
SHREE MINERALS LIMITED

ACN 130 618 683

2021 ANNUAL REPORT

SHREE MINERALS LTD

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CORPORATE DIRECTORY

DIRECTORS

Sanjay Loyalka

Davide Bosio

Amu Shah

Martin Bennett (appointed on 11th May 2021)

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 2021.

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 Amu Shah, Non-Executive Director
Davide Bosio, Non-Executive Director
Martin Bennett, Technical Director (appointed on 11th May 2021)

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 \$1,022,321 (2020: net loss \$453,342). The increased loss in FY2021 was mainly due to valuation of stock options \$361,412 (2020 : stock options valuation \$ 74,338).

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:

Edwards Creek Project, NT

- Exploration Licence has been granted.
- Reconnaissance geological mapping, prospecting and rock chip sampling completed.
- New prospects and targets identified and follow up work planned.

Bruce Project, NT

- Reconnaissance geological mapping and sampling identifies new targets.
- Orientation soil sampling program completed.

Box Hole Project, NT

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- Shree signs a research agreement with CSIRO to assist with data compilation and exploration targeting at the Box Hole Project
- Shree granted CSIRO Kickstart funding for research study.

Rock Lodge Project, NSW

- Exploration Licence granted and initial site visit planned.
- Planning for drilling program has commenced.

Turondale Project, NSW

- Regional stream sediment sampling program commenced.
- Several stream sediment anomalies identified with follow up planned.

Nelson Bay River Iron Ore Project

- 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.
 - Draft Development Proposal & Environment Management Plan ("DPEMP") developed & hoping to finalise soon.

The Company has successfully pursued its strategy for value creation with a 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 located in a world class gold mineral province within Western Australia, the company has added exciting exploration projects to its portfolio.

Arunta Joint Venture

The Arunta Joint Venture comprises three projects located northeast of Alice Springs in the Northern Territory that were acquired through an agreement with Territory Lithium Pty Limited in June 2020 (Figure 1).

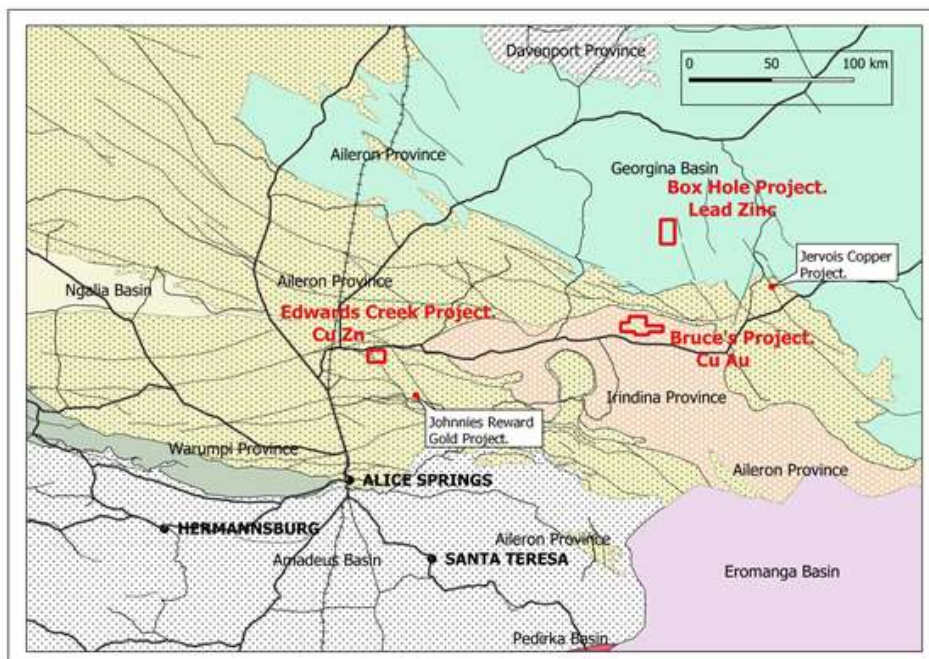


Figure 1: Regional location of the Arunta Joint Venture projects and major resource projects in the region

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Bruce Project

The Bruce Gold Prospect is located ~300km by road from Alice Springs and has good access. The prospect is 13km north of the Plenty Highway which has been sealed to the Harts Range town site with upgrade of the unsealed road to the east in progress.

The gossanous and ferruginous quartz veins at Bruce extend for over 1.5km in an east-west direction within a sequence of mica schist, calcsilicate and amphibolite that form part of the Irindinia Gniess. The veins are 1-2m thick and dip at a shallow angle to the north (~15 degrees) and are interpreted to be thrust faults. Previous sampling by the Northern Territory Geological Survey (NTGS) returned a highest grade of 53g/t Au¹.

Shree Minerals commenced exploration fieldwork at the Bruce Gold Project in September 2020 to locate extensions to the mineralised quartz veins and determine the extent and thickness of the soil cover. Twenty-two rock samples and fifty-seven auger soil samples were collected by Shree geologists. Rock chip samples were taken along the eastern extension of the main mineralised vein set, starting approximately 300m from the rock chip sample taken by the Northern Territory Geological Survey (NTGS) that contained grades of up to 53g/t Au¹. The sampling identified two new mineralised centres (Figure 2). An area located 250m south of known mineralised quartz veins and an area located 1.5 kms south east of known mineralised quartz veins. Rock chip samples taken from a poorly exposed quartz vein 250m south of the main E-W trending quartz veins contained 0.52g/t Au and 1.07% Cu².

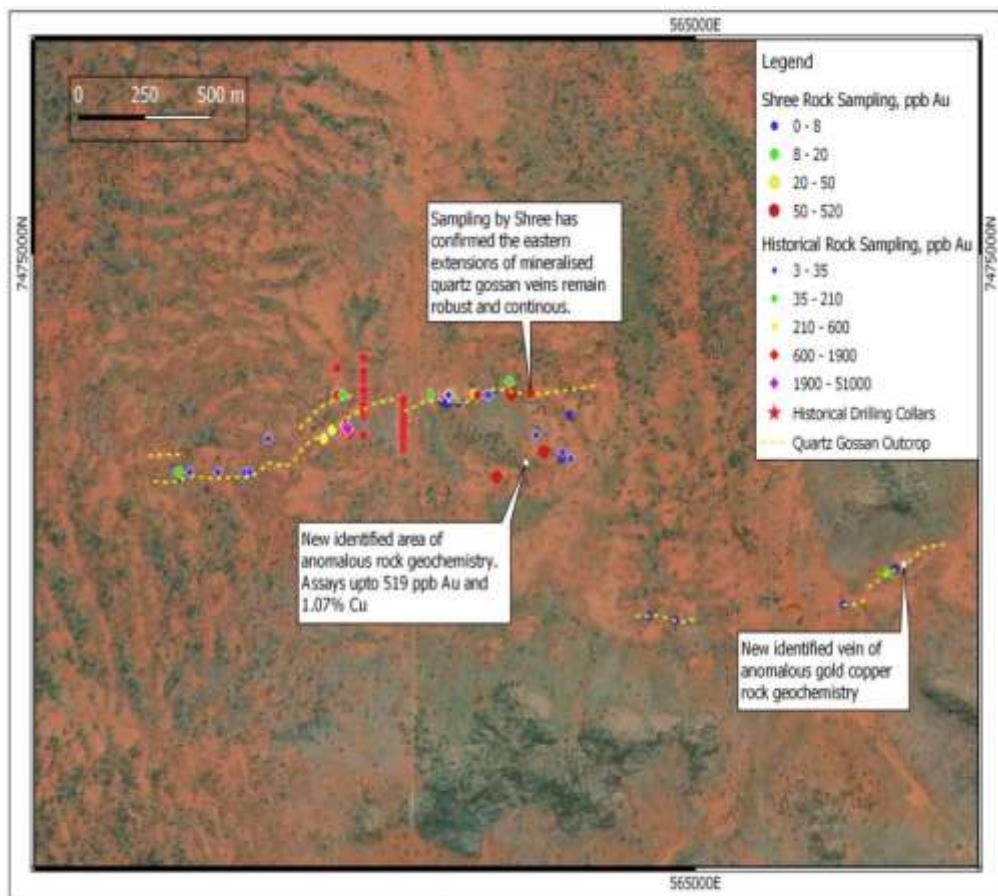


Figure 2: Bruce Gold Prospect gossanous quartz veins. Olympia Resources' soil geochemistry contours (Au, ppb), rock chip geochemistry (Au, ppm) and drill hole collars. Aerial photo image.

The aim of the orientation soil sampling program was to determine the optimal sample depth and sample size fraction that best reflects the bedrock geochemistry. Soil sampling conducted by previous companies suggests the veneer of sand cover in the prospect area is geochemically inert and can shield the bedrock response. The

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orientation soil sampling program indicates that the deeper and coarser soil fraction gives the best geochemical response.

A site visit was undertaken in May 2021 to conduct additional reconnaissance mapping of the quartz veins and workings at the Bruce Gold Prospect and to take additional rock chip samples along the gold mineralised trend. Eighteen rock chip samples were collected and submitted to the laboratory for analysis of gold and multielements. Assay results will be reported when available.

The eastern portion of the quartz vein located to the east of the station boundary fence and access track is a single well defined quartz vein that forms a low rubbly ridge (Figure 3). Close to the access track there is a shallow working sunk on a ferruginous quartz vein with green copper carbonate (malachite) staining (Figures 4-5). Immediately west of the access track the quartz vein is poorly exposed where it divides into two main veins with possible linking structures. The veins change orientation from east-west to east northeast and appear to have been disrupted by a cross cutting structure forming a possible dilation zone.



Figure 3: Outcropping gossanous quartz vein forming a low rubbly ridge.



Figure 4: Shallow workings on quartz veins at Bruce Gold Prospect.

Figure 5: Ferruginous quartz vein with copper carbonate (malachite).

Drill chips on the surface from previous Reverse Circulation (RC) drilling conducted in 2008 indicate that Olympia Resources focussed on a small portion of the quartz vein immediately west of the access track where exposure of the veins is relatively poor. One of the two drill traverses was mostly ineffective with only one hole drilled directly on the vein. The second traverse was better located, stepping out at intervals to intersect the interpreted position of the shallow north dipping vein, although in an area of poor exposure.

Shree has commenced planning for a drilling program at the Bruce project to provide a more effective test of the mineralised quartz vein system. Discussions have commenced with landholders and Native Title holders to obtain land access approvals.

¹ Baxter, J. 2005: Olympia Resources Limited. Reconnaissance mapping and soil sampling at Bruce's Copper prospect EL9851, Northern Territory. Unpublished NT Open File Report CR2005/275.

² Shree Minerals Ltd (ASX:SHH) announcement 23rd October 2020. New geochemical targets identified at the Bruce gold-copper project, NT.

Edwards Creek Project

The Edwards Creek Project (EL32420) covers 76 km sq and is located 110km by road north of Alice Springs. Access is via the Stuart Highway and the Plenty Highway. It is located within the Aileron Province (Figure 1).

The Edwards Creek prospect is centred on a 'siliceous gossan' that forms a prominent brown ferruginous ridge (Figure 6-7). Green malachite staining prompted the acquisition of exploration licences over the prospect in the 1970s. In 1980, CRAE identified an electromagnetic (EM) conductor associated with the siliceous gossan and drilled two diamond drill holes (DD80EC01 and DD81EC02) intersecting stratabound base metal mineralisation. Better historic results include.

**4.5m at 2.25% Cu, 0.11% Pb, 1.54% Zn, 0.14 g/t Au from 47.45m1 in hole DD80EC02³.
Includes 0.72m at 7.11% Cu, 1.9% Zn, 0.24 g/t Au.**

Territory Exploration Pty Ltd acquired new EM data over Edwards Creek in 2017 and identified a strong EM conductor that was interpreted to be caused by sulphide mineralisation at depth. Two reverse circulation holes were drilled to test the conductor intersecting relatively weak zones of copper mineralisation in a clay zone. No further work was conducted.



Figure 6: Edwards Creek ferruginous ridge (gossan)

Figure 7: Malachite staining on strongly oxidised ferruginous quartz rock

Shree considers the source of the strong conductor at Edwards Creek is not adequately explained and the mineralisation 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 better targeted drilling. Additional holes drilled to test the strong EM conductor identified by CRA may be surveyed with downhole electromagnetics (DHEM) to assist modelling and targeting. Shree will also review previous exploration data to assist targeting of the mineralised horizon along strike where drilling has not been conducted previously.

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Reconnaissance work and sampling is required around the mapped syncline, as well as regional reconnaissance.

In late May 2021, a reconnaissance trip was made to the project to assess access and to check the location of copper and base metal occurrences recorded by previous exploration companies and the Northern Territory Geological Survey.

Sixteen rock chip samples were taken at Edwards Creek and have been submitted to the laboratory for analysis of gold, copper and multielements. Results will be announced when available. The site visit has confirmed the presence of copper and base metal occurrences at the Edwards Creek gossan and the extensions to the north and south within the folded sequence of felsic and mafic granulite, marble, calcsilicate and amphibolite. Copper mineralisation is most evident within the siliceous gossan where it forms green malachite coatings on rockfaces. Lead-zinc mineralisation in the form of white oxide coatings on rocks occurs along strike to the north within carbonate rocks.

Reconnaissance mapping in the broader Edwards Creek area has resulted in the discovery of a new copper occurrences ~750m to the east of the main gossan. The new occurrences comprise coarse ironstone with malachite staining within a poorly exposed horizon ~1m wide (Figure 8-9). The ironstone horizon is exposed intermittently for over 200m trending in a north-easterly direction (Figure 10). This new occurrence has not been reported by previous exploration companies that focussed exploration work on the area around the main gossan.



Figure 8: Poorly exposed ironstone containing malachite (copper carbonate)

Figure 9: Malachite stained ironstone

The trend of the mineralised ironstone does not fit with previous mapping and interpretations of the geology that have been largely based on mapping originally conducted in 1985. The new copper occurrences suggest the structural setting may be more complex than previously thought.

Shree plans to remodel the electromagnetic data to assist with targeting before conducting a drilling program. Additional geological mapping, rock chip sampling and soil sampling is also planned with particular emphasis on the strike extensions of the known copper mineralisation and the newly discovered copper occurrences.

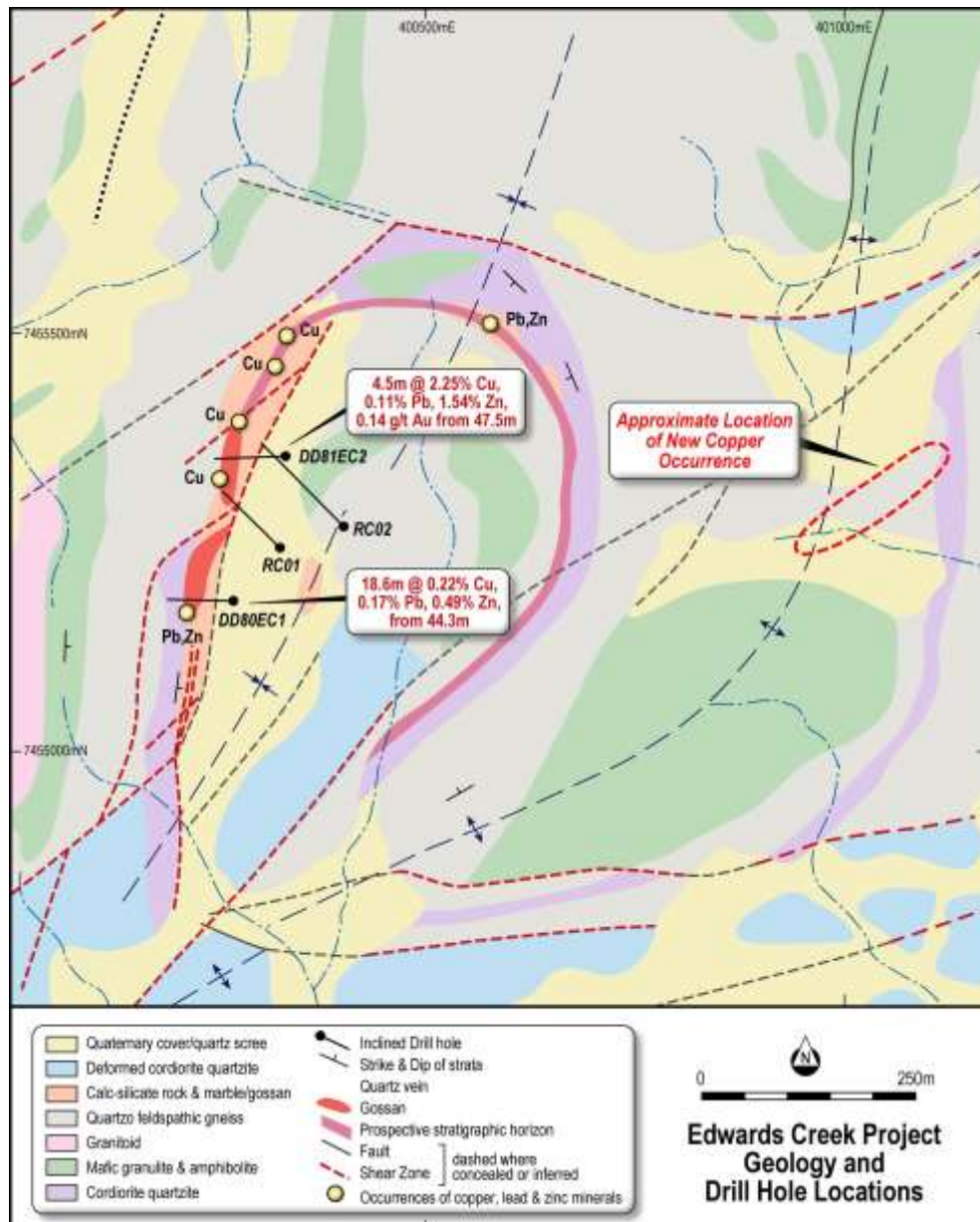


Figure 10: Edwards Creek prospect geology interpretation showing location of previous drilling and new copper occurrences

³ CRA ML426H Drill hole logs Edwards Creek. Unpublished NT Open File Report CR1983/80.

Box Hole Project

The Box Hole Project (EL32419) covers an area of 127km sq located approximately 250 kilometres northeast of Alice Springs in the Northern Territory (Figure 1).

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% Bi⁴ was hand-picked and sold to the Broken Hill Smelter.

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The Pb-Zn mineralisation is hosted by a mixed carbonate and shale sedimentary sequence within the Georgina Basin. 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 11). The faults could represent 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 HDB045⁴
Includes 1m @ 14.7% Zn, 0.3% Pb from 24m.

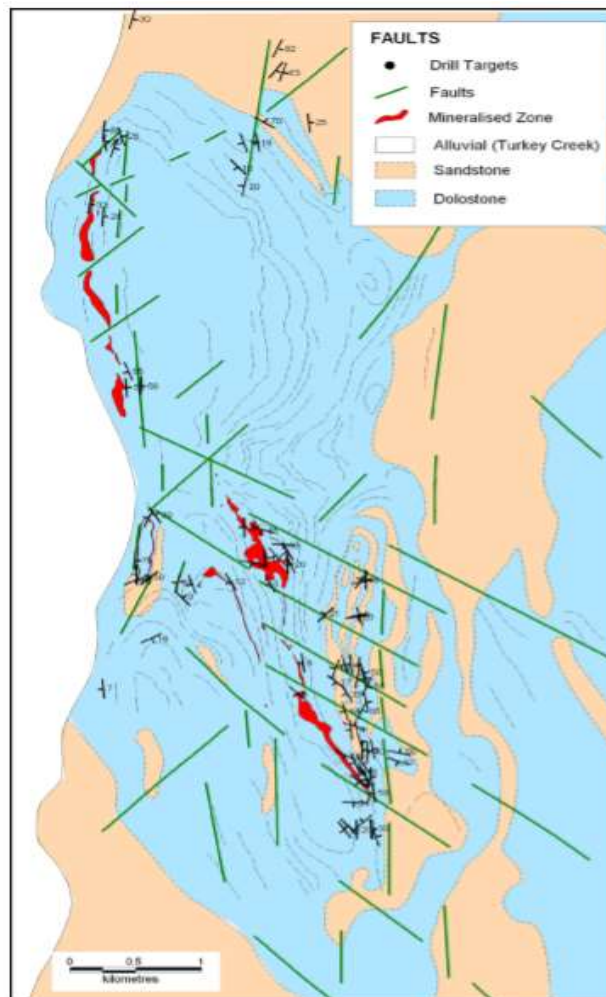


Figure 11: Geological plan of the Box Hole project area (Penna 2009).

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.

In July 2021, Shree signed a research agreement with CSIRO, Australia's national science agency, to assist with data compilation and exploration targeting at the Box Hole Project. The research project aims are to evaluate and re-process existing geophysical, lithological and geochemical data as the basis for building a 3D model of the prospect and improving understanding of the controls on the lead-zinc mineralisation.

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The project outcome is to create an integrated dataset that will improve targeting for exploration drilling. The data evaluation and re-processing will include: VTEM data inversion, gravity modelling, geochemical and lithological data evaluation, structural analysis and 3D structural modelling.

The project was made possible by CSIRO Kick-Start, an initiative that provides funding and support for innovative Australian small businesses to access CSIRO's research expertise and capabilities to help grow and develop their business. The total cost of the research project is \$59,773 of which 50% (\$29,886.50) will be funded by the Kick-Start Program.

⁴ Penna, P. 2009. EL22537 Annual Technical Report Box Hole Base Metal Project. Uramet 2009.

Dundas Project

The Dundas Project is located approximately 60km east of Norseman in the Albany Fraser Province of Western Australia (Figure 12). The project straddles the south east extension of the Boulder Lefroy Fault Zone and Zuleika Shear Zone that host multiple >1 Moz gold deposits such as the Fimiston, St.Ives and Mungari mines.

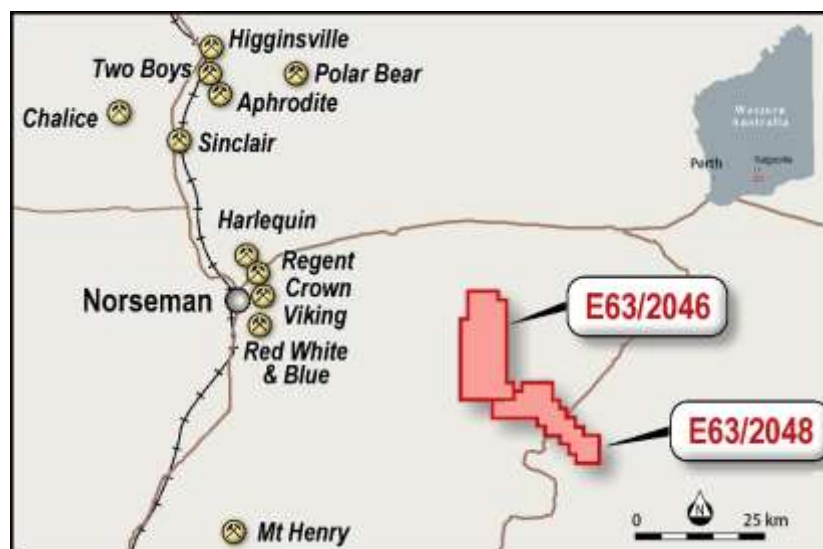


Figure 12. Regional Location of the Dundas Project

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 23m⁵
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. 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 represent a high priority for drilling for Shree Minerals.

Shree is progressing regulatory requirements to have the tenements granted and secure access approvals prior to commencing fieldwork.

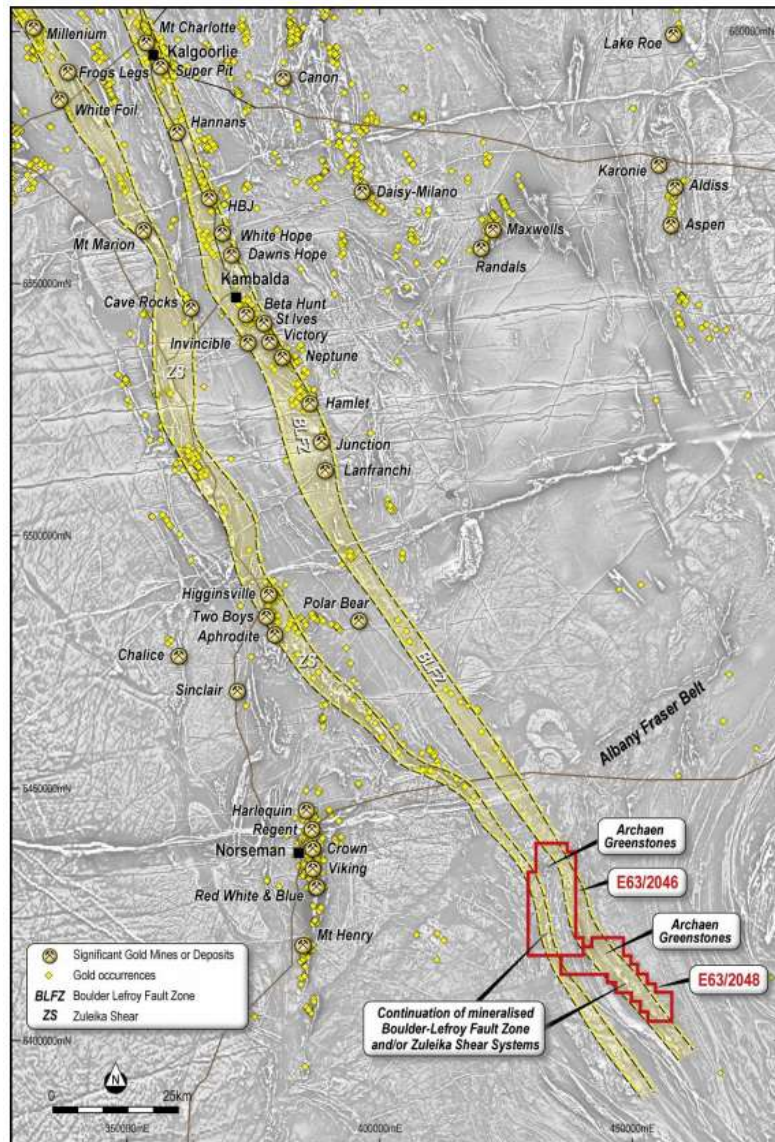


Figure 13: Historical data summary showing soil geochemical contours and anomalous drilling intersections of the exploration licence applications. Underlying image is the regional aeromagnetic image. The location of the BLFZ and the ZS is interpreted from the aeromagnetic data.

⁵ Robinson, P. 1998. Yilgarn extension project (Group 2). Pan Australian Exploration Pty Ltd. WAMEX Item No. A53726.

Ulysses South Project.

The project area consists of one ELA (E40/384) that 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 14).

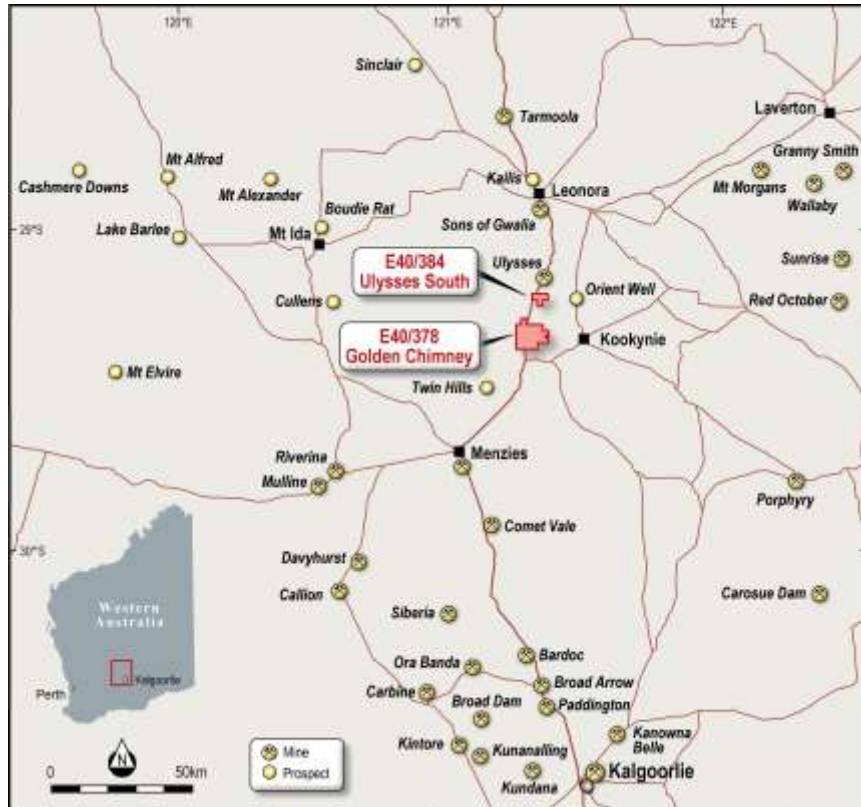


Figure 14: Regional location of the Ulysses South & Golden Chimney Projects

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 15 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, the subtle soil anomalies 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 (Figure 15). Best intersections include:

ROCW0385 **1m @ 0.31g/t Au from 42m⁶**
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.

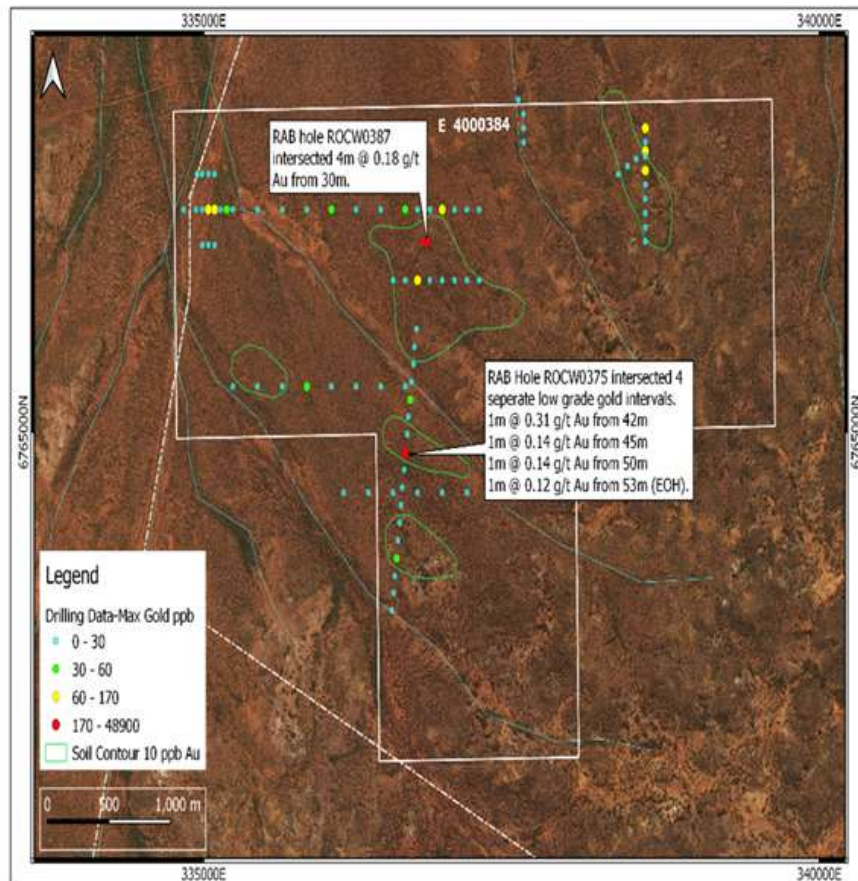


Figure 15: Historical data summary of application E40/384. Underlying image is the aerial satellite image of the area.

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.

⁶ Norum, E./M. 1996. Coronation Well. E40/56, M40/134, P40/1005. Annual Report 12 May 1995 to 11 May 1996. Aberfoyle Resources Ltd. Exploration Division. WAMEX Item No. A48272.

Golden Chimney Project

The project is located 40km south of Leonora (Figure 14). 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 16 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; the Golden Chimney prospect, the Golden Chimney East and Golden Chimney West prospects. Only the Golden Chimney prospect, has been drilled by previous workers.

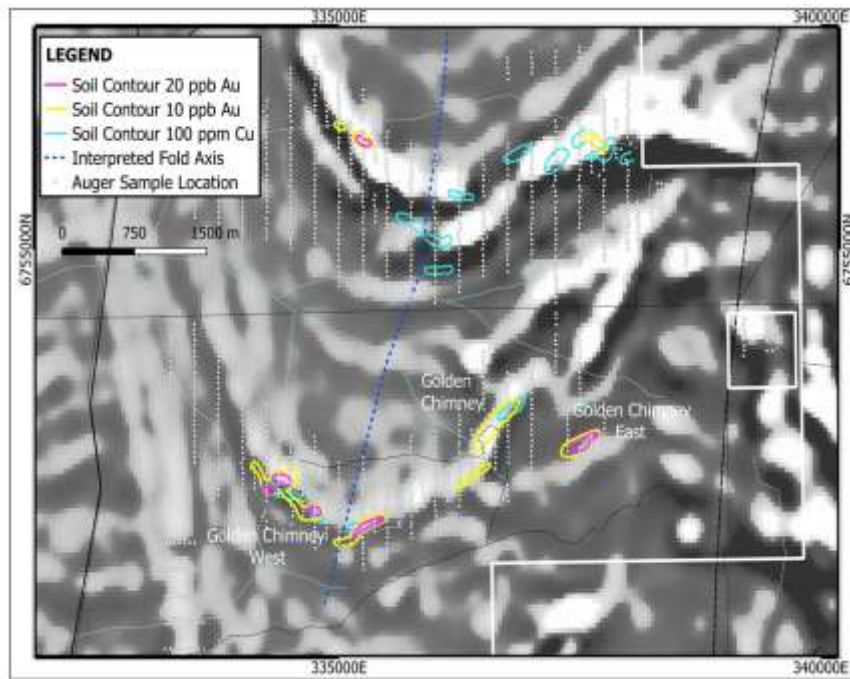


Figure 16: Multi-element (Au, Cu) soil contours derived from Shree's auger program. Also illustrated is the location of all auger samples and the interpreted position of the regional fold axis. The underlying image is the aeromagnetic image.

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 17. 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 17. 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.

DIRECTORS' REPORT

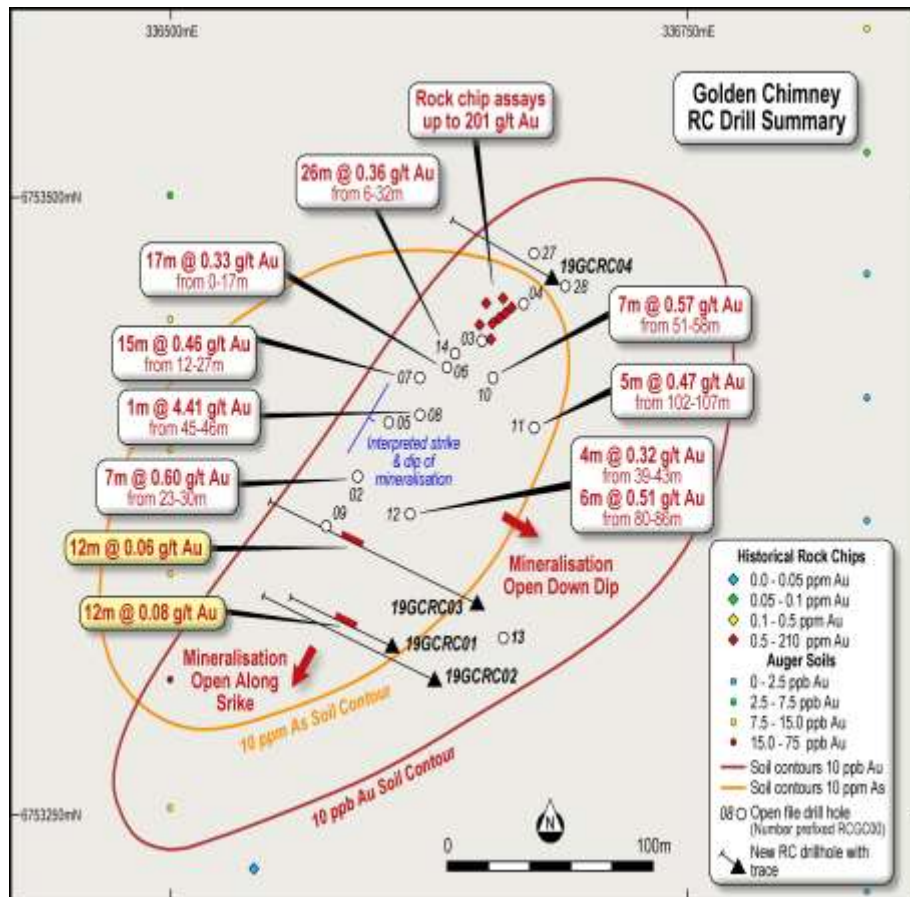
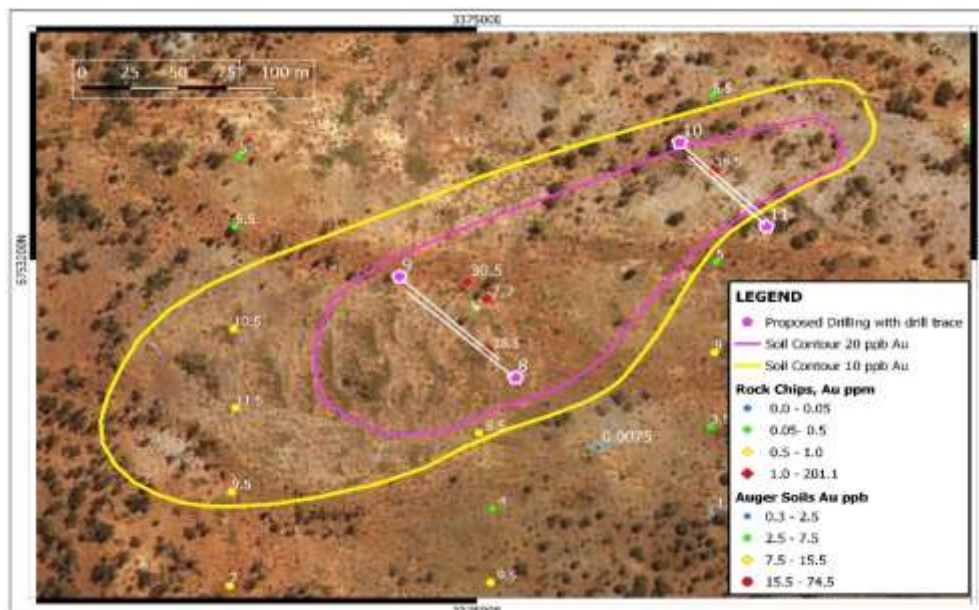


Figure 17: Location of the historical and the recent RC drilling at the Golden Chimney prospect. Auger soil geochemistry contours (Au, ppb and As, ppm) are also shown.

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 18. Mainly dolerites and gabbros were intersected. The highest assay in drilling was from hole 19GCRC05 (Hole 8 in Figure 18) where 4m @ 118 ppb was received from 72-76m (4m composite sample).



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Figure 18: Location of the recently completed RC drill holes at the Golden Chimney East prospect.

Golden Chimney West Prospect.

Golden Chimney West is located 2.2 kms west of the Golden Chimney Prospect in E40/378. An auger soil exploration program completed in September 2019 generated gold 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 19). 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.

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.

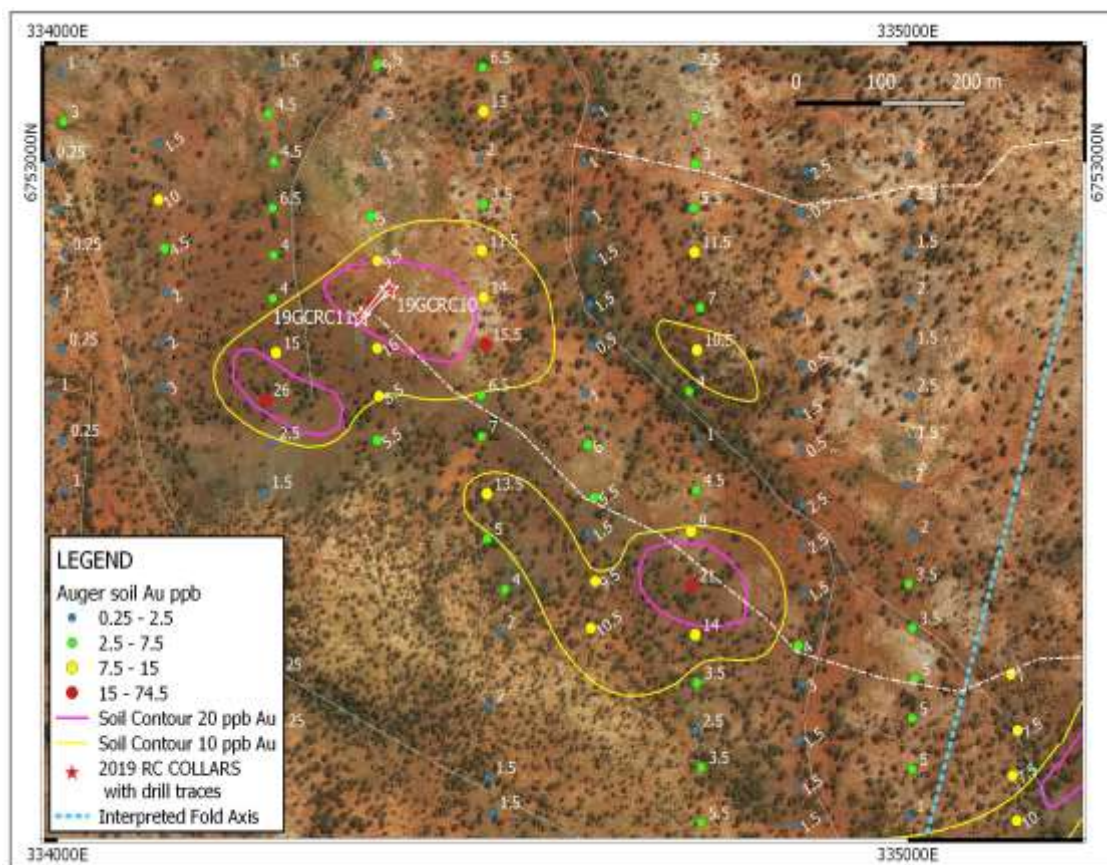


Figure 19: Golden Chimney West auger soil geochemistry (ppb Au) on the aerial photo. 2019 RC drill holes are also shown. Two 20 ppb Au soil geochemical anomalies remain to be evaluated.

As there are two soil anomalies, outlined by the 20 ppb Au soil contour, yet to be evaluated by drilling, in Figure 19, further work is being considered 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.

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.

Extensional drilling at Golden Chimney may be warranted. 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 may be warranted.

Rock Lodge Project

Exploration Licence, EL9155 (formerly ELA 6147) has been granted over the historic Rock Lodge gold workings near Cooma in the Lachlan Fold Belt, NSW (Figure 20). The Rock Lodge Project covers an area of 163 km² and is located 35 km south of Cooma. It is prospective for orogenic, Intrusion Related Gold Systems (IRGS) and skarn related gold mineralisation.

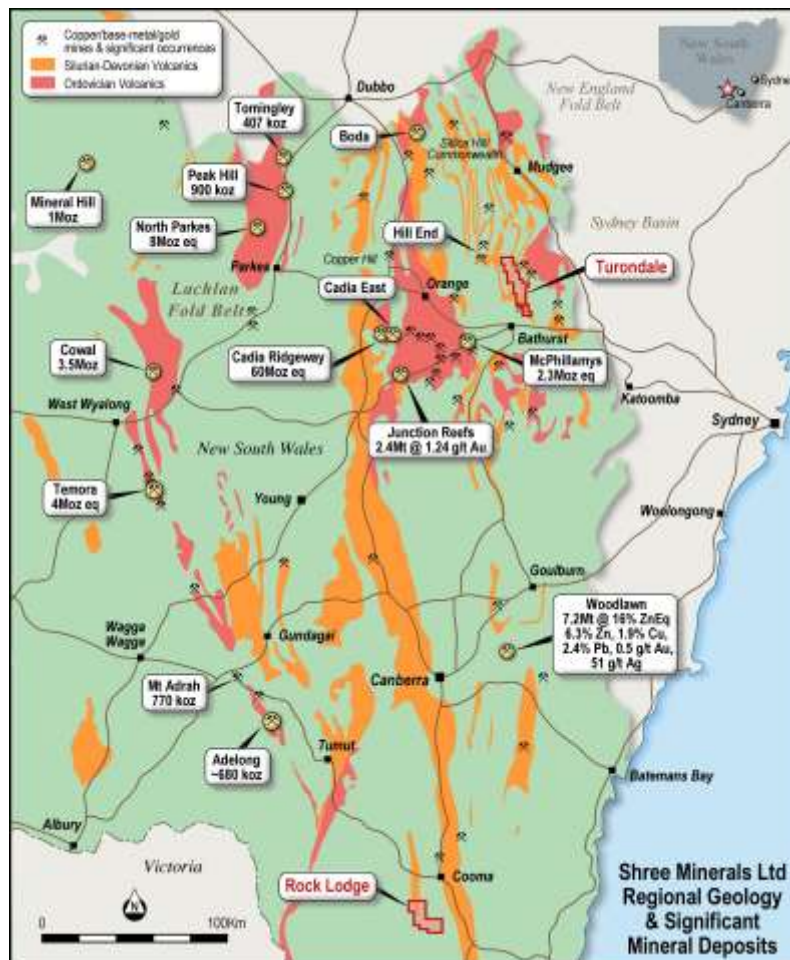


Figure 20: Regional location of Shree's granted Rock Lodge project, south of Cooma, within the East Lachlan Fold Belt.

The Rock Lodge prospect exhibits high-grade polymetallic mineralisation associated with structurally controlled epigenetic massive sulphide veins. The grades intercepted during historical drilling show the area is highly mineralised and the mineral assemblages are like other major mineral deposits within the Canberra to Cooma region of the Ordovician Lachlan Fold Belt.

The East Lachlan Fold Belt has a long history of mineral production including gold (80 Mozs), copper (13 Mt), lead, zinc, silver and tin. It contains several large operating copper and gold mines including Evolution Mining's Lake Cowal Gold Mine, Newcrest Mining Ltd.'s giant Cadia Mine. Also located within the East Lachlan Fold Belt is Alkane Resources' 2019 market moving Boda discovery (502 metres at 0.2% copper and 0.48 g/t gold from 211 metres).

The Project (EL9155) covers a folded sequence of Ordovician aged Adaminaby Group shales/siltstones and Gungahdr Siltstones. At the Rock Lodge prospect there is a steeply dipping sequence of predominantly siltstone with sandstone interbeds to the west and carbonaceous shales to the east (Figure 21). The siltstones and shales have been locally silicified and disseminated pyrite is common throughout the foliated rock sequence.

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The Rock Lodge prospect has been explored by only two companies in the last fifty years. Their exploration programs progressed to RC and diamond drilling, but significant intersections were not followed up. In addition, consideration was not given to the prospectivity away from the old workings. Several target areas generated from geochemical and geophysical surveys at Rock Lodge were not followed up, including the Monaro Prospect and the Bobundara Gold Mine.

Historical exploration from 1988 – 2018 has included diamond drilling, RC drilling, IP geophysics, rock chip sampling, stream sediment sampling, trenching and acquisition of IP data on a 3.5km grid. Rock chip sampling of outcropping quartz veins at Rock Lodge by Southern Gold NL returned assay results of up to 11.1g/t Au⁷. Diamond drilling (SGDH01 to SGDHO11) in 1985 targeted the historic workings. The holes intersected up to 8m of massive sulphide with recorded grades up to 4.28g/t Au, 35g/t Ag, 0.79% Cu and 13.5% Zinc⁸. Diamond hole SGDHO8 intersected 12m @ 1.2 g/t Au, 9.8 g/t Ag and 0.2% Cu. The location of these holes is illustrated in Figure 22.

The mineralisation is associated with massive and disseminated pyrite-arsenopyrite-chalcopryrite-sphalerite sulphides and quartz, within host phyllites and sandstone of the Adaminaby group. This is exposed on the surface as a distinct gossan and ironstone.

Six RC holes (MYRC001 to MYRC006) were also drilled underneath old workings at Rock Lodge by Alt Resources in 2018⁹. Significant drilling intercepts by Alt Resources included:

- **MYRC001, 3m @ 2.1 g/t Au, 3.7 g/t Ag and 174 g/t Bi from 17m and 2m @ 2.7 g/t Au, 11.8 g/t Ag, 300 g/t Bi and 0.48% Cu from 62m.**
- **MYRC003, 1m @ 5.4 g/t Au, 55.6 g/t Ag, 212 g/t Bi and 0.11% Zn.**
- **MYRC005, 2m @ 1.6 g/t Au, 9.5 g/t Ag, 903 g/t Bi from 19m and 1m @ 1.4 g/t Au, 375 g/t Ag, 163 g/t Bi, 1.6% Pb from 23m and 1m @ 4.8 g/t Au, 0.48% Pb, 1.46% Zn from 57m.**

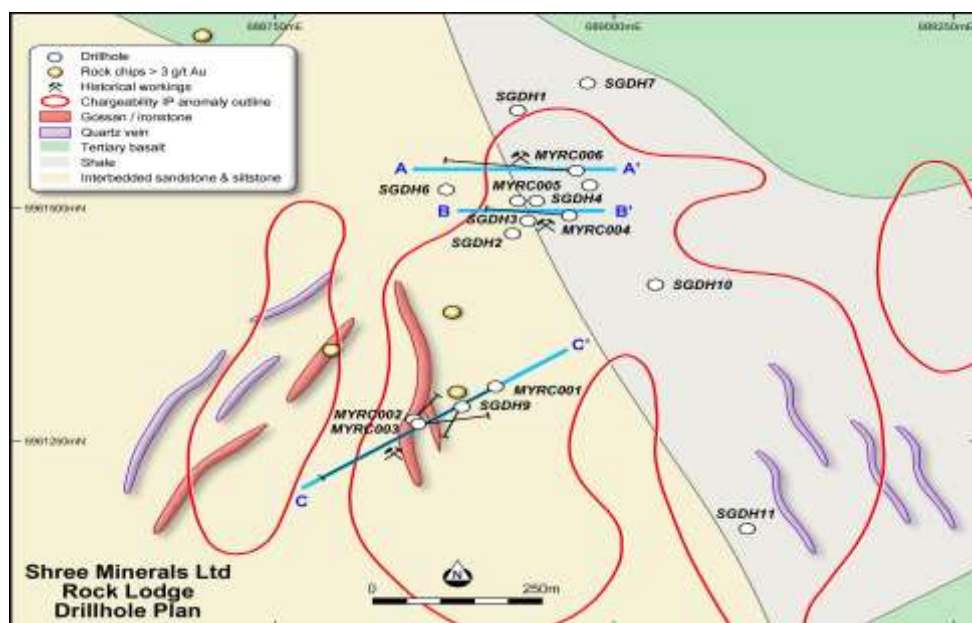


Figure 21: Historical exploration summary diagram showing the main geological features of the Rock Lodge prospect. Past drill hole locations, anomalous rock chip sampling and IP chargeability anomalies are also illustrated.

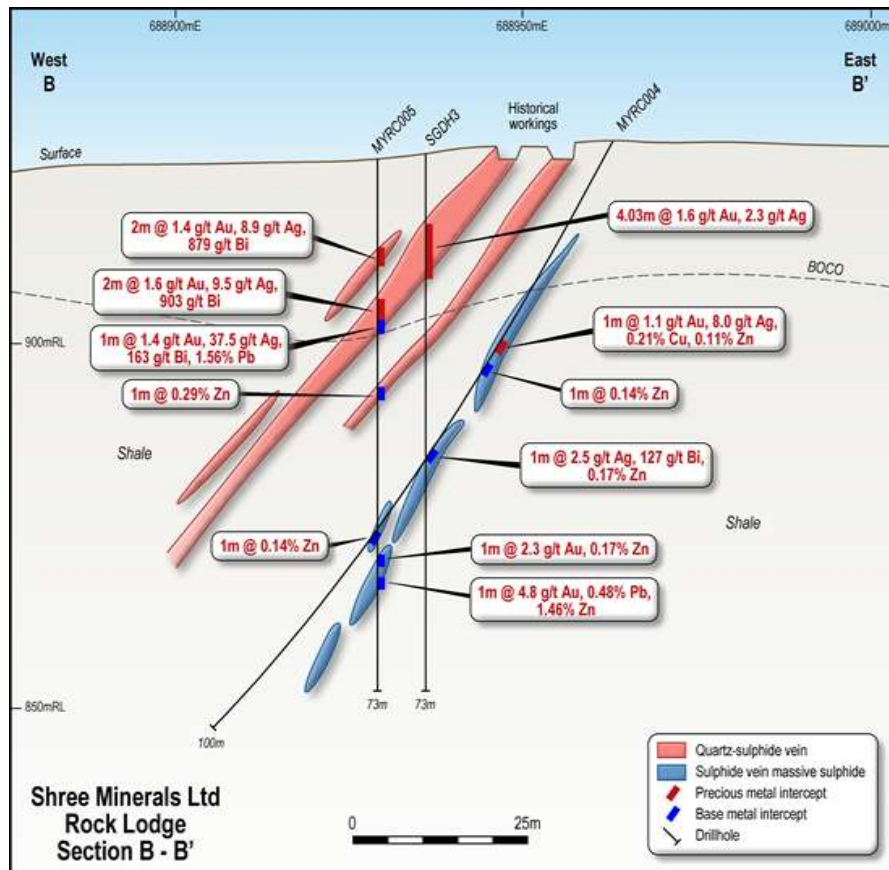


Figure 22: Cross section B-B' at Rock Lodge. Section location is shown in Figure 21.

The Rock Lodge Exploration Licence (EL9155) was granted on 4th May 2021. Shree plans to conduct a field reconnaissance and rock chip sampling program to confirm the results reported by previous companies. A drilling program will then be conducted to test the mineralised trends along strike and at depth. Geochemical surveys will also be conducted to locate additional targets in the area that has been poorly explored in the past.

⁷ Sourced from NSW Geological Survey Open File: Alt Resources EL8416 Final Report including the Fourth Annual Report – Rock Lodge Project, Myalla, 2019.

⁸ Sourced from NSW Geological Survey Open File: Report GS1984_166. Southern Gold NL Annual Report.

⁹ Alt Resources (ASX: ARS) announcement, 23 March 2018. Alt Resources reports polymetallic gold, copper, lead, and zinc at Myalla Project, NSW.

Turondale Project

The Turondale Project (EL9017) is located in the East Lachlan Fold Belt, NSW, 15km north of Bathurst.

Shree completed a review of previous exploration at the Turondale Project in 2020 and conducted an interpretation and target generation study (refer ASX announcement of 8th September 2020).

Following the target generation study, stream sediment sampling was selected as the most cost-effective sampling technique in the well-drained and elevated terrain. Seventy-four stream sediment samples have been collected at Turondale.

Regional stream sediment sampling at Turondale has identified two standout gold anomalies at Oakey Creek and Box Ridge South, illustrated in Figure 23. At Oakey Creek, highly anomalous assays up to 126 ppb Au¹⁰, against statistical background assays of 1.4 ppb Au, are located along the Oakey Creek, within EL9017. The anomalous samples are clustered together along Oakey Creek, suggesting the peak assay of 126 ppb Au is not a spurious or isolated occurrence of gold.

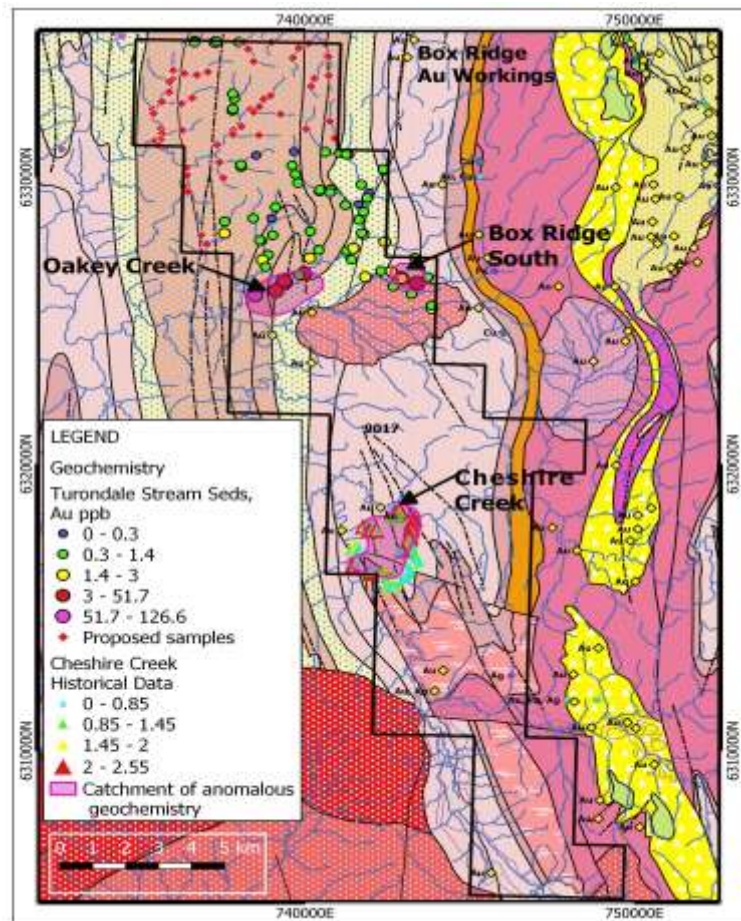


Figure 23: Summary image of stream sediment anomalies, drainage network and the regional geology at the Turondale Project EL9017

Similarly, a clustering of anomalous samples is present at Box Ridge South, where assays up to 4.5 ppb Au have been received against statistical background assays of 1.4 ppb Au.

The anomalous river catchments are also spatially associated with structural dislocations of the regional geology. The Oakey Creek catchment in Figure 23 is spatially related to an area with more intense folding of the sedimentary rock units. Such folding may give rise to the focussing of gold-bearing fluids along zones with strong cleavage or axial planar faulting and shearing associated with the folding.

At Box Ridge South, the anomalous river catchment is spatially related to a possible structural trend along strike of the Box Ridge Gold Workings, located 6 kms to the north in Figure 23. The Box Ridge Prospect is a typical gold-bearing quartz reef common within the Hill End Trough. Gold mineralisation is hosted in north-south trending 'pinch and swell' quartz veins within folded volcanics and sediments. The quartz veins have widths ranging from 0.3m to 3m and extend up to 2.4km along strike (Derriman, 2014)¹¹.

Another priority target area is located near the historic alluvial and hard-rock workings at Cheshire Creek and Winburndale prospects (Figure 23), where highly encouraging geochemical results were reported by Nickel Mines Ltd (NML) in 1972, (Lynch 1972)¹². Stream sediment samples (-80 mesh) returned highly anomalous assays of up to 2.5 g/t Au within several creeks draining radially from a hill 2km long by 1.5km wide. Copper and lead values were also highly anomalous with values up to 3700 ppm Cu and 980 ppm Pb. The source of the gold and base-metals is interpreted to be from the central hill that comprises a folded sequence of interbedded sediments and volcanic rock.

Shree is planning follow up reconnaissance mapping and rock chip sampling to determine the source of the anomalous stream sediment geochemistry. Soil sampling may then be required to define the target prior to drill testing.

¹⁰ Alt Resources (ASX: ARS) announcement, 23 March 2018. Alt Resources reports polymetallic gold, copper, lead, and zinc at Myalla Project, NSW.

¹¹ Derriman, M., Ardent Resources. 2014. Exploration Licence 7592. Final report for the period 4 August 2010 to 3 August 2014. Turon Gold Project. MINVIEW Report 7592/2.

¹² Lynch, J., Nickel Mines Ltd. 1972. Final report MEL 197. MINVIEW Report, GS1972/128.

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 24.



Figure 24: 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 (Al_2O_3) 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.

DIRECTORS' REPORT

Resource and Reserves

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

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)

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

- The Exploration Results for Box Hole, Edwards Creek, Bruce Gold, Dundas, Ulysses South Gold, Golden Chimney and Rock Lodge 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, 15/07/2020 and 3/11/20;
- 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 report are included as Appendices in the company's announcement to ASX dated 30/6/2020, 15/07/2020 and 3/11/20;
- 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.

Competent Person Statement

The review of historical exploration activities and results contained in this report is based on information compiled by Martin Bennett, a Member of the Australian Institute of Geoscientists. He is the Technical Director at 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). Martin Bennett 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.

The information in this report that relates to the Nelson Bat River Iron Ore Project 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

DIRECTORS' REPORT

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.

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.

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	ML	Nelson Bay River	100% Shree Minerals Ltd
E40/378	EL	Golden Chimney	100% Shree Minerals Ltd
E40/384	EL	Ulysses South	100% Shree Minerals Ltd
E63/2046	ELA	Dundas	100% Shree Minerals Ltd
E63/2048	ELA	Dundas	100% Shree Minerals Ltd.
EL9017 (formerly ELA6044)	EL	Turondale	100% Shree Minerals Ltd.
EL9155 (Formerly ELA 6147)	EL	Rock Lodge	100% Shree Minerals Ltd.
EL31225	EL	Bruce Project	Part of farm-in & JV agreement with Territory Lithium Pty Ltd (Arunta JV) *
EL 32420	EL	Edwards Creek	Part of farm-in & JV agreement with Territory Lithium Pty Ltd (Arunta JV) *
EL 32419	EL	Box Hole	Part of farm-in & JV agreement with Territory Lithium Pty Ltd (Arunta JV) *
ELA 6297	ELA	Prince of Wales	100% Shree Minerals Ltd
EL 32785	ELA	Hale River	100% Shree Minerals Ltd

*ELA: Exploration Licence Application

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

NIL

DIRECTORS' REPORT

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

E40/384, E63/2046, E63/2048, EL9017, EL9155, ELA 6297, EL 32785

- 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).

- 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 coming months.

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 2021 are \$4,552,666 (2020: \$1,201,144)

DIRECTORS' REPORT

AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any 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.

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, New South Wales, Western Australia and Northern Territory, 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	56,173,691	25,000,000
Mr A Shah	16,454,700	12,500,000
Mr D Bosio	82,066,387	25,000,000
Mr M Bennett	5,344,256	0
Total	160,039,034	62,500,000

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 M and A, 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

DIRECTORS' REPORT

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

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

Director of Shree Minerals Ltd since October 2018

Mr Bosio is a Corporate Adviser specialising in offering corporate services and strategic advice to private and public organisations, specifically in relation to capital raisings and M&A advice. He has over 20 years' experience in the finance industry as an Investment Adviser, Responsible Manager, and through various Executive and Non-Executive Director Roles. Mr Bosio is the WA State Manager and Director of Corporate Finance of Shaw and Partners, having previously held the position of Managing Director, Chief Executive Officer and Head of Corporate Finance of DJ Carmichael.

Directorship in other listed companies in last 3 years: Caeneus Minerals Limited (25 May 2021 – present);

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 Martin Bennett, Technical Director, BSc, M.Econ.Geol, MAIG

Director of Shree Minerals Ltd since May 2021

Mr Martin Bennett is an exploration and resource development geologist with experience in Australia, Africa and South East Asia.

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.

DIRECTORS' REPORT

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;
- 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 and share-option schemes, with any share and 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 shares and 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 shares and 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 FY2021.

DIRECTORS' REPORT

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.

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

2021

	Short-term Employee Benefits				Post-employment Benefits		Share Based Payments	Total	% Performance Based
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation	Other Long-term Benefits			
Mr S Loyalka	150,685	0	0	0	14,315	0	139,004*	304,004	46
Mr Martin Bennett***	25,385	0	0	0	2,412	0	36,000**	63,797	56
Mr Davide Bosio	35,616	0	0	0	3,384	0	139,004*	178,004	78
Mr Amu Shah	13,699	0	0	0	1,301	0	83,404*	98,404	85
	225,385	0	0	0	21,412	0	397,412	644,209	62

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

** 3,000,000 Share Issue to Martin Bennett at a deemed price of \$0.012 per share as per EGM approval on 14 May 2021

*** Mr Martin Bennett was appointed on 11th May 2021 .

2020

	Short-term Employee Benefits				Post-employment Benefits		Share Based Payments *	Total	% Performance Based
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation	Other Long-term Benefits			
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

DIRECTORS' REPORT

*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.

For financial years ended 30th June 2021 and 2020 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

Mr. Martin Bennett: appointed as Technical Director, effective 11th May 2021

Options, Performance shares and Shares issued as part of remuneration for the year ended 30 June 2021

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

Mr. Sanjay Loyalka: 12,500,000

Mr. Amu Shah: 7,500,000

Mr. Davide Bosio: 12,500,000

These Options have an expiry date of 30 November 2024 and an exercise price equal to 1.2 cents.

During the year, Fully Paid Ordinary shares were issued to Directors as following:

Mr.Martin Bennett: 3,000,000

There were no other Options, Performance shares and Shares issued as part of remuneration for the year ended 30 June 2021. 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 2021

Key Management Person	Balance 1 July 2020	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2021
Mr Sanjay Loyalka	47,840,358	0	0	8,333,333	0	56,173,691
Mr Martin Bennett*	0	3,000,000	0	2,344,256	0	5,344,256
Mr Amu Shah	8,121,367	0	0	8,333,333	0	16,454,700
Mr Davide Bosio	38,733,054	0	0	43,333,333	0	82,066,387
	94,694,779	3,000,000	0	62,344,255	0	160,039,034

* Mr Martin Bennett appointed on 11th May 2021 & had an existing holding of 2,344,256 on the date of appointment. He was issued 3,000,000 shares as remuneration during the year.

Number of Options Held by Key Management Personnel

30 June 2021

Key Management Person	Balance 1 July 2020	Received as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30 June 2021
Mr Sanjay Loyalka	12,500,000	12,500,000	0	0	0	25,000,000
Mr Martin Bennett	0	0	0	0	0	0
Mr Amu Shah	5,000,000	7,500,000	0	0	0	12,500,000
Mr Davide Bosio	12,500,000	12,500,000	0	0	0	25,000,000
	30,000,000	32,500,000	0	0	0	62,500,000

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, increased to \$42,000 per annum effective 1/10/2020.
- 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, , increased to \$180,000 per annum effective 1/10/2020 .
- 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.

DIRECTORS' REPORT

The employment arrangements for Martin Bennett are as follows:

- Term: Employment can be terminated by one month's notice.
- Remuneration: comprising salary and superannuation totalling \$197,100 per annum. He is additionally entitled to leave (annual leave, personal leave & long service leave) & incentive bonus award of \$36,000 per annum.
- Termination: Mr. Bennett's employment can be terminated by one month's notice. He may also cease to be a director if any of the disqualifying events prescribed in the Constitution occur. Further, Mr. Bennett's appointment to his additional role as Director is subject to re-election by shareholders at least every 3 years.

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

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 the period.

Meetings of Directors

During the financial year, 4 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	4	4
Martin Bennett	0	0
Amu Shah	4	4
Davide Bosio	4	4

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

Indemnifying Officers or Auditor

The Company has not otherwise, during or since the end of financial year, except to the extent permitted by law, indemnified or agree to indemnify the auditor of the Company or of any related body corporate against a liability incurred as such 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

At the date of this report, the unissued ordinary shares of Shree Minerals Limited under option are :

1. 30,000,000 Unlisted Options exercisable at \$0.01 Expiring 30 November 2023.
2. 32,500,000 Unlisted Options exercisable at \$0.012 Expiring 30 November 2024.

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.

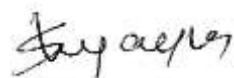
Non-audit Services

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 2021 has been received and can be found on page 34 of annual report.

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



Sanjay Loyalka

Director

Signed in Perth the 23rd day of August 2021.

23 August 2021

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 2021, 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 sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

SHREE MINERALS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-2021 \$	30-Jun-2020 \$
Revenue from continuing operations			
Interest		15,211	28,198
Government Grants		20,102	33,503
Expenses from continuing operations			
Care and maintenance		(82,578)	(49,237)
Depreciation Expense		(9,713)	(9,986)
Finance charges		(19,095)	(12,954)
Employee and consulting fees (incl valuation of Directors Options)		(646,084)	(287,778)
Regulatory costs		(41,561)	(23,811)
Occupancy and communication		(2,522)	(2,563)
Foreign exchange loss/ gain		(361)	340
Accounting and legal Fees		(56,654)	(30,648)
Provision for impairment of mine development	10A	(118,179)	(71,449)
Other expenses		(80,887)	(26,957)
Loss before income tax		(1,022,321)	(453,342)
Income tax	4	-	-
Loss for the year		(1,022,321)	(453,342)
Other comprehensive income		-	-
Total Comprehensive loss for the year		(1,022,321)	(453,342)
(Loss) per share for attributable to ordinary equity holders of the company:			
Basic (loss) cents per share	5	(0.12)	(0.07)

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30-Jun-2021 \$	30-Jun-2020 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6	3,922,549	854,153
Other Receivables	7	35,030	39,446
Prepayments		26,696	24,149
Inventories	8	-	-
Total Current Assets		3,984,275	917,748
<i>Non-Current Assets</i>			
Exploration and evaluation	10	617,063	320,115
Mine Development	10A	-	-
Right- of- Use Asset	11	15,485	6,320
Other Assets	6A	838,700	838,700
Plant and equipment	9	8,615	2,132
Total Non-Current Assets		1,479,863	1,167,267
Total Assets		5,464,138	2,085,015
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	12	65,319	48,472
Lease Liability	11	9,918	6,630
Provision for employee entitlement		2,202	1,769
Total Current Liabilities		77,439	56,871
<i>Non-Current Liabilities</i>			
Lease Liability	11	7,033	-
Rehabilitation Provision	13	827,000	827,000
Total Non-Current Liabilities		834,033	827,000
Total Liabilities		911,472	883,871
Net Assets		4,552,666	1,201,144
Equity			
Contributed equity	14	23,062,121	19,049,690
Reserves	15	1,015,858	654,446
Accumulated (losses)	15	(19,525,313)	(18,502,992)
Total Equity		4,552,666	1,201,144

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total \$
BALANCE AT 1 JULY 2019		19,049,690	(18,049,650)	580,108	1,580,148
Total comprehensive income for the period		-	(453,342)	-	(453,342)
Shares issued during the year		-	-	-	-
Options issued during the year		-	-	74,338	74,338
Capital raising costs		-	-	-	-
BALANCE AT 30 JUNE 2020		19,049,690	(18,502,992)	654,446	1,201,144
BALANCE AT 1 JULY 2020		19,049,690	(18,502,992)	654,446	1,201,144
Total comprehensive income for the period		-	(1,022,321)	-	(1,022,321)
Shares issued during the year		4,257,000	-	-	4,257,000
Options issued during the year		-	-	361,412	361,412
Capital raising costs		(244,569)	-	-	(244,569)
BALANCE AT 30 JUNE 2021		23,062,121	(19,525,313)	1,015,858	4,552,666

The accompanying notes form part of these financial statements.

SHREE MINERALS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-2021 \$	30-Jun-2020 \$
Cash flows from operating activities (including exploration)			
Payments to suppliers and employees (inclusive of GST)		(558,343)	(482,931)
Government Grants received		20,102	33,503
Interest received		24,438	42,216
Net cash (used in) operating activities (including exploration)	18	(513,803)	(407,212)
Cash flows from investing activities			
Payment for plant and equipment		(7,157)	(2,638)
Payment for mineral exploration		(237,662)	(179,461)
Payment for mine development		(118,179)	(71,449)
Net cash outflow (used in) investing activities		(362,998)	(253,548)
Cash flows from financing activities			
Proceeds from issues of shares and options		4,200,000	-
Repayment of lease liability		(10,234)	(9,936)
Payments for share issue costs		(244,569)	-
Net cash provided by (used in) financing activities		3,945,197	(9,936)
Net increase/(decrease) in cash and cash equivalents		3,068,396	(670,696)
Cash and cash equivalents at the beginning of the financial year		854,153	1,524,849
Cash and cash equivalents at the end of the financial year		3,922,549	854,153

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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 2021

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 2021 and comparative information.

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

The Company has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

Initial adoption of AASB 2020-04: *COVID-19-Related Rent Concessions*

AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business*

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: *Business Combinations*, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

Initial adoption of AASB 2018-7: *Amendments to Australian Accounting Standards – Definition of Material*

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

Initial adoption of AASB 2019-3: *Amendments to Australian Accounting Standards – Interest Rate Benchmark*

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

Initial adoption of AASB 2019-1: *Amendments to Australian Accounting Standards – References to the Conceptual Framework*

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 2021

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:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
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 and 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Classifications are determined by both:

- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 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- Determining the lease term of contract with renewal and termination options- Company as lessee

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Company has a lease contract that includes an extension option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the renewal option of the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company re-assesses the lease term if there is a significant event or a change in circumstances that is within its control and affects its ability to exercise or not exercise the option to renew or to terminate (e.g.: construction of significant leasehold improvements or significant customisation to the leased asset).

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 2021

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 2021**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:

	2021	2020
	\$	\$
Short term employee benefits		
Salaries including bonuses and fees	225,385	150,685
Total short term employee benefits	225,385	150,685
Long service leave	0	0
Share and Share Options	397,412	74,338
Total other long-term benefits	397,412	74,338
Superannuation	21,412	14,315
Total post-employment benefits	21,412	14,315
Total remuneration	644,209	239,338

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-Jun-2021	30-Jun-2020
	\$	\$
Depreciation of plant and equipment and right of use asset	9,713	9,986
Employee benefit expenses (including valuation of share options as per note 22)	646,084	287,778

NOTE 3A: AUDITOR'S REMUNERATION

	30-Jun-2021	30-Jun-2020
	\$	\$
Remuneration paid or payable to the auditor for:		
— Auditing or reviewing the financial report	21,622	19,811
	<u>21,622</u>	<u>19,811</u>

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**NOTE 4: INCOME TAX**

The major components of tax expense and the reconciliation of the expected tax expense based on the effective tax rate of Shree Minerals at 26% (2020: 27.5%) and the reported tax expense in profit or loss are as follows:

	30 June 2021	30 June 2020
	\$	\$
Tax expense comprises:		
(a) Current tax expense	-	-
Tax expense	-	-
 (b) Loss before Income Tax	(1,022,321)	(453,342)
Prima Facie Income Tax expense @ 26% (2020: 27.5%)	(265,804)	(124,669)
Non-Deductible expenses	95,150	11,365
Non-Assessable income	(5,226)	-
Deferred Tax Asset temporary differences not brought to account	175,880	113,304
Income tax expense	-	-

NOTE 4A: DEFERRED TAX ASSET / LIABILITY

	30 June 2021	30 June 2020
	\$	\$
<u>Recognised Deferred Tax Balances</u>		
DTA - Temp Differences	1,844,429	1,813,542
DTL	(1,844,429)	(1,813,542)
Net DTA	-	-

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 2021

	30 June 2021	30 June 2020
	\$	\$
c. Deferred tax assets		
Tax Losses	-	-
Provisions	1,678,104	1,736,339
Other	95,386	77,203
Set-off deferred tax liabilities	(1,773,490)	(1,813,542)
Net deferred tax assets	-	-
d. Deferred tax liabilities		
Exploration expenditure	154,266	88,032
Mine development costs	1,607,829	1,725,510
Other	11,395	-
Set-off deferred tax assets	(1,773,490)	(1,813,542)
Net deferred tax liabilities	-	-
e. Deferred Tax Assets		
Provisions (balance of DTA)	546,745	674,642
Tax Effect of Tax losses - offset to DTA	-	-
Tax Effect of Unused tax losses for which no deferred tax asset has been recognised	3,762,217	3,634,439
Total	4,308,962	4,309,081

NOTE 5: LOSS PER SHARE

	30 June 2021	30 June 2020
	\$	\$
a. Loss used to calculate basic EPS	(1,022,321)	(453,342)
	Number of	Number of
	Shares	Shares
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	834,004,015	607,736,893
Basic and diluted (loss) per share (cents per share)	(0.12)	(0.07)

Options totalling 62,500,000 (2020: 30,000,000) are anti – dilutive and not included in the calculation of diluted earnings per share.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: CASH AND CASH EQUIVALENTS

	30 June 2021	30 June 2020
	\$	\$
Cash at bank / on deposits and in hand	3,922,549	854,153

NOTE 6A: OTHER ASSETS

	30 June 2021	30 June 2020
	\$	\$
Cash deposits supporting Guarantees for Rehabilitation Bonds	838,700	838,700

NOTE 7: OTHER RECEIVABLES

	30 June 2021	30 June 2020
	\$	\$
Interest receivable	1,067	10,295
Other receivables	210	210
Advances - exploration	15,192	11,162
GST and ABN withholding tax receivables	18,561	17,779
	35,030	39,446

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

NOTE 8: INVENTORIES

	30 June 2021	30 June 2020
	\$	\$
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	-	-

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.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9: PLANT AND EQUIPMENT

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:

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
Opening balance at 1 July 2019	0	0	0
Additions	2,638	0	2,638
Depreciation	(506)	0	(506)
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 1 July 2020	2,132	0	2,132
Additions	7,157	0	7,157
Depreciation	(674)	0	(674)
Balance at 30 June 2021	6,483	0	6,483
At Cost	397,169	30,067	427,236
Accumulated depreciation/impairment Losses	(388,554)	(30,067)	(418,621)
Balance at 30 June 2021	8,615	0	8,615

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2021	30 June 2020
	\$	\$
Exploration and evaluation phase expenditure capitalised	617,063	320,115
Movements		
Opening balance	320,115	121,492
Exploration capitalised	296,948	198,623
Balance	617,063	320,115

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 2021**NOTE 10A: MINE DEVELOPMENT**

	30 June 2021	30 June 2020
	\$	\$
<i>Opening Balance</i>	0	0
Mine Development capitalised	118,179	71,449
Provision for Impairment	(118,179)	(71,449)
	<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. Right-of-Use assets

	30 June 2021	30 June 2020
	\$	\$
Land and Building		
Opening Balance	6,320	15,800
Depreciation charge for the year	(9,039)	(9,480)
Additions to right-of-use assets	18,204	-
Carrying value at end of the year	<u>15,485</u>	<u>6,320</u>

B. Amounts recognised in profit or loss

Interest on lease liabilities (included in Finance charges)	2,351	588
Depreciation - right of use asset	9,039	9,480

C. Amounts recognised in statement of cash flows

Repayment of lease liabilities	(10,234)	(9,936)
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D. Extension options

The office lease contains extension options exercisable by the Company up to one year before the end of the contract period.

The Company assesses at the lease commencement date whether it is reasonably certain to exercise the options the extension options.

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

In March 2021, the Company has extended the office lease and \$18,204 has been recognised as a lease modification.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

E. Lease Liability	30 June 2021	30 June 2020
	\$	\$
Current		
Property Lease Liability	9,918	6,630
Non Current		
Property Lease Liability	7,033	-
Total Lease Liability	<u>16,951</u>	<u>6,630</u>

NOTE 12: TRADE AND OTHER PAYABLES

	30 June 2021	30 June 2020
	\$	\$
<i>Current</i>		
Trade creditors	26,269	23,391
Other creditors and accruals	<u>39,050</u>	<u>25,081</u>
	<u>65,319</u>	<u>48,472</u>

NOTE 13: REHABILITATION PROVISION

	30-June-2021	30-June-2020
	\$	\$
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.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**NOTE 14: CONTRIBUTED EQUITY**

	30 June 2021	30 June 2020
	\$	\$
1,063,236,892 (2020: 607,736,893) Fully paid ordinary shares	23,062,121	19,049,690
Movements		
Opening balance	19,049,690	19,049,690
Shares issued (for services provided)	21,000	0
Shares issued (for Remuneration)	36,000	0
Shares issued (Placement)	4,200,000	0
Capital raising costs	(244,569)	0
Closing balance	23,062,121	19,049,690

(a) Ordinary Shares	Number of Shares	Number of Shares
	30 June 2021	30 June 2020
At the beginning of the year	607,736,893	607,736,893
Shares issued (for services provided)	2,500,000	0
Shares issued (for Remuneration)	3,000,000	0
Shares issued (Placement)	449,999,999	0
At end of year	1,063,236,892	607,736,893

(b) Options	Number of Options	Number of Options
	30 June 2021	30 June 2020
Opening balance	30,000,000	142,184,223
Issued during the year	32,500,000	30,000,000
Expired during the year	0	(142,184,223)
Closing balance	62,500,000	30,000,000

(c) Share Performance Rights ("SPR")

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

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(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 2021 and 30 June 2020 are as follows:

	30 June 2021	30 June 2020
	\$	\$
Cash and cash equivalents	3,922,549	854,153
Other receivables	35,030	39,446
Prepayments	26,696	24,149
Trade and other payables, lease liability and provisions	(77,439)	(56,871)
Working capital position	3,906,836	860,877

NOTE 15: ACCUMULATED LOSSES AND RESERVES

	30-June-2021	30-June-2020
	\$	\$
a. Accumulated Losses		
At the beginning of the year	(18,502,992)	(18,049,650)
Net loss for the year	(1,022,321)	(453,342)
At end of year	(19,525,313)	(18,502,992)
b. Option Reserve		
At the beginning of the year	654,446	580,108
Net loss for the year	361,412	74,338
At end of year	1,015,858	654,446

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 32,500,000 (2020: 30,000,000) options and nil (2020: nil) Share Performance Rights were issued.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: COMMITMENTS

	30 June 2021	30 June 2020
	\$	\$
The Company has tenements rental and expenditure commitments of:		
Payable:		
– not later than 12 months	153,778	75,036
– between 12 months and 5 years	619,210	126,144
– greater than 5 years	128,532	71,072
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.

NOTE 18: CASH FLOW INFORMATION

	30 June 2021	30 June 2020
	\$	\$
Reconciliation of Cash Flow from Operations with Loss for the year		
Loss for the year	(1,022,321)	(453,342)
Non-cash flows:		
Depreciation	9,713	9,986
Interest on lease liability	2,351	588
Provision- Impairment of Mine Development	118,179	71,449
Share-based Payment expense	361,412	74,338
<i>Changes in assets and liabilities</i>		
Decrease/(Increase) in other receivables and prepayments	1,869	(12,752)
Increase/(Decrease) in trade and other payables	14,561	(87,479)
Increase/(Decrease) in provision for employee entitlements	433	(10,000)
	<u>(513,803)</u>	<u>(407,212)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**NOTE 19: OTHER RELATED PARTY TRANSACTIONS**

There are no related party transactions except for payments in normal course of business at arm's length and for remuneration payments as disclosed in the Remuneration Report.

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.

Sensitivity analysis

At 30 June 2021, 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 \$2,453 lower/higher (2020 \$7,600 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, except for the non-current lease liability which amounted to \$7,033 as at year end.

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.

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	
	2021 \$	2020 \$	1 Year or Less		1 to 5 Years		2021 \$	2020 \$	2021 \$	2020 \$	2021 %	2020 %
			2021 \$	2020 \$	2021 \$	2020 \$						
Cash	3,920,123	95,776	2,331	753,063	0	0	95	5,314	3,922,549	854,153	0.01%	0.71%
Other Assets (Security Deposits)	0	0	735,000	735,000	0	0	103,700	103,700	838,700	838,700	0.43%	1.36%
Trade and other receivables	0	0	0	0	0	0	35,030	39,446	35,030	39,446	N/A	N/A
Total Financial Assets	3,920,123	95,776	737,331	1,488,063	0	0	138,825	148,460	4,796,279	1,732,299		
Financial Liabilities												
Lease Liability	0	0	0	0	0	0	16,951	6,630	16,951	6,630		
Trade and other payables	0	0	0	0	0	0	65,319	48,472	65,319	48,472	N/A	N/A
Total Financial Liabilities	0	0	0	0	0	0	82,270	55,102	82,270	55,102		

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 Shares:

During the year, fully paid ordinary shares were issued as following:

- For Geological & Business Development Services: 1,500,000 issued at deemed price of \$0.006 per share for a total value of \$9,000
- For Geological & Business Development Services: 1,000,000 issued at deemed price of \$0.012 per share for a total value of \$12,000
- Remuneration to Martin Bennett, Director: 3,000,000 issued at deemed price of \$0.012 per share for a total value of \$36,000

Issue of Options:

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

SHREE MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Mr. Sanjay Loyalka: 12,500,000

Mr. Amu Shah: 7,500,000

Mr. Davide Bosio: 12,500,000

These Options have an expiry date of 30 November 2024 and an exercise price equal to 1.2 cents.

As the options to Directors are share based payments, they have been valued using Black Scholes Model for a fair value of \$361,412 with credit to share based payment reserve in Equity.

Details of Fair valuation:

P= Current Price of share	\$	0.012	On Grant date 30/09/2020 - AGM date
X=Strike price	\$	0.012	
r=Risk free rate		0.210%	2 year Australian Govt. Bond rate
t=expiry period		1,522	Days
ó=volatility		175.21%	
Value of call option	\$	0.011120	per option

OPTIONS:

Number of options	32,500,000
Valuation of options:	\$ 361,412

In FY 2020, Share based payments were made as follows:

30,000,000 Options 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.

NOTE 23: AFTER BALANCE SHEET DATE EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any other 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 was converted to a Public Company effective 1/7/2021 & the name was changed to Catalina Minerals Limited. 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

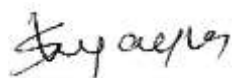
1. In the opinion of the directors of Shree Minerals Limited ('the Company'):

- (a) The financial statements and notes as set out on pages 35 to 62 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 2021 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 2021, 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 2021.

Dated at Unit 38, 18 Stirling Highway, Nedlands, WA 6009 this 23rd day of August 2021.

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

Opinion

We have audited the financial report of Shree Minerals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2021, 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 2021 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.

Key Audit Matters	How the Matter was Address in the Audit
Issued Capital The Company's contributed equity as at 30 June 2021 amounted to \$23,062,121 (refer to Note 14 to the financial statements). During the year 455,499,999 ordinary shares were issued resulting in a net increase in issued capital of \$4,012,431 net of capital raising costs. Significant amount of audit effort was spent on ensuring that issued capital was accounted for correctly and disclosed appropriately in the financial report. Issued capital is a key audit matter due to the quantum of share capital issued during the year.	Inter alia, our audit procedures included the following: - Obtained an understanding of the underlying transactions which occurred; - Verified all issued capital movement to relevant ASX announcements; - Vouched proceeds from capital raisings to bank statements and other supporting documentation; - Verified underlying capital raising costs and ensured these costs were appropriately recorded; - Ensured consideration for services provided or assets acquired are measured in accordance with accounting standard <i>AASB 2 Share-based Payment</i> and agreed the related costs and valuation to relevant supporting documentation; and; - Assessed the adequacy of the related disclosures within the financial report.
Carrying Amount of Capitalised Exploration and Evaluation Costs The Company has capitalised exploration and evaluation costs totalling \$617,063 as at 30 June 2021 (refer to Note 10 to the financial statements). The Company has capitalised its exploration and evaluation expenditure in accordance with the Company's accounting policy for exploration and evaluation expenditure as set out in Note 1(c). The carrying amount of Capitalised Exploration and Evaluation expenditure is a key audit matter due to: - The significance of the total balance (11% of total assets). - The necessity to assess management's application of the requirements of the accounting standard <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> in light of any indicators of impairment that may be present; and - The assessment of significant judgement made by management in relation to the Capitalised Exploration and Evaluation Costs.	Inter alia, our audit procedures included the following: - Assessed the Company's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; - Reviewed the Board's assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Company's projects against <i>AASB 6</i>; - Evaluated the Company's documents for consistency with the intentions for the continuation of exploration and evaluation activities in certain areas of interest and corroborated with enquires of management. Inter alia, the documents we evaluated included:

- Minutes of meetings of the Board and management
- Announcements made by the Company to the Australian Securities Exchange; and
- Cash flow forecasts; and

- iv. Considered the requirements of the accounting standard *AASB 6 Exploration for and Evaluation of Mineral Resources* and ensured appropriate disclosures were made in the financial report.

Share based payments – share options

The Company awarded share-based payments in the form of share options to its directors during the year. These options vested immediately, and a share-based payment expense recognised during the year amounted to \$361,412 (refer to Note 22 to the financial statements).

The Company used the Black-Scholes Model in determining the fair value of the awards and related expense. Using this model, assumptions with respect to future market and economic conditions and other significant estimates have been determined. Hence, we considered the Company's calculation of the share-based payment expense to be a key audit matter, due to the subjectivity of these determinations.

Inter alia, our procedures included the following:

- i. Assessed the assumptions used in the Company's calculation being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and the grant date;
- ii. Assessed the fair value of the calculation through re-performance using the Black Scholes model; and
- iii. Assessed the accuracy of the share-based payments expense and the adequacy of disclosures made by the Company in the financial report.

Rehabilitation provision

The Company has a liability of \$827,000 as at 30 June 2021 (refer to Note 13 to the financial statements) in relation to the estimated cost of rehabilitation, restoration and environmental costs to areas disturbed during operation of the yet to be rehabilitated Nelson Bay River Mine.

The provision is based on the forecasted costs of the closure and restoration of the mine. The rehabilitation provision is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred based on the area of disturbance.

This is a key audit matter as determination of the rehabilitation liability involves a level of complexity and significant management judgment.

Inter alia, our procedures included the following:

- i. Obtained the rehabilitation provision calculation prepared by management and agreeing to the general ledger;
- ii. Reviewed management's considerations regarding the rehabilitation provision for appropriateness against the requirements of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*;
- iii. Evaluated the approach adopted by management in determining the value of the rehabilitation provision, through obtaining supporting evidence and reviewing the cost elements used in the estimated rehabilitation provision compared to previous provision raised; and
- iv. Reviewed the appropriateness of the related disclosures within the financial 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 2021 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 opinion 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 ability of the Company 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 32 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Shree Minerals Limited for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
23 August 2021

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 11th August 2021.

SUBSTANTIAL SHAREHOLDERS

The company has received substantial shareholder notices from:

- Mr Sanjay Loyalka (56,173,691 ordinary shares & 25,000,000 unlisted options)
- RB Investments Pte Ltd (197,621,723 ordinary shares)
- Davide Bosio (82,006,387 ordinary shares & 25,000,000 unlisted options)

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 11th August 2020

Securities

Fully Paid Ordinary
Shares

Holdings Ranges	Holders	Total Units	%
1-1,000	28	5,535	0.000
1,001-5,000	20	70,400	0.010
5,001-10,000	160	1,563,501	0.150
10,001-100,000	572	31,074,149	2.920
100,001-999,999,999	715	1,030,523,307	96.920
Totals	1,495	1,063,236,892	100.000

UNMARKETABLE PARCELS

There are 457 unmarketable parcels as at 11th August 2020 totalling 8,890,220 ordinary shares.

SHREE MINERALS LTD

SHAREHOLDER INFORMATION

20 LARGEST SHAREHOLDERS AS AT 10th August 2020

Name	Balance	%
RB INVESTMENTS PTE LTD	197,621,723	18.587%
PARETO NOMINEES PTY LTD	43,333,333	4.076%
DJ CARMICHAEL PTY LTD	36,114,006	3.397%
IACG PTY LTD	34,142,411	3.211%
CHINA ALLIANCE INTERNATIONAL	23,223,632	2.184%
MR SANJAY KUMAR LOYALKA	21,931,280	2.063%
CITICORP NOMINEES PTY LIMITED	21,691,286	2.040%
MEGAWILD ENTERPRISES PTY LTD	15,736,240	1.480%
OCEANIA COAL RESOURCES NL	15,000,000	1.411%
MR VIKRANT JINDAL	12,450,000	1.171%
SUPERHERO NOMINEES PTY LTD	10,534,976	0.991%
ANYTIME		
ACCOUNTS&BOOKKEEPING	10,459,450	0.984%
HELMSDALE INVESTMENTS PTY LTD	10,000,000	0.941%
MR DAVID WILLIAM MOSS	7,450,000	0.701%
MRS JUDITH SUZANNE PIGGIN &	7,400,000	0.696%
MR ALFREDO VARELA	7,000,000	0.658%
MR TODD EWAN PENFOLD	7,000,000	0.658%
BONTOWN PTY LTD	6,000,000	0.564%
MR JOSE MARTIM RODRIGUES	6,000,000	0.564%
TOOWONG PASTURES PTY LTD	6,000,000	0.564%
Total Securities of Top 20 Holdings	499,088,337	46.940%
Total of Securities	1,063,236,892	

SHREE MINERALS LTD

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:

Charters and Codes

Board Charter
Corporate Code of Conduct
Audit and Risk Committee Charter
Remuneration Committee Charter
Nomination Committee Charter

Policies

Performance Evaluation Policy
Continuous Disclosure Policy
Risk Management Policy
Securities Policy
Diversity Policy
Whistleblower Protection Policy
Anti- Bribery and Anti- Corruption Policy
Shareholder Communications Strategy

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 (4th 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.

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.

CORPORATE GOVERNANCE STATEMENT

The Board sets out below its “Satisfied/Not Satisfied” & “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	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Satisfied. Board Charter is available at www.shreeminerals.com in the Corporate Governance Section.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Satisfied. Nomination Committee Charter is available at www.shreeminerals.com in the Corporate Governance Section.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	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	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Satisfied. The company secretary is accountable directly to the board on all matters to do with the proper functioning of the board.
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity’s progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the	Not Satisfied. Diversity Policy is available at www.shreeminerals.com in the Corporate Governance Section. 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.

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION	SHREE MINERALS LIMITED CURRENT PRACTICE
whole workforce (including how the entity has defined “senior executive” for these purposes); or (B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act. If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	
1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Not satisfied. Performance Evaluation Policy is available at www.shreeminerals.com in the Corporate Governance Section. Whilst the performance of the Board is appraised on an ongoing basis, during the year no formal appraisal was conducted.
1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Not satisfied. Performance Evaluation Policy is available at www.shreeminerals.com in the Corporate Governance Section. Whilst the performance of management is appraised on an ongoing basis, during the year no formal appraisal of management was conducted.
2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members	Not satisfied. Nomination Committee Charter is available at www.shreeminerals.com in the Corporate Governance Section. 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.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
	at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	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 Nomination Committee Charter which is available at www.shreeminerals.com in the Corporate Governance Statement.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Satisfied. Disclosed in the Directors report. Currently there are no independent directors.
2.4	A majority of the board of a listed entity 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 of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Not Satisfied. Due to the size of the company and its operations.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Not Satisfied. Due to the size of the company and its operations. 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.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
3.1	A listed entity should articulate and disclose its values.	Satisfied. The Company has adopted statement of values as disclosed in its website. The company's vision is to create shareholder value through the successful exploration of prospective mineral tenements and the development of these ore bodies into production. The Company expects Directors, Officers and Employees to practice honesty, integrity and observe high standards of business and personal ethics and comply with all applicable laws and regulations in fulfilling their duties and responsibilities.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Satisfied. The Code of conduct is available at www.shreeminerals.com in the Corporate Governance Section.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Satisfied. The Whistleblower Policy is available at www.shreeminerals.com in the Corporate Governance Section.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Satisfied. The Anti-Bribery & Anti-Corruption Policy is available at www.shreeminerals.com in the Corporate Governance Section.
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and	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.

SHREE MINERALS LTD

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATION		SHREE MINERALS LIMITED CURRENT PRACTICE
	(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Satisfied. The Board has received a section 295A declaration pursuant to the 2020 financial period.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Satisfied. Where a report does not require an audit or review by an external auditor, the report is reviewed by the Chief Executive Officer. Once the Chief Executive Officer has reviewed and is happy with the report content, it is circulated internally to any appropriate member before being circulated to the full board for comment and approval prior to lodging with the ASX.
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Satisfied. Continuous disclosure policy is available at www.shreeminerals.com in the Corporate Governance section.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Satisfied. Any announcement is first prepared by the appropriate department of the Company and forwarded to the Chief Executive Officer for review. If needed, the Company Secretary will also review the announcement before it is then sent to the full board for comment and approval prior to lodging with the ASX.

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5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Satisfied. The Company lodges all presentations prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the presentation.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Satisfied. The company has provided information about itself and its governance to investors via its website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Satisfied. Shareholders communication strategy is available at www.shreeminerals.com in the Corporate Governance statement. The company welcomes open communication with shareholders including the ability for shareholders to communicate via email.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Satisfied. The Company encourages all shareholders to attend meetings of members, including allowing time for shareholder questions. The time and place of each general meeting is decided with Shareholder preferences in mind, to encourage maximum attendance by Shareholders.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Satisfied. Decisions on all substantive resolutions at general meetings of the Company will be decided by a poll to ensure the true will of Shareholders is ascertained (rather than by a show of hands, which is inconsistent with the “one security one vote” principle in the ASX Listing Rules).
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Satisfied. The Company has an email where shareholders can request to receive all information electronically and offers the same service through its share registry. Shareholders communication strategy is available at www.shreeminerals.com in the Corporate Governance statement.
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk,	Not Satisfied. Audit and Risk Committee Charter is available at

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	each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	www.shreeminerals.com in the Corporate Governance statement. The Board has not established an Audit and Risk committee. The Board consider that given the current size of the board, this function is efficiently achieved with full board participation. Risk Management Policy is available at www.shreeminerals.com in the Corporate Governance section.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Not Satisfied. The Board is responsible for reviewing annually its risk management system. The review for this year is yet to be completed.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	Not Satisfied. Given the size of the current operations, currently there is no internal audit activity undertaken.
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Satisfied. 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. External Risk factors that materially have an impact include : 1. Pandemics like COVID 19 2. Fluctuations in commodity prices 3. Impacts of ongoing global economic volatility

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		4. Currency exchange rate fluctuations 5. Financial : Liquidity and cash flow risks 6. Increased costs 7. Unexpected natural and operational catastrophes 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 discussions with the EPA to finalise DPEMP. All other government approvals for the project remain valid. These include the Mining Lease and Federal Government Environmental Approval. The Company holds various exploration and mining licences to regulate its activities in 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. 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). The Company recognises the importance of identifying and managing risks and ensuring appropriate control measures are in place.
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director,	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.

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	and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Remuneration Committee Charter is available at www.shreeminerals.com in the Corporate Governance section.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Satisfied. Current Remuneration policies are set out in the Company's Remuneration Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Satisfied. 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.