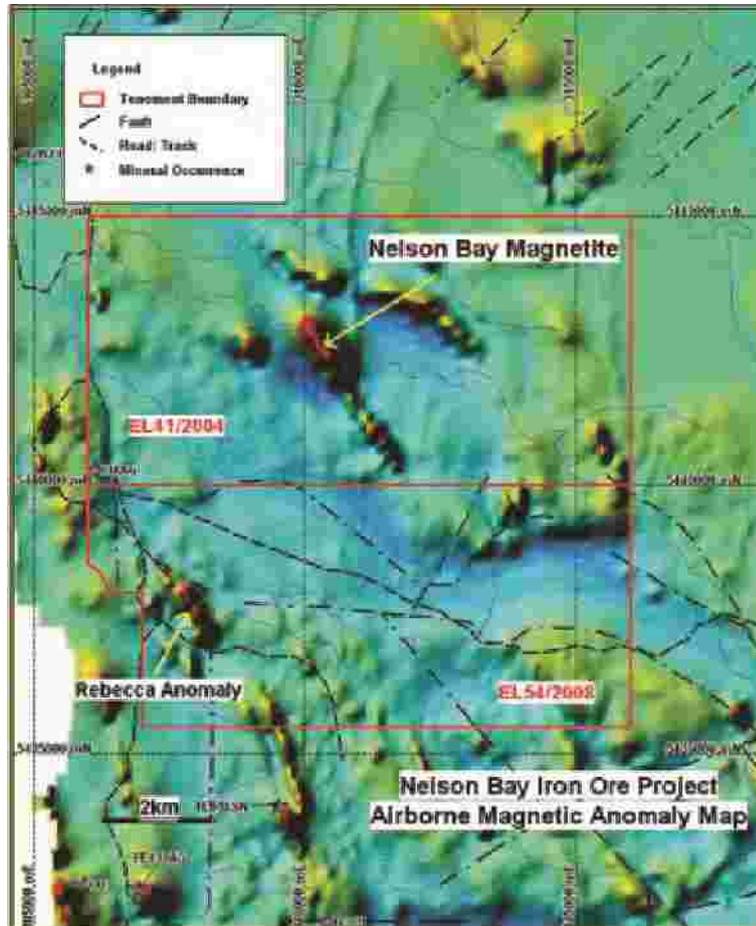


**SHREE MINERALS LIMITED**  
**ACN 130 618 683**

**ANNUAL REPORT FOR THE PERIOD 11.05.2011 to 10.05.2012**  
**REBECCA CREEK – EL54/2008**



7<sup>th</sup> April 2012

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## SUMMARY

The Rebecca Creek tenement (EL54/2008) forms part of the Shree Minerals Nelson Bay Iron Ore Project, which comprises of two contiguous tenements (Figure 3); EL41/2004 (Nelson Bay River) and EL54/2008 (Rebecca Creek), located in the northwest of Tasmania 6 km northeast of the town of Temma and about 70km southwest of Smithton. The Rebecca Creek tenement covers an area of 43 km<sup>2</sup> (Figures 1).

Several organisations and Tasmanian Government geologists have worked in the North Western Tasmania since 1900. However, detailed work at the tenement was carried out in 1980s by Geopecko Exploration Pty Ltd. The Company established a grid over the area around the Rebecca Creek magnetic anomaly and carried out ground magnetic survey of the anomaly and sampling of existing waste dumps around two shafts sunk by earlier prospectors at the anomaly.

During the report period a one day reconnaissance trip by two geologists accompanied by the Company Chairman to the tenement, specially of the mag-anomaly area, to locate the materials from the two shafts by earlier prospectors and the grid lines cut by Geopecko was taken. Due to heavy vegetation growth and sand dunes' movement none of the aimed targets could be located.

In view of the above reconnaissance trip results and the Company's main concentration on the development of the adjacent Nelson Bay River Iron resource no work at the Rebecca Creek was carried out.

During 2012/13 the Company is planning to carry out geological mapping and geophysical studies.

## 1. INTRODUCTION

The North Western part of Tasmania has been explored since the early 1900. Eventhough that the magnetic character, mineralogy and wall rock alteration (mainly chloritisation) is similar to other lodes in the area, like Nelson Bay River and Possum Creek, with the exception of reconnaissance work in 1980's by Geopeko no serious exploration work has been carried out at the Rebecca Creek tenement (EL54/2008).

This report details the work performed at the tenement by Shree Minerals Limited from 11 May 2011 to 10 May 2012.

## 2. AIM

To explore for iron (magnetite and goethitic-hematite) resources

## 3. LOCATION AND ACCESS

The exploration licence EL 54/2008 shares its northern boundary with the Company's Nelson Bay River tenement (EL41/2004, Figure 3), covers an area of area of 43 km<sup>2</sup>, and is located about 6 km northeast of the town of Temma and about 70 km southwest of Smithton, in North West Tasmania (Figure 1).

Access to the tenements is via the Temma and Heemskirk sealed road following Forestry Tasmania's Rebecca 3 road and thereon via the Rebecca Creek Farmhouse rugged local tracks.



Source: MRT

Figure 1: Tenement (EL54/2008) Location and Access Map



#### 4.4. Special Provisions

There are no Special Provisions.

### 5. PHYSIOGRAPHY & VEGETATION

The west of the property lies within a peneplained hinterland to the coast with fossil sand dunes. In the east the terrain becomes more undulating with incision by creeks. There are creeks draining east to west, close to or through the property, including Tempiers Creek, Barney Creek and the Rebecca Creek (Figure 1).

Climate is temperate with substantial annual rainfall typical of Western Tasmania. Temperature ranges from just above freezing in winter to a likely maximum of 30°C in summer

Vegetation cover is a mixture of low level heath (Plate 1) in the west of the licence.



**Plate1: Low Heath Peneplain**

### 6. GEOLOGICAL SETTING

#### 6.1. Regional Geology

The geology of the Rebecca Creek tenement consists of siltstones, sandstones and carbonaceous mudstones of the Cowrie Siltstone; part of the Rocky Cape Stratotectonic Element. This element consists of Early Neoproterozoic autochthonous marine shelf clastic sequences, relatively unmetamorphosed to lower greenschist facies, overlain (outside the licence area) unconformably by various suites of younger Neoproterozoic rocks.

## 6.2. Local Geology

Much of the area is covered by superficial sands and geological exposure is fairly poor. *As per records by previous explorers*, the rocks immediately adjacent the magnetic outcrop consist of pelitic siltstones, striking roughly parallel to the lode and dipping at  $85^{\circ}$  to the northeast. About 15m north east of the lode fine grained laminated quartzite dips at  $55^{\circ}$  to the north. The geology of the tenement and environs is shown in Figure 3.

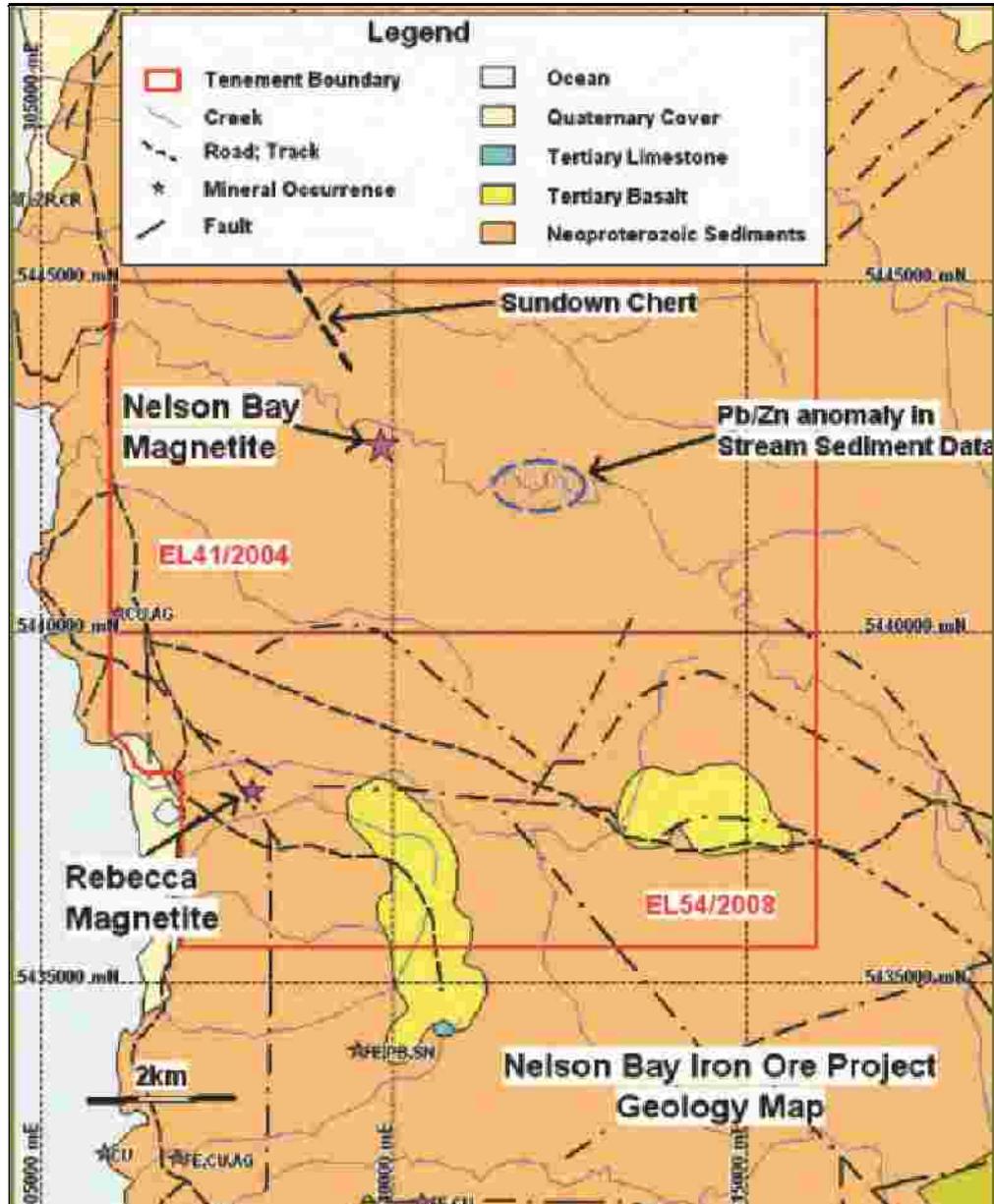


Figure 3: Geology map of EL54/2008 & environs

Two shallow shafts are developed on the lode outcrop near 600 mS (local grid). Material on the dumps consists of variably oxidized assemblage of magnetite-pyrite-quartz and probable ferromagnesian amphibole mineral.

Pyrite in some cases is well disseminated as fine blebs within magnetic-ferromag, but elsewhere occurs as massive pyrite/gossan in association with thick (5-10 cm) vuggy quartz veins probably superimposed upon the magnetite lode. Strong chloritisation of the wall rocks adjacent to the lode is evident in the southern shaft and from loose material on the dumps.

## **7. PREVIOUS EXPLORATION**

The lands in the vicinity of the Rebecca Creek Magnetic Anomaly have history of prospecting right from the early part of the 19<sup>th</sup> Century.

### **7.1. Nelson Bay River prospecting - 1906**

Towards the end of 1906 the outcrops of Nelson Bay River Magnetite were worked under Sections 2923/M - 40 acres and 2942/M - 40 acres in the names of M.H. Gaffney and J.S. Fulton, and E. Farley respectively. It was considered at the time that the exposure represented the oxidised outcrop of a copper lode. Some superficial prospecting was undertaken at surface and a high level adit was excavated. This work was soon abandoned, however, and no mining development has since been reported.

### **7.2. Ward - 1911**

The earliest published work on the geology of the Temma area is that of Ward, (1911) who spent the winter of 1910 in the field and reported on several of the magnetic or quartz-sulphide bearing lodes known at the time.

Ward noted the similarity between the iron rich lodes of the Temma area and other occurrences south of Mt Balfour and in the Norfolk Range. (pp 47-48.) He indicated that the magnetite-hematite-ferriferous dolomite lodes were but variants of the 'normal' quartz-pyrite-chalcopyrite bearing 'copper lodes' of the region and suggested a zonal relationship between the copper lodes and the tin-tungsten lodes, all ultimately related to Devonian granite intrusives.

### **7.3. Pickands Mather & Co. International - 1960's**

In the mid 1960's Pickands Mather & Co. International undertook detailed investigations of the Nelson Bay River and Temma (Strickland) iron lodes, presumably to test for iron ore potential.

The work culminated in drilling of three holes; one at Nelson and two at Temma. One of the latter intersected a 20m magnetite zone reported to contain 0.1% tin.

### **7.4. A & N.Z. Exploration Co – 1973**

During 1973, the A & N.Z. Exploration Co., under E.L. 8/72 carried out geological reconnaissance and panned stream sediments, which successfully detected anomalous tungsten and specks of scheelite in Sundown Creek (north of the Nelson River) and in a tributary of the Arthur River (3 km south of the Salmon River). No follow up work was considered justified.



## 7.6. CRA Exploration Ltd – 1977

A regional drainage geochem survey of EL 1/77 by CRAE in 1977 found anomalous values of tin (150-1350 ppm) in panned concentrate samples from four streams draining areas of aeromagnetic anomalies. Ground reconnaissance established that the magnetic anomalies related to the banded magnetite unit(s), intersected by Pickands Mather. Limited soil and outcrop geochemical sampling failed to locate anomalous tin values. The mineralised intervals of the two Temma core holes were re-sampled and it was found that tin was not present at anomalous levels. However, tungsten values ranged from 30 to 250 ppm and these were considered of possible significance.

## 7.1. CRAE & Geopeko – 1981 to 1982 – (EL1/77)

In 1981 Geopeko in Joint Venture (JV) with CRA Exploration Limited (CRAE) carried out exploration over EL1/77 (Rocky Cape) held by CRAE for tin, tungsten and base metals.

Geopeko carried out detailed investigation involving gridding, geological mapping, soil/rock geochemistry and geophysical surveys, over the magnetic anomalies at Nelson Bay River, possum Creek, and the Strickland Mine area. Additionally, reconnaissance magnetic surveys and geological mapping were carried out over ten other magnetic anomalies, which included the Rebecca Creek Magnetic Anomaly, and mineral occurrences in the area covered by an August 1980 aeromagnetic survey of the Temma area.

### Rebecca Creek Anomaly

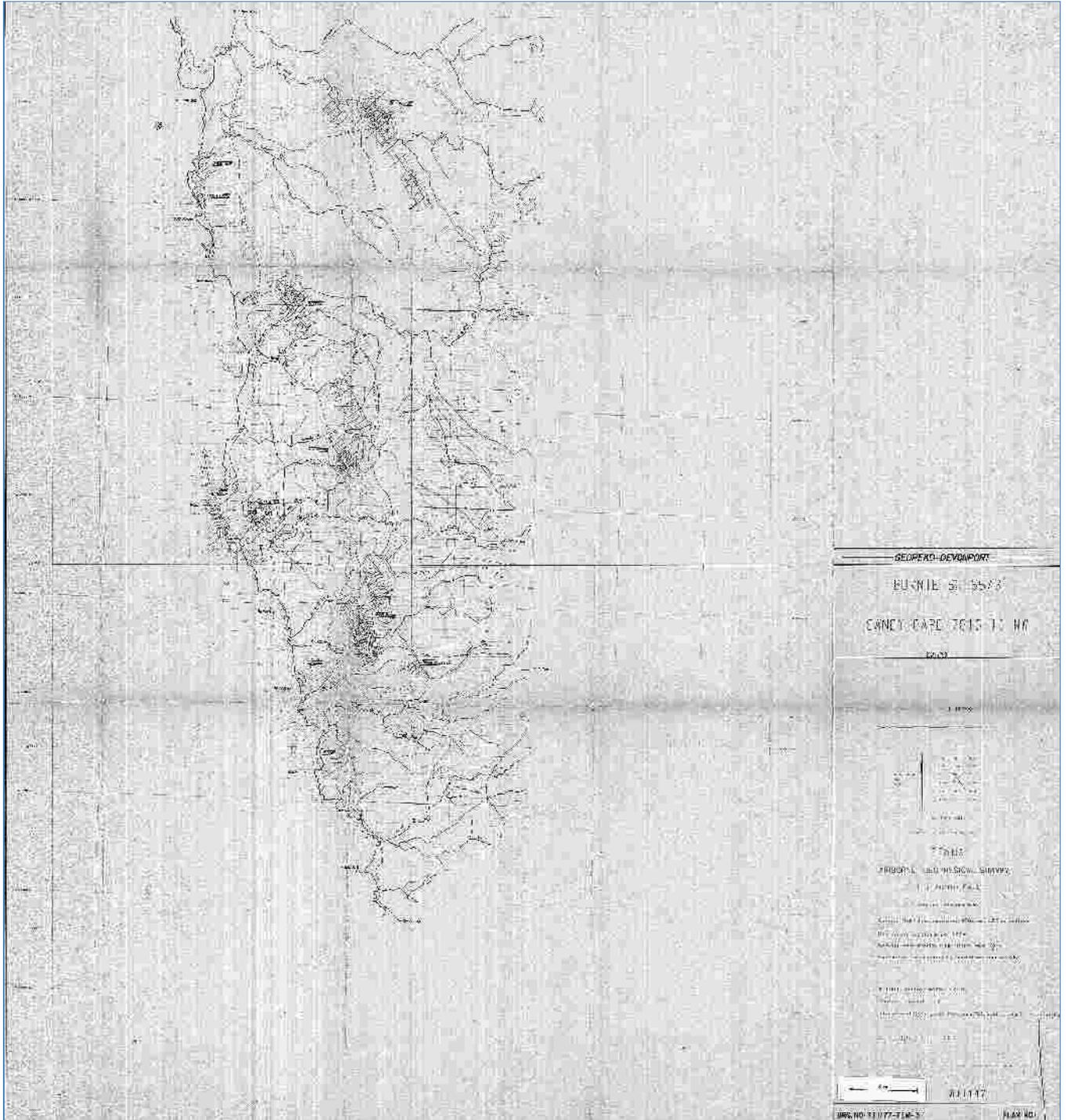
#### Reconnaissance work

The Rebecca Anomaly is located at 307 800 mE, 5437500 mN). Geopeko gridded the area of the Rebecca anomaly (Figure 4) and carried out ground magnetic survey and collected 9 samples (KR 7433 to 7441). The anomaly is situated about 6 km NNE of Temma. Reconnaissance magnetics indicated a narrow, north-west striking anomaly about 1 km long. (Figure 5) The strongest response was noted around 6000 nT in the central part of the anomaly corresponding to an outcropping magnetite-quartz-pyrite lode not more than 2-3m in thickness. Analysis of magnetic profile on line 600 mS (local grid) suggests the lode has a near vertical dip.

Much of the area is covered by superficial sands and geological exposure is poor. However, rocks immediately adjacent the lode outcrop consist of pelitic siltstones, striking roughly parallel to the lode and dipping at 85° to the northeast. About 15m northeast of the lode fine grained laminated quartzite dips at 55° to the north.

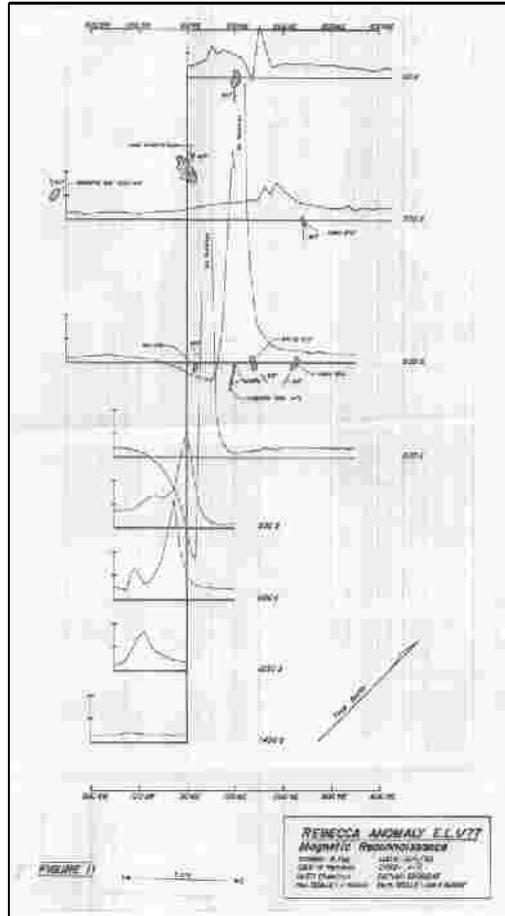
Two shallow shafts are developed by earlier explorers on the lode outcrop near 600 mS (local grid). Material on the dumps consists of variably

oxidized assemblage of magnetite-pyrite-quartz and probable ferromagnesian amphibole mineral.



Source: Geopeko

Figure 4: Geopeko gridding over identified magnetic anomalies in NW Tasmania



Source: Geopeko

**Figure 5: Rebecca Creek Reconnaissance Magnetic Profiles**

Pyrite in some cases is well disseminated as fine blebs within magnetic-ferromag, but elsewhere occurs as massive pyrite/gossan in association with thick (5-10 cm) vuggy quartz veins probably superimposed upon the magnetite lode. Strong chloritisation of the wall rocks adjacent to the lode is evident in the southern shaft and from loose material on the dumps. Rock chip samples KR 7433 to 7441 are all from this area, mostly from the mullock- dumps. These samples contain up to 31% iron and are weakly anomalous in copper, lead, manganese, silver, and gold; respective maxima from these samples was 735 ppm Cu, 260 ppm Pb, 4.1% Mn, 6.8 g/t Ag and 0.06 g/t Au).

### **Geopeko conclusions**

From its work Geopeko concluded that it cannot be said that the magnetic lode is definitely cross cutting with respect to layering of the enclosing siltstones. The magnetic character, mineralogy and wall rock alteration (mainly chloritisation) was found to be similar to other lodes in the area; such as Nelson River and Possum Creek.

However, the Rebecca Creek Anomaly has moderate size potential, but metal values from the rock chip samples were particularly not inspiring.

**7.2. Shree Minerals – 2009 – 2010**

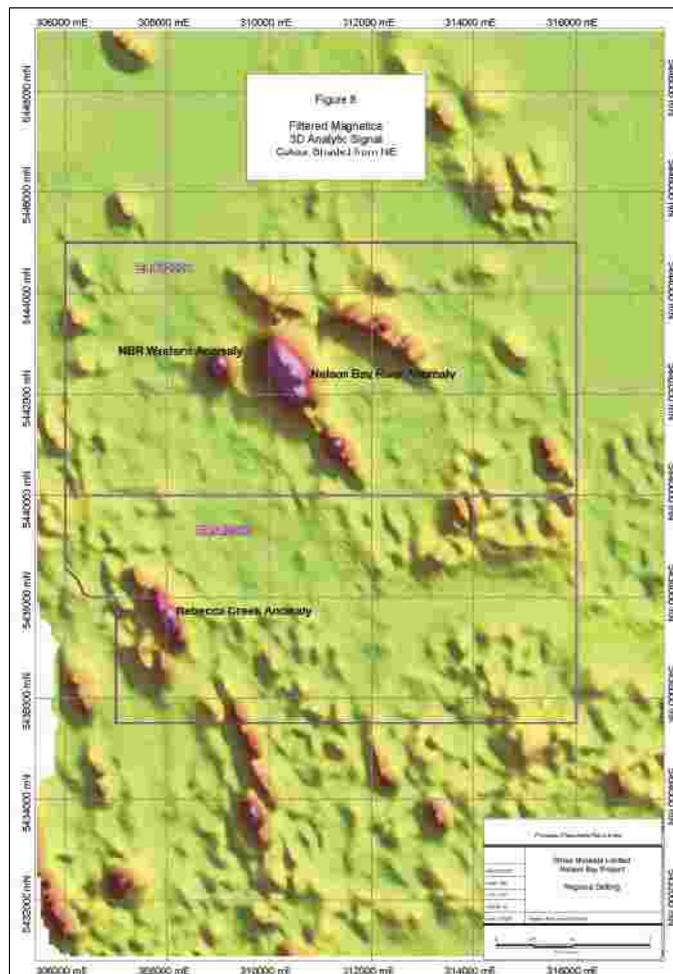
Shree Minerals was granted the atenement on 11 May 2009. Due to the Company’s main concentration in developing the Nelson Bay River Magnetite no work at Rebecca Creek was carried out.

**7.3. Shree Minerals – 2010 – 2011**

During 2010/11 the following tasks were undertaken:

Literature search and study of the aeromagnetic/radiometric data collected by Tesla Airborne Geoscience Pty Ltd as a part of a semi-regional (Arthur-Pieman) airborne survey covering the area of interest in 1996.

As the Rebecca Creek tenement is contiguous with EL41/2004 (Nelson Bay River) and forms part of the Company’s Nelson Bay River Iron Project (Figure 6), the study by Cowan Geodata did cover the Rebecca Creek area in the study. Study details were submitted with EL41/2004 Annual Report as Appendix V.



Source: Cowan Geodata

**Figure 6: Filtered magnetics 3D Analytical Signal – NBR Iron Project**

## 8. WORK PERFORMED

During 2011/12 the following tasks were undertaken:

Shree Minerals was granted the tenement on 11 May 2009. During the report period a one day reconnaissance trip to the tenement, specially of the magnetic anomaly area, to locate the materials from the two shafts by earlier prospectors and the grid lines cut by Geopeko was taken. Due to heavy vegetation growth and sand dunes' movement none of the aimed targets could be located.

In view of the above reconnaissance trip results and the Company's main concentration on the development of the adjacent Nelson Bay River Iron resource no work at the Rebecca Creek was carried out.

## 9. OUTLOOK

The magnetic character, mineralogy and wall rock alteration (mainly chloritisation) at Rebecca Creek is similar to other lodes in the area, e.g., Nelson Bay River, Possum Creek anomalies, etc.

Moreover, the Rebecca Creek Anomaly is a part of the Nelson Bay River Iron Project and in the Company's view has potential to supply substantial iron ore resource. Therefore, for the 2012/13 the following work is planned:

- Geological mapping; and
- Geophysical studies.

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