



SHREE MINERALS LTD

Date: 10th March 2020

Shree Minerals Limited (“**Shree**” or the “**Company**”) encloses its interim financial report for the half-year ended 31 December 2019.

The release of this document to the market has been authorised by:

Sanjay Loyalka

Executive Director & Company Secretary

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SHREE MINERALS LIMITED

ACN 130 618 683

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2019

THIS HALF-YEAR FINANCIAL REPORT IS TO BE READ IN CONJUNCTION WITH THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

SHREE MINERALS LIMITED

CORPORATE DIRECTORY

DIRECTORS

Sanjay Loyalka

Amu Shah

Andy Lau (Retired 28th November 2019)

Davide Bosio

COMPANY SECRETARY

Sanjay Loyalka

REGISTERED OFFICE

Unit 38

18 Stirling Highway

Nedlands

WA 6009

AUDITORS

Stantons International

Level 2, 1 Walker Avenue

West Perth WA 6005

SHARE REGISTRY

Boardroom Pty Ltd

Level 12, 225 George Street

Sydney NSW 2000

SHREE MINERALS LTD

DIRECTORS' REPORT

Your directors present their report on the Company for the half year ended 31 December 2019.

DIRECTORS

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

Sanjay Loyalka

Amu Shah

Andy Lau (Retired 28th November 2019)

Davide Bosio

REVIEW OF OPERATIONS AND ACTIVITIES

Highlights

- Actively pursuing re-permitting as part of the development process of the DSO project at Nelson Bay River Iron Project ("NBR")
 - Substantial progress during the period towards finalising DPMP (Development Proposal and Environmental Management Plan).
 - Mine in ready state to recommence production at short notice with existing development in place.
- Iron Ore price environment supportive for restart of NBR
- 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.
- Business Development efforts stepped up

NELSON BAY RIVER IRON ORE PROJECT

The iron ore markets have been quite robust over past 12 months as markets have re-balanced over past few years with no major supply additions in recent years & demand growth (albeit slower) in Asian markets. The only new projects announced by major companies over last 3 to 4 years are for replacement capacity for current mine life depletions.

The price environment improvement has also resulted in reduction in discount for medium grade ores, improvement in lump premiums & premium for material with lower impurities like Low Alumina such as the NBR product as Chinese authorities continue emphasis on environment control.

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

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 1.

DIRECTORS' REPORT



Figure 1: Location Plan – NW Tasmania

NBR was previously producing direct shipping Iron Ore (Fines & 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, the Company has commenced actively pursuing re-permitting activities forming part of development process of DSO project at NBR.

The DSO requires no major processing beyond crushing and screening. It is then trucked to the port and shipped. The south DSO pit (“SDSO”) was developed in 2013 with production commencement in November 2013 and first shipment in January 2014. The operation has been developed as an all contract mining, processing and haulage operation with local contractors in the region. The iron ore shipments totalled 181,000 tonnes historically. 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%.

The Company submitted a working Draft DPEMP (Development Proposal & Environment Management Plan) to the EPA in July 2019. Follow up technical modelling & finalisation of various management strategies in discussions with EPA have been done during the period and the Company is targeting to finalise the DPEMP shortly with a view to progress for next stage of approval process.



Figure 2: Mine Site (Google Image)

The SDSA 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. Figure 3 shows proposed development

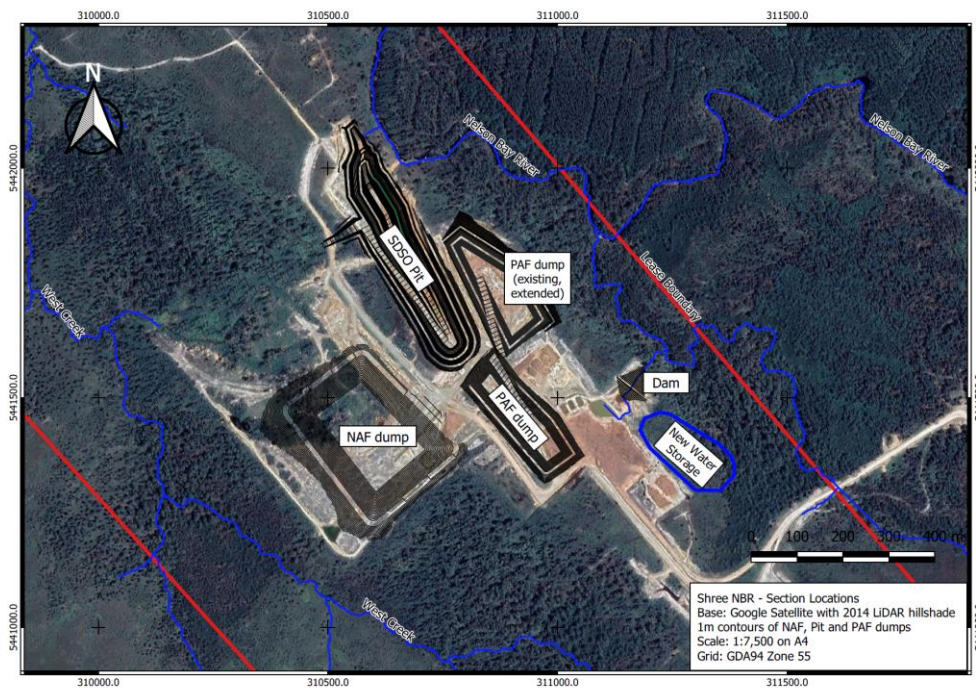


Figure 3: Proposed Development of DSO operations

EXPLORATION

GOLDEN CHIMNEY PROJECT

The project is located 40km south of Leonora (Figure 4). 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 380,000oz Au), Tower Hill (625,000oz Au in resources), and Kallis– Trump and Ulysses (760,000oz Au in resources).



Figure 4. Regional location of the Golden Chimney Project, E40/378.

Figure 5 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. Table 1 below illustrates the specifications of the drilling program.

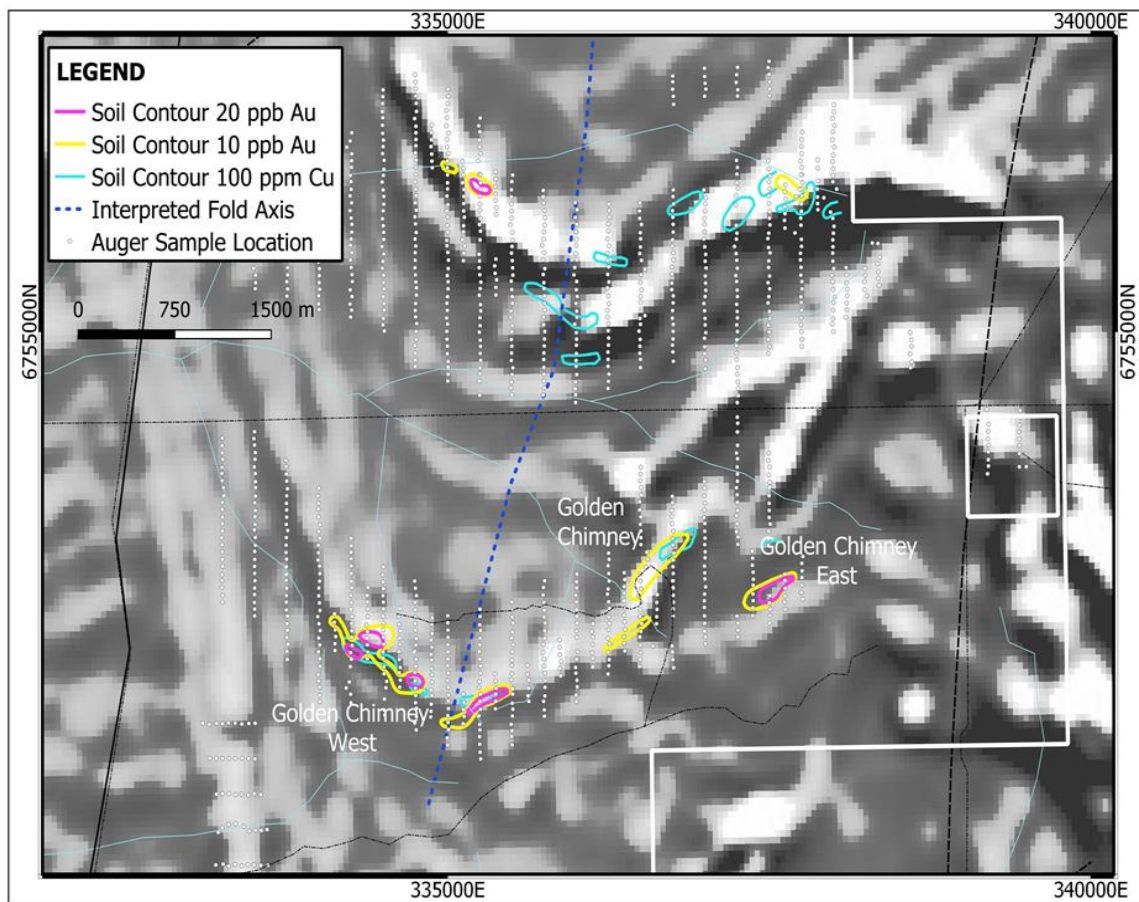


Figure 5. Multi-element (Au, Cu) soil contours derived from Shree's auger program. Also illustrated is the location of all auger samples and the interpreted position of the regional fold axis.

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		

SHREE MINERALS LTD

DIRECTORS' REPORT

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 6. 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 6. 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

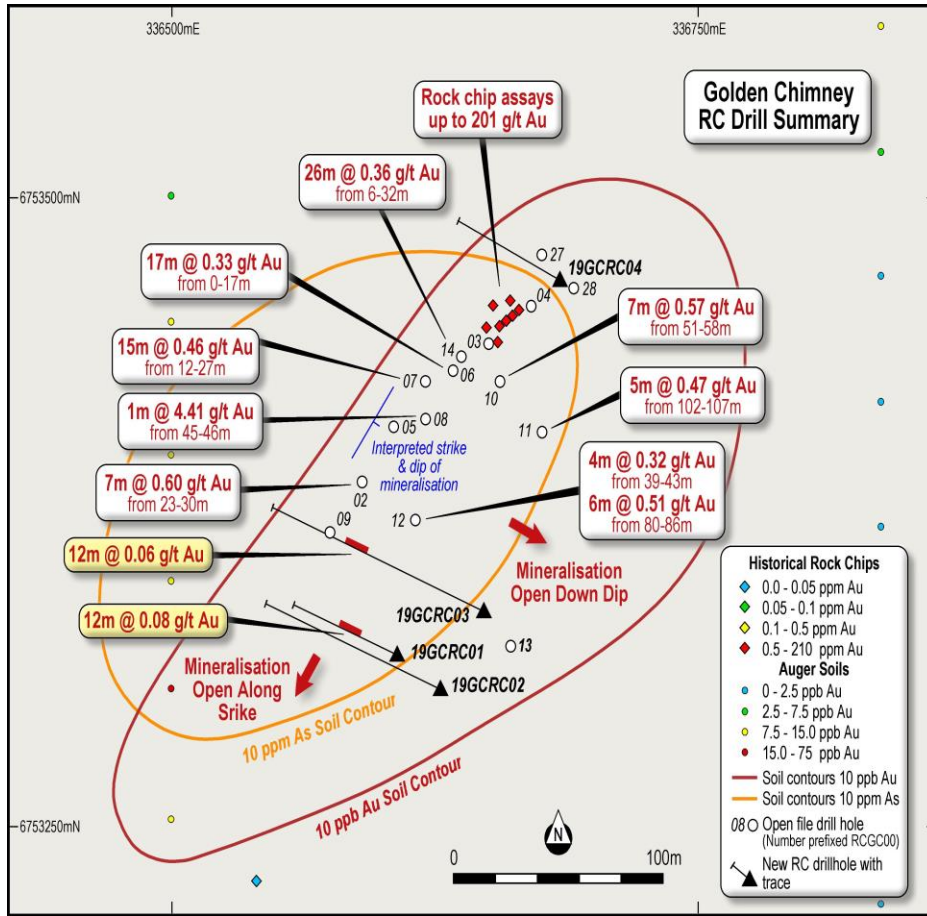


Figure 6. Location of the historical and the recent RC drilling at the Golden Chimney prospect. Auger soil geochemistry contours (Au, ppb and As, ppm) are also shown.

Golden Chimney East Prospect.

Four RC drill holes tested the auger soil anomaly at Golden Chimney East. The regional location of this prospect is shown in Figure 2. Drill hole positions with respect to the anomalous geochemistry are illustrated in Figure 7. 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).

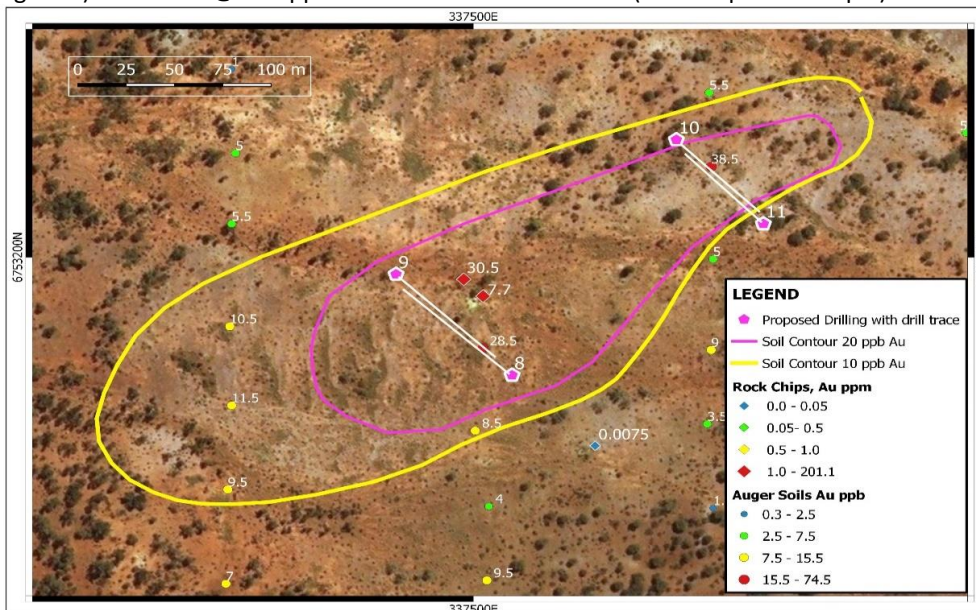


Figure 7. Location of the recently completed RC drill holes at the Golden Chimney East prospect.

SHREE MINERALS LTD

DIRECTORS' REPORT

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.

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 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.

Tenements

- The mining tenements held at the end of quarter and their location.

Mine Lease/ Exploration License	Locality	Remarks
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
E40/378	Golden Chimney	100% Shree Minerals Ltd

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

NIL

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

NIL

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

NIL

Outlook

As per Company estimates, the current iron ore price environment is supportive for restart of NBR operations. The Company is currently pursuing the new environmental permit prior to making any assessment on restart of operations. The NBR project is being developed in a phased philosophy with the initial plan to mine the goethitic-hematite resource to export iron ore over the first couple of years at low capital expenditure to be followed by the magnetite resource to produce dense media magnetite (DMM) used for the coal washery industry. Studies to-date have reflected a stable market and pricing for DMM as an industrial mineral in Eastern Seaboard of Australia with domestic production not being adequate to meet demand resorting to imports, thereby confirming the long-term value potential of the NBR project. The recent structural shift towards higher grade iron ore bodes well for NBR as the test results have shown that the NBR magnetite ore is amenable to a simple processing to produce a very high-grade concentrate.

SHREE MINERALS LTD

DIRECTORS' REPORT

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 RCGC11 (in figure 6) may be warranted.

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

SUBSEQUENT EVENTS

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

RESULT OF OPERATIONS

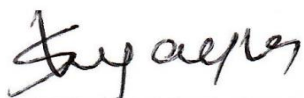
The net loss for the period was \$308,240 mainly arising due to valuation of options issued to Directors for \$74,338 (included in Employee and Consulting Fees) and provision for impairment of mine development expenses for \$60,074 (2018: net profit \$388,369 mainly arising due to Debt forgiveness of \$610,000).

FINANCIAL POSITION

The net assets of the Company are \$ 1,346,246 as at 31 December 2019 (at 30 June 2019: \$1,580,148).

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 11 for the half-year ended 31 December 2019.



Sanjay Loyalka
Director & Company Secretary

10th March 2020.

10 March 2020

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

Dear Sirs

RE: SHREE MINERALS LIMITED

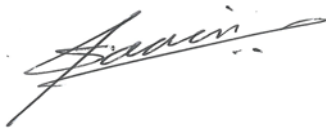
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Shree Minerals Limited.

As Audit Director for the review of the financial statements of Shree Minerals Limited for the period ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

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



Samir Tirodkar
Director

SHREE MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31-Dec-19	31-Dec-18
		\$	\$
Revenue from continuing operations			
Interest		17,878	20,971
Debt Forgiveness (Accruals for Directors fees written back)		-	610,000
Expenses from continuing operations			
Care and maintenance		(35,585)	(72,898)
Finance charges		(6,335)	(6,363)
Employee and consulting fees (including valuation of Directors' options)		(167,287)	(111,815)
Regulatory costs		(18,114)	(15,738)
Occupancy and communication		(6,478)	(5,971)
Foreign exchange gain / loss		231	364
Accounting and legal fees		(12,683)	(17,161)
Exploration expenditure		-	(10,875)
Provision for impairment of mine development		(60,074)	-
Other expenses		(19,793)	(2,145)
(Loss)/Profit before income tax		(308,240)	388,369
Income tax benefit		-	-
(Loss)/Profit for the period		(308,240)	388,369
Other comprehensive income		-	-
Comprehensive (loss)/income for the period		(308,240)	388,369
 (Loss)/Earnings per share attributable to ordinary equity holders of the company:			
Basic (loss)/earnings cents per share		(0.05)	0.11
Diluted (loss)/earnings cents per share		N/A	N/A
Diluted earnings per share not disclosed since the options are non-dilutive			

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

SHREE MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		1,049,191	1,524,849
Receivables		27,588	50,843
Total Current Assets		1,076,779	1,575,692
<i>Non-Current Assets</i>			
Exploration and evaluation		290,768	121,492
Right-of-Use Asset		11,060	-
Other Assets	4	838,700	838,700
Plant and equipment		2,395	-
Total Non-Current Assets		1,142,923	960,192
Total Assets		2,219,702	2,535,884
Liabilities			
<i>Current Liabilities</i>			
Lease Liability		5,270	-
Trade and other payables	8	21,391	116,967
Provisions		13,654	11,769
Total Current Liabilities		40,315	128,736
<i>Non-Current Liabilities</i>			
Lease Liability		6,141	-
Rehabilitation Provision	4	827,000	827,000
Total Non-Current Liabilities		833,141	827,000
Total Liabilities		873,456	955,736
Net Assets		1,346,246	1,580,148
Equity			
Issued Capital	3	19,049,690	19,049,690
Share Based Option Reserve		654,446	580,108
Retained losses		(18,357,890)	(18,049,650)
Total Equity		1,346,246	1,580,148

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

SHREE MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Issued Capital \$	Retained Losses \$	Share based option reserve \$	Total \$
BALANCE AT 1 JULY 2018		17,897,567	(18,016,069)	284,587	166,085
Total comprehensive income for the period		-	388,369	-	388,369
Shares issued during the half year		1,571,843	-	-	1,571,843
Options issued during the half year		-	-	14,218	14,218
Capital raising costs		(434,720)	-	281,303	(153,417)
BALANCE AT 31 DECEMBER 2018		19,034,690	(17,627,700)	580,108	1,987,098
BALANCE AT 1 JULY 2019		19,049,690	(18,049,650)	580,108	1,580,148
Total comprehensive loss for the period		-	(308,240)	-	(308,240)
Options issued during the half year		-	-	74,338	74,338
BALANCE AT 31 DECEMBER 2019		19,049,690	(18,357,890)	654,446	1,346,246

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

SHREE MINERALS LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31-Dec-19 \$	31-Dec-18 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(278,437)	(523,003)
Interest received		31,686	21,713
Net cash (used in) operating activities		<u>(246,751)</u>	<u>(501,290)</u>
Cash flows from investing activities			
Payment for plant and equipment		(2,638)	-
Payment for mineral exploration		(169,022)	-
Payment for mine development		(57,247)	-
Net cash (used in) investing activities		<u>(228,907)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		-	1,586,060
Payments for share issue costs		-	(153,417)
Net cash generated from financing activities		<u>-</u>	<u>1,432,643</u>
Net (decrease) increase in cash and cash equivalents		(475,658)	931,353
Cash and cash equivalents at the beginning of the financial period		<u>1,524,849</u>	<u>1,101,614</u>
Cash and cash equivalents at the end of the financial period		<u>1,049,191</u>	<u>2,032,967</u>

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

SHREE MINERALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF PREPARATION

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Shree Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those in the annual financial report for the year ended 30 June 2019, except as noted below.

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

The half-year financial report is prepared on the accrual basis and historical basis, modified where applicable by the measurement of fair value of selected financial assets and financial liabilities. The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors on 9th March 2020.

Going Concern:

As at 31 December 2019, the Company had cash reserves of \$ 1,049,191.

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

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

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

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

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

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

(B) SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

SHREE MINERALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

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

In preparing this half-year's financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the financial statements for the year ended 30 June 2019.

(C) NEW AND REVISED ACCOUNTING STANDARDS

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for those as described below.

The Company has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Company had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: *Leases*

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 1 (D) below.

(D) 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* using modified retrospective approach with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019.

i. **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;

SHREE MINERALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

- variable lease payments that depend on an 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;
- 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.

ii. Initial Application of AASB 16: *Leases*

The Company has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

The Company has recognised a lease liability and right-of-use asset for all leases (with exception of short-term and low value leases) recognised as operating leases under AASB 117: *Leases* where the Company is a lessee.

Lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets were measured at their carrying values as if AASB 16 *Leases* had been applied since the commencement date but discounted using the Company's incremental borrowing rate per lease term as at 1 July 2019. The right-of-use assets have been recognised in the statement of financial position as at 1 July 2019.

The following practical expedients have been used by the Company in applying AASB 16 *Leases* for the first time:

- For a portfolio of leases that have been reasonably similar characteristics, a single discount rate has been applied.

SHREE MINERALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

- Leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term lease.
- The use of hindsight to determine lease terms or contracts that have options to extend or terminate.

The Company's weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 5%.

NOTE 2: OPERATING SEGMENTS

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

NOTE 3: ISSUED CAPITAL AND OPTION BASED RESERVES

As at 31st December 2019, there were 607,736,893 (30th June 2019: 607,736,893) fully paid ordinary shares issued and 30,000,000 options exercisable at a price of \$0.01 each with an expiry date of 30th November 2023 (30th June 2019: 142,184,223 options exercisable at a price of \$0.01 each with an expiry date of 29th November 2019).

During the half year, 142,184,223 options expired and the Company issued 30,000,000 options to Directors as approved in AGM held on 28 November 2019.

NOTE 4: OTHER ASSETS AND REHABILITATION PROVISION

Other assets related to deposits supporting guarantees for rehabilitation bonds.

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

NOTE 5: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2019.

NOTE 6: CONTINGENT LIABILITIES

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

NOTE 7: RELATED PARTIES

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

SHREE MINERALS LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: TRADE AND OTHER PAYABLES

	31 Dec 2019	30 June 2019
	\$	\$
<i>Current</i>		
Trade creditors & accruals	4,630	62,731
Other payables	16,761	54,236
	<u>21,391</u>	<u>116,967</u>

NOTE 9: EVENTS SUBSEQUENT TO BALANCE DATE

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

SHREE MINERALS LIMITED

DIRECTORS' DECLARATION

In the directors' opinion:

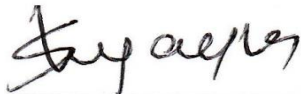
(a) the financial statements and notes set out on pages 12 to 20 are in accordance with the Corporations Act 2001, including:

(i) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's financial position as at 31st December 2019 and of its performance for the half-year ended on that date; and

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

This declaration is made in accordance with a resolution of the directors made pursuant to Section 295(5)(a) of the Corporations Act 2001.



Sanjay Loyalka
Director

Signed at Perth the 10th day of March 2020.

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Shree Minerals Limited, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Shree Minerals Limited (the Company).

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Shree Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Shree Minerals Limited on 10 March 2020.

Conclusion

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director

West Perth, Western Australia
10 March 2020