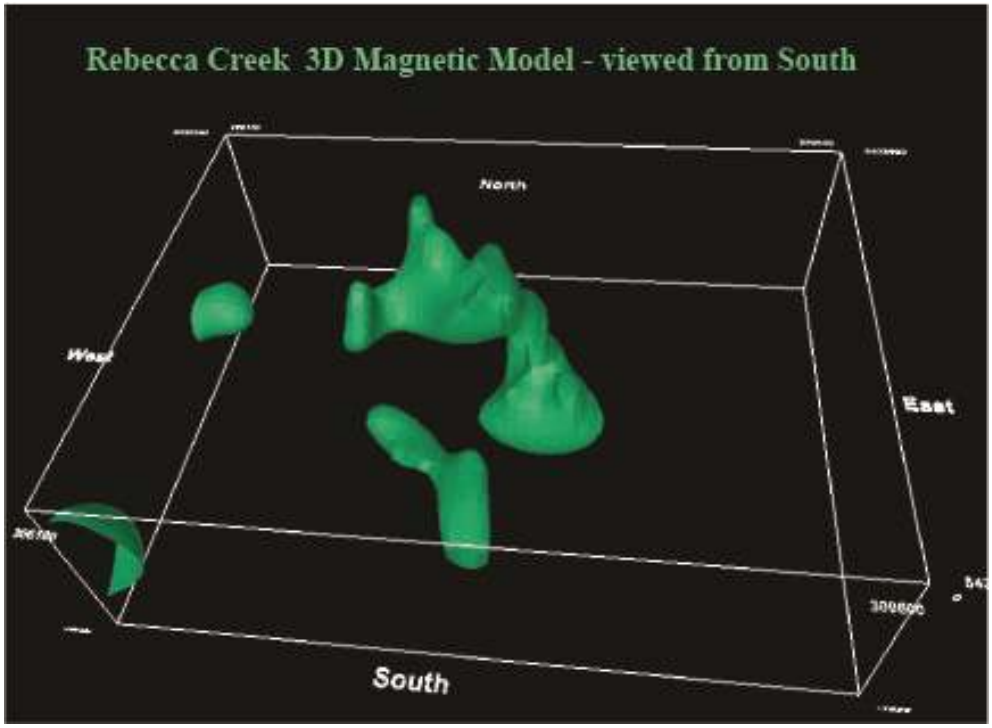
SHREE MINERALSLIMITED
ACN 130 618 683

ANNUAL REPORT FORTHE PERIOD 11.05.2011 to 10.05.2012
REBECCA CREEK – EL54/2008 -



9th April 2012

Author : M. Pal
Shree MineralsLimited
ACN 130 618 683
Unit 4, Pines Buiness Centre, 86-88 Forrest Street
Cottesloe WA 6011

TABLE OF CONTENTS

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 ~6 km northeast of the town of Temma and about 70 km southwest of Smithton in the northwest of Tasmania. The Rebecca Creek tenement covers an area of 43 km^2 (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 the Company resources were engaged both in getting the exploration work done as well as in obtaining necessary approvals from various government agencies for developing a DSO mine at the Nelson Bay Iron Ore Project; Rebecca Creek tenement is a part of the Nelson Bay River Iron Project. Now with all approvals in place the Company is actively engaged in prepartion for developing its Nelson Bay Iron Project, a "First DSO Mine" in Tasmaina.

During 2011/12 report period a one day reconnaissance trip by two geologists of the tenement was undertaken to locate materials from the two shafts developed by earlier prospectors and the grid lines cut by Geopeko. Due to heavy vegetation growth and sand dunes' movement none of the aimed targets could be located. Based on the visit it was decided to plan some scout RC drilling at the main Rebecca Creek Anomaly.

To help in refining drilling target, during 2012/13 reporting period, a 3D Magnetic modelling of the Nelson Bay Iron Ore Project tenements (EL54/2008 and EL41/2004 and environs was carried out. The 3D Magnetic modelling suggests presence of 5 disticnt magnetic anomalies with continuity of the main magnetite bearing dike from north to south at EL41/2004 and presence of 4 distinct magnetic anomalies at Rebecca Creek tenement (EL54/2008 - Figure 6).

The 3D magnetic modelling suggests that, similar to main magnetic anomaly in tenment EL41/2004, the main magnetic anomaly at Rebecca Creek is widening at depth (Figure); encourging indication for substantial magnetic mineralisation at the Rebecca Creek tenement.

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 reconnaisance 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 2012 to 10 May 2013.

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^2, 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

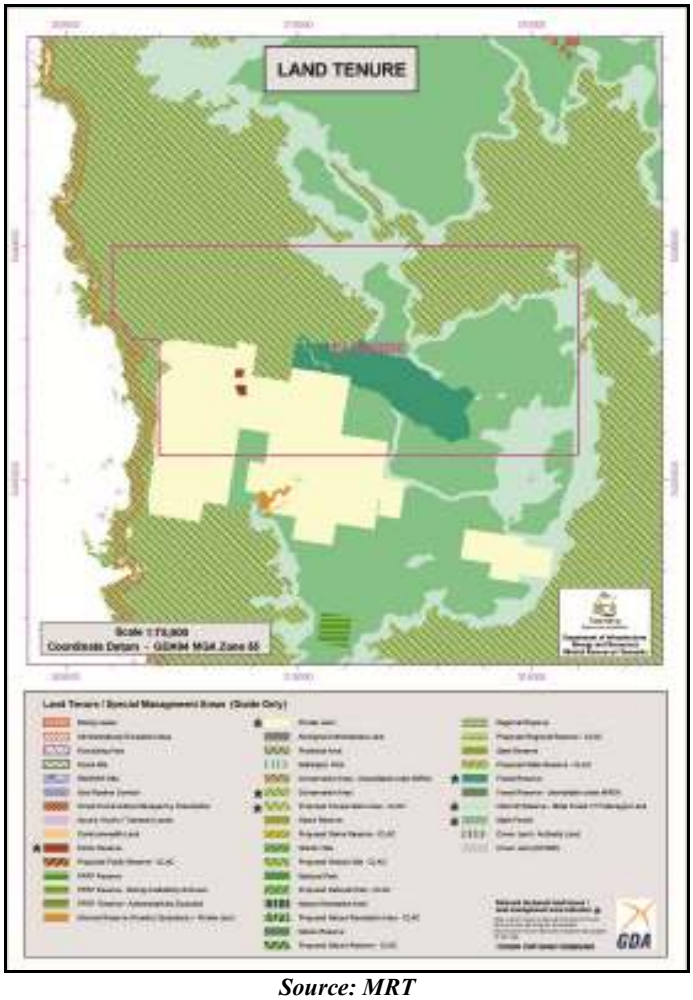
4. TENEMENT STATUS

The tenement EL54/2008 (Figures 1 & 2) was granted to Shree Minerals Ltd on 11 May 2009 for the exploration of Mineral Category 1.

4.1. Schedule

Land district: Russell vicinity of Nelson Bay River (5 km NE of Couta Rocks)
Municipality: Circular Head
Exploration Licence: 54/2008
Area: 43 km^2
Ownership: Shree Minerals 100%
Operator: Shree Minerals Ltd.
The coordinate datum for the licence is based on AGD 1994, MGA Zone 55.

4.2. Land Tenure (Figure 2)



Source: MRT

Figure 2: Rebecca Creek (EL54/2008) Land Tenure Map

4.3. Exclusion

There are no excluded areas.

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 terrane 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, the rocks immediately adjacent the magnetic outcrop consist of pelitic siltstones, striking roughly parallel to the lode and dipping at 85^0 to the northeast. About 15m north east of the lode fine grained laminated quartzite dips at 55^0 to the north. The geology of the tenement and environs is shown in Figure 3.

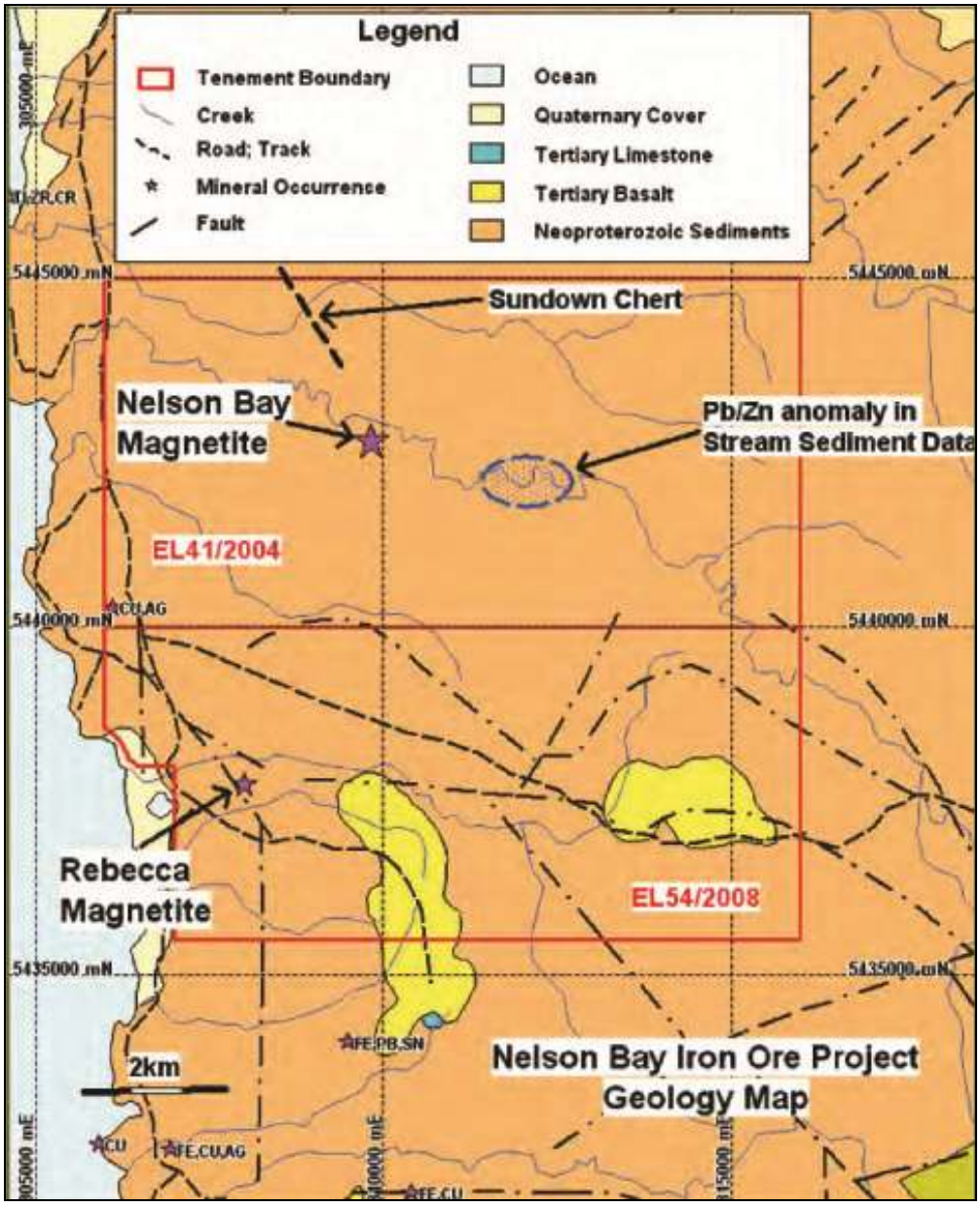


Figure 3: Geology map of EL54/2008 & environs

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-l0 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 19th Century.

7.1. Nelson Bay River prspecting - 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 Bay River tenement 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.

7.5. Historical Note – 1963

By 1963 the area was reasonably prospected, but no economical mineral was produced. As a surprise on 18 May 1963 the Advocate (local paper) published an article entitled "Barney's Copper Streak at Temma" (Plate 2).

BARNEY'S COPPER STREAK AT TEMMA

"IT'S NOT ANOTHER NORTH LYELL — but could be close to it"

Little old Barney Williams, climbed out of the shaft he had started digging only a couple of weeks earlier and peered at me from under shaggy eyebrows.

"WELL, IF IT AIN'T THE WHALE-HUNTER BACK AGAIN!" HE EXCLAIMED AS WE SHOOK HANDS. "DON'T TELL ME YOU'RE BACK HERE LOOKIN' FOR ANOTHER MONSTER!"

By KERRY PINK

LOOK, MUM— NO CREW!

Here the masses are the bosses

The Advocate, Saturday, May 18, 1963 — 15

FINANCE IS AVAILABLE UP TO £1000

SPEND MORE ON YOUR HOME WITH —
Stirling and Livingston
Builders and Contractors
70 Wilmot Street - BURNIE - Phone 1494

MOORE'S
£35,000 SALE
We claim this is the Biggest Purchase of Carpets ever made in Tasmania
5000 Yards
FLORAL AXMINSTER
Wall-to-Wall Carpet
FULL RANGE
USUALLY 49/11 Yd.
TO CLEAR
39/6 YD.
☆ INCLUDING COST of MAKING and LAYING
42/6 YARD
INCLUDES UNDERFELT
Full range of Wool Pile Axminster Wall-to-Wall Carpets in Grey, Fawn, Mushroom in two-tone or floral and contemporary effect. Full stocks, not just odd yardage
Also a full range of bargains in Rugs, Co'r Matting, Kitchen Matting, Carpet Runners, Continental Squares, Axminster Carpet Squares, 6ft. Wide Linoleum, Hearth Rugs, etc.
Continental Squares
Sale Price
£15/10/-
ARTHUR W. MOORE
31 STEWART STREET - DEVONPORT

Source: The Advocate

Plate 2: Barney's copper streak at Temma

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.

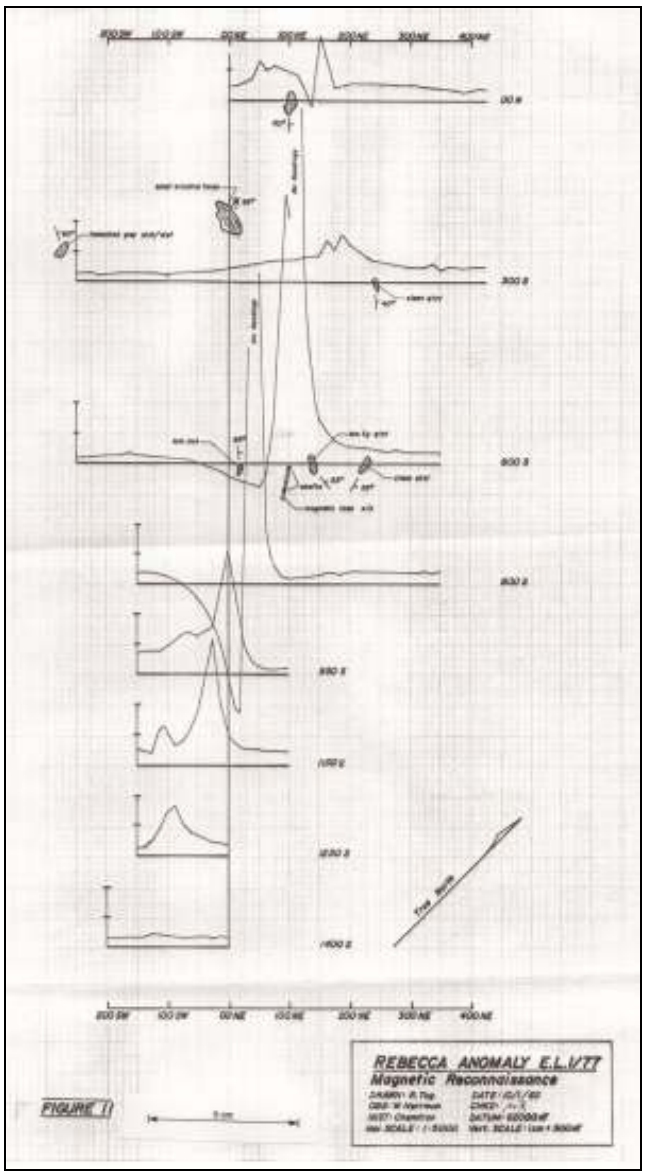
Geopeko carried out detailed investigation involving gridding, geological mapping, soil/rock geochemistry and geophysical surveys, over the magnetic anomalies at Nelson Bay River, possum Creek, and the Strickland Mine area. Additionally, reconnaissance magnetic surveys and geological mapping were carried 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 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 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 (Figure 4).

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^{o} to the northeast. About 15m northeast of the lode fine grained laminated quartzite dips at 55^{o} 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: 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-l0 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

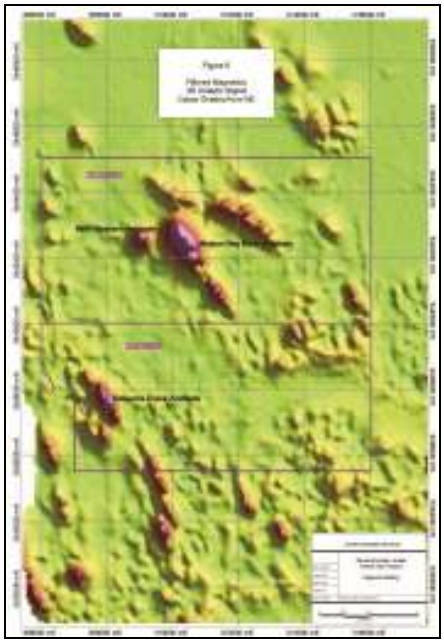
Shree Minerals was granted the atenement on 11 May 2009. Due to the Company's main concentration in developing the Nelson Bay River Magnetite no work at Rebecca Creek was carried out.

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.

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 5), the Rebecca Creek area was covered in the study. Study details were submitted with EL41/2004 Annual Report as Appendix V.



Source: Cowan Geodata

Figure 5: Filtered magnetics 3D Analytical Signal – NBR Iron Project

7.4. Shree Minerals – 2011 – 2012

During 2011/12 report period a one day reconnaissance trip by two geologists of the tenement was undertaken to locate materials from the two shafts develpoed by prospectors and the grid lines cut by Geopeko. Due to heavy vegetation growth and sand dunes' movement none of the aimed targets could be located. Based on the visit it was decided to plan some ground magentic survey along with some scout RC drilling at the main Rebecca Creek Anomaly.

8. WORK PERFORMED

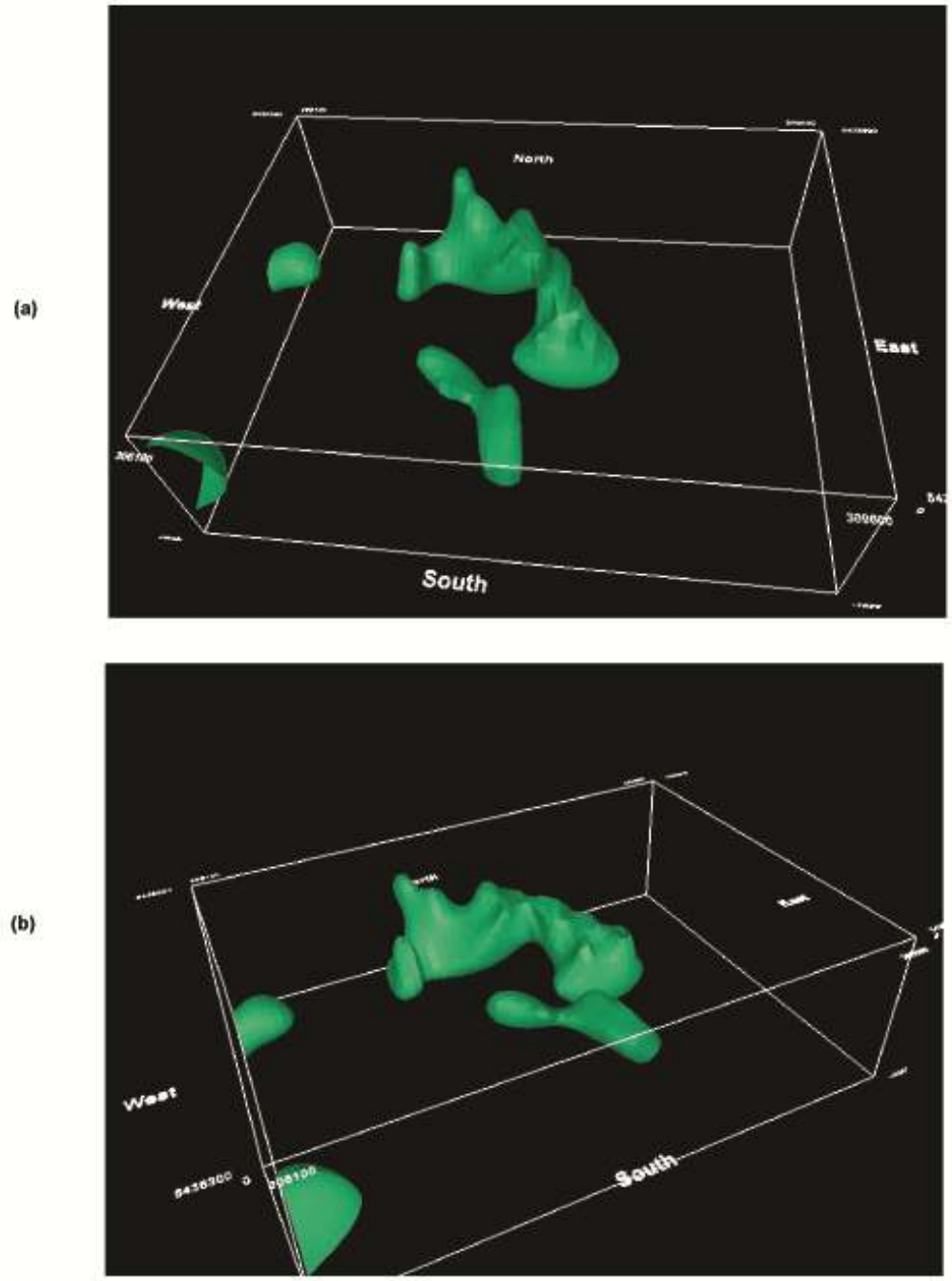
In view of 2011/12 field visit results, during 2012/13 the following work was carried out:

8.1. 3D Aeromagnetic Inversion Study

A 3D Magnetic Inversion study was carried out by Cowan Geodata Services - Geophysical Consultants with the aim to assist in planning of a scout drilling program (based on 2011/12 field visit) as well as to get a better understanding of all magnetic anomalies occuring within the tenement. The study was based on all available magnetic data from MRT on the area.

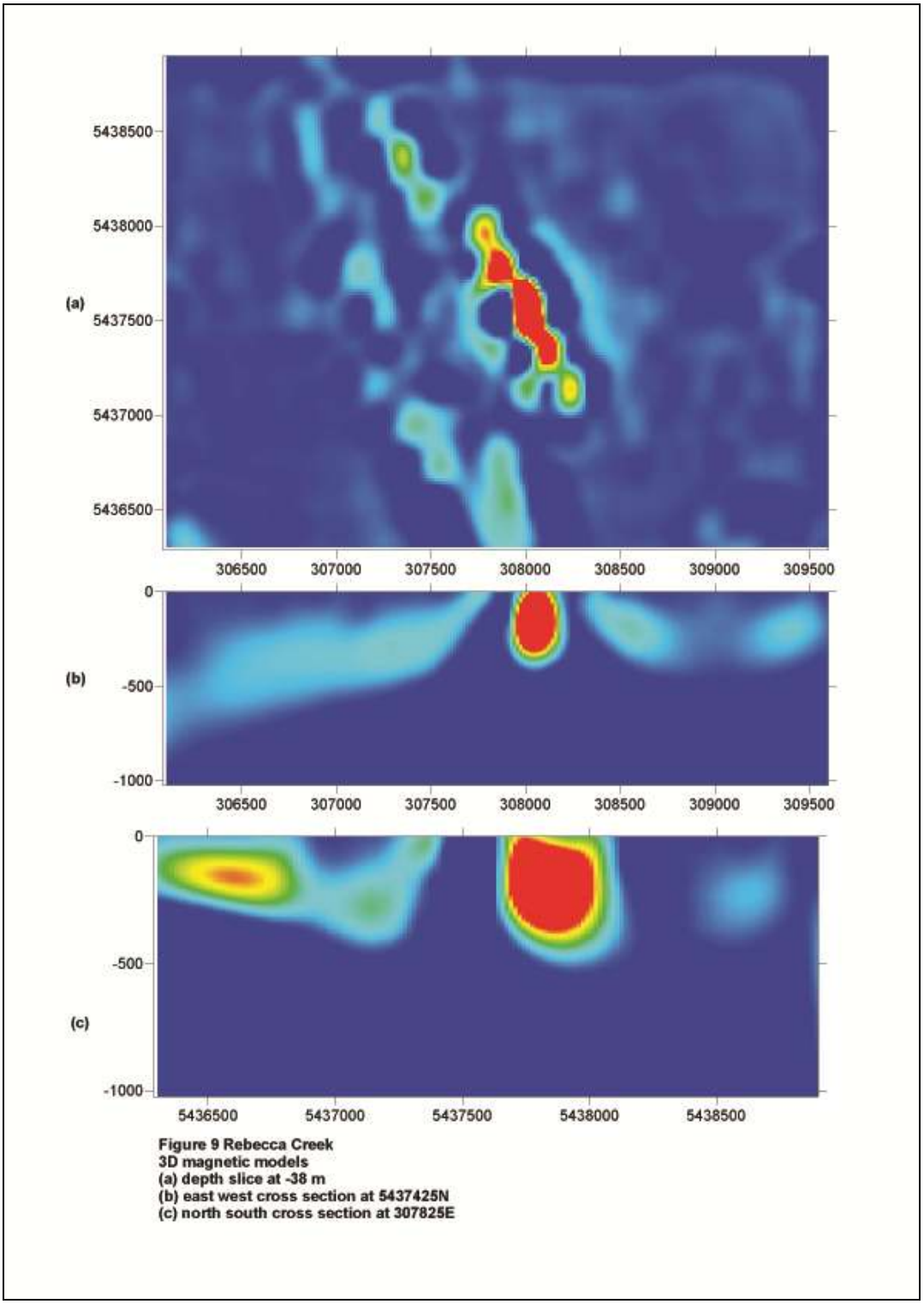
The 3D magnetic inversion model suggests presence of 4 magnetic anomalies (Figure 6) and widening of magnetic body at depth (Figure 7); similar to main magnetic anomaly in EL41/2004, in the tenement.

The modelling also indicates substantial continuation at depth of the magnetite containg body (Figure 7). Study details are given in Appendix-I.



Source: Cowan Geodata

Figure 6: NBR 3D magnetic model - viewed from south and southwest



Source: Cowan Geodata

Figure 7: Rebecca Creek 3D magnetic models showing depth variation along stike

9. OUTLOOK

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

The Rebecca Creek Anomaly is a part of the Nelson Bay River Iron Project and the 3D magnetic modelling work suggests that the main anomaly at Rebecca Creek has similar characteristics to that of Nelson Bay River anomaly; highlighting good potential for finding iron resources of similar quality to that of Nelson Bay River main orebody.

In view of the encouraging 3D Magnetic Inversion study results, depending on Compay's priority in developing the Nelson Bay River Iron Project, during 2013/14, the folowing work is planned:

- Ground magnetometer survey of the main anomaly; and
- Geological mapping.

10. REFERENCES

1. Blake, F., 1947 Report on Iron Deposit at Nelson River (UR1947/83-86.
2. Brandt, R. T., 1973 EL8/72 - Summary Report on Exploration Licence 8/72, Tasmania ;(MRT No TCR73_0981)
3. Carey, S. 1981 EL1/77 - Notes to accompany the Photo-interpretation of the Country between the Arthur and Pieman Rivers; (MRT No TCR82_1753)
4. Cromer, W.C., 1988 EL21/87 - Balfour : Annual Report; (MRT No.TCR88_2900)
5. Davies, H.G., 1969 EL16/68 : Progress Report R9039; TCR69_0599
6. Harder, W. M., 2010. EL 54/2008 Rebecca Creek, Year 1 Annual Report, 11 May 2009 – 11 May 2010
7. Herrmann, W. & Sumpton, J. 1982 EL1/77 - Progress Report; TCR 82_1721
8. Pal, M., 2011. Annual Report for the period 11.05.2010 to 10.05.2011 Rebecca Creek - EL54/2008
9. Pal, M., 2012. Annual Report for the period 11.05.2011 to 10.05.2012 Rebecca Creek - EL54/2008
10. Ward, L.K, 1911., The Mount Balfour Mining Field, Tasmania Department of Mines. Bulletin 10
11. Weber, G.B. 1983. Rocky Cape EL1/77. Progress report on the Temma area. CRA Exploration Pty Ltd. Mineral Resources Tasmania TCR 83-2094.

APPENDIX I

List of appended digital data files

1. EL542008_201305_01_Digital_Files.txt
2. EL542008_201305_02_Annual_Report.pdf
3. EL412004_201302_03_Appendix II_Geophysical_Report.pdf

APPENDIX II

Nelson Bay, Rebecca Creek Projects.
3D Aeromagnetic Inversion

By:

Cowan Geodata Services

Dated August 2012