Devil numbers around the mine site are monitored as part of the mine's operational monitoring of the effectiveness of its devil (and quoll) impact mitigation measures, and these observations will be valuable data for the Save the Tasmanian Devil Program (STDP).</p> <p>The Company recognises the importance of identifying and managing risks and ensuring appropriate control measures are in place.</p>
8.1	The board should establish a remuneration committee.	Not Satisfied. The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has not established a remuneration committee.
8.2	Executive versus non- executive remuneration.	Current Remuneration policies are set out in the Company's Remuneration Report.
8.3	Equity based remuneration.	The Securities Policy is available at www.shreeminerals.com in the Corporate Governance statement.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.shreeminerals.com.