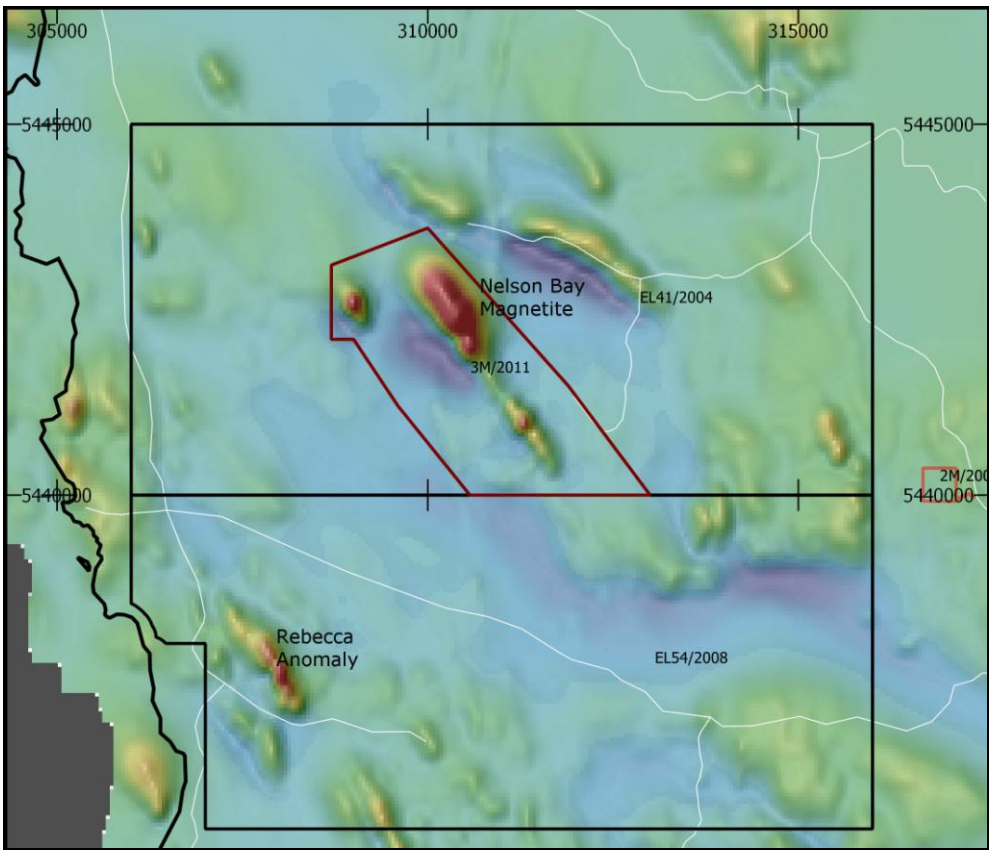
SHREE MINERALSLIMITED
ACN 130 618 683

ANNUAL REPORT FORTHE PERIOD 1.03.2015 to 28.02.2016
NELSON BAY RIVER - EL41/2004



January 2016

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SUMMARY

SUMMARY

The Nelson Bay River tenement (EL41/2004) covers an area of 42.22 km^2 and is located about 5 km east of the town of Temma and about 70 km southwest of Smithton, in North West Tasmania.

On 13 Setember 2012 Shree Minerals was granted a Mining Lease over an area of 778 hectares (7.78 km^2) from the Exploration Licence 41/2004 which previously had an area of 50km^2.

Shree Minerals is proud to be the first company to conceptualise Direct Shipping Iron Ore (DSO) in Tasmania – there was no known information from Tasmania or anywhere else on the metallurgical characteristics of the NBR type DSO products - this has been a trend-setter and already other iron ore investments have followed this lead. Nelson Bay River Iron ("NBR") Project also has the proud distinction of being the first Greenfield mine in North West Tasmania in many years.

The company notes with regret the impact of the inordinate delayed approvals (as a consequent of negativity by minority activist groups) moving the project start-up into the bottom of the commodity price cycle , the project has had to be suspended within 6 months of start up & put under care & maintenance.

As the NBR project has been planned for a phased development , a normal approval time frame would have had the project well placed to execute the DSO phase of the project at the right point in the cycle which would underwrite the capital for the magnetite phase to produce dense media magnetite (DMM) used for the coal washery industry .

During the report period all the Company resources were devoted for care & maintenance activities due to plunge in Iron Ore Prices .As a result no exploration work was carried out in the Exploration Licence (EL41/2004) area.

1. INTRODUCTION

The Nelson Bay River Project tenement (EL41/2004) has been explored since 1968 by various explorers for base metals, gold and iron. Serious exploration for iron commenced in 2006 when the licence holder, Gujarat NRE Resources NL estimated iron resources of 4 Mt @ 40% Fe, capable of producing magnetite concetrates for use in pig iron making and coal washeries.

Since then a great deal of exploration work along with various studies over the tenement area have been undertaken and reported in Annual Reports. The exploration work was higly successful in locating and defining a minable goethitic-hematite resource within the tenement.

On 13th September 2012 the Company was granted a Mining Lease over an area of 7.78 km^2 (Figure 2) which contained the goethitic-hematite resource.

The Company received Commonwealth Government Approval under the EPBC Act for the NBR Project in August 2013 after the earlier approval decision made on 18th December 2012 by the Federal Environment Minister to approve the NBR project under the Environment Protection and Biodiversity Conservation Act was set aside by the Federal Court as a consequence of an application for a judicial review in April 2013.

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2. AIM

To explore for iron (magnetite and goethitic-hematite) resources in the tenement.

3. LOCATION AND ACCESS

The Nelson Bay River tenement (EL41/2004) cover an area of 42.22 km^2 and is located about 5 km east 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 and thereon via nicely maintained forestry tracks.

4. TENEMENT HISTORY &STATUS

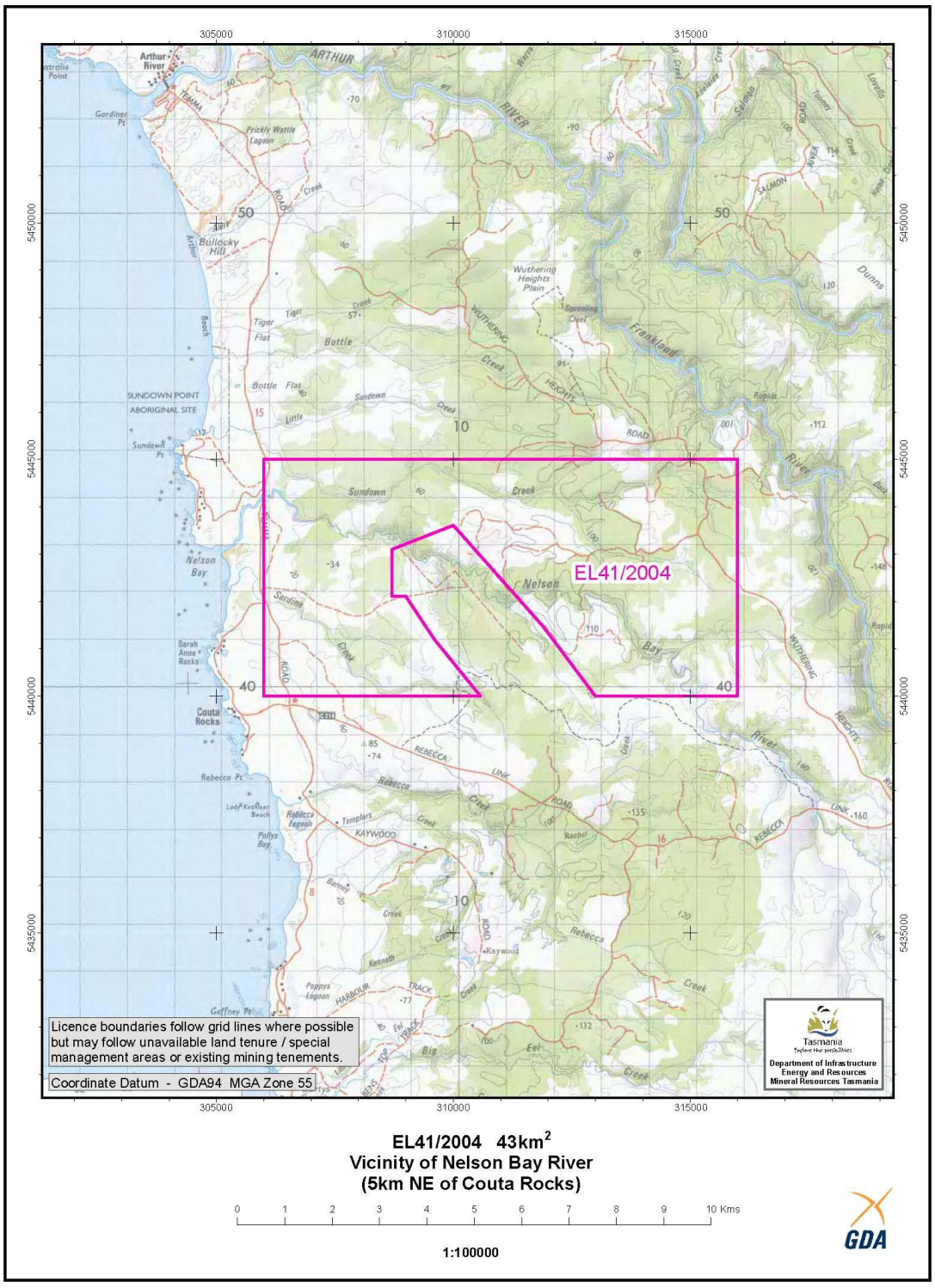
The tenement EL41/2004 (Figures 1) was granted to Zinico NL on 1 March 2005 for 5 years with expiry on 28 February 2010 for exploring all Category 1 Minerals. On 22 November 2005 Zinico NL changed its name to Zelos Resources NL (Zelos)., and on 23 November 2006, to reflect the major shareholding, the Zelos name was changed to Gujarat NRE Resources NL. Shree Minerals Limited in May 2008 acquired the tenement from Gujarat NRE Resources NL.

Schedule

Land district: Russell vicinity of Nelson Bay River (5 km NE of Couta Rocks)
Municipality: Circular Head
Exploration Licence: 41/2004 with Mining Lease 3M/2011
Area: Exploration Licence 42.22 km^2 and Mining Lease area (3M/2011) 7.78km^2
Ownership: Shree Minerals 100%
Operator: Shree Minerals Ltd.

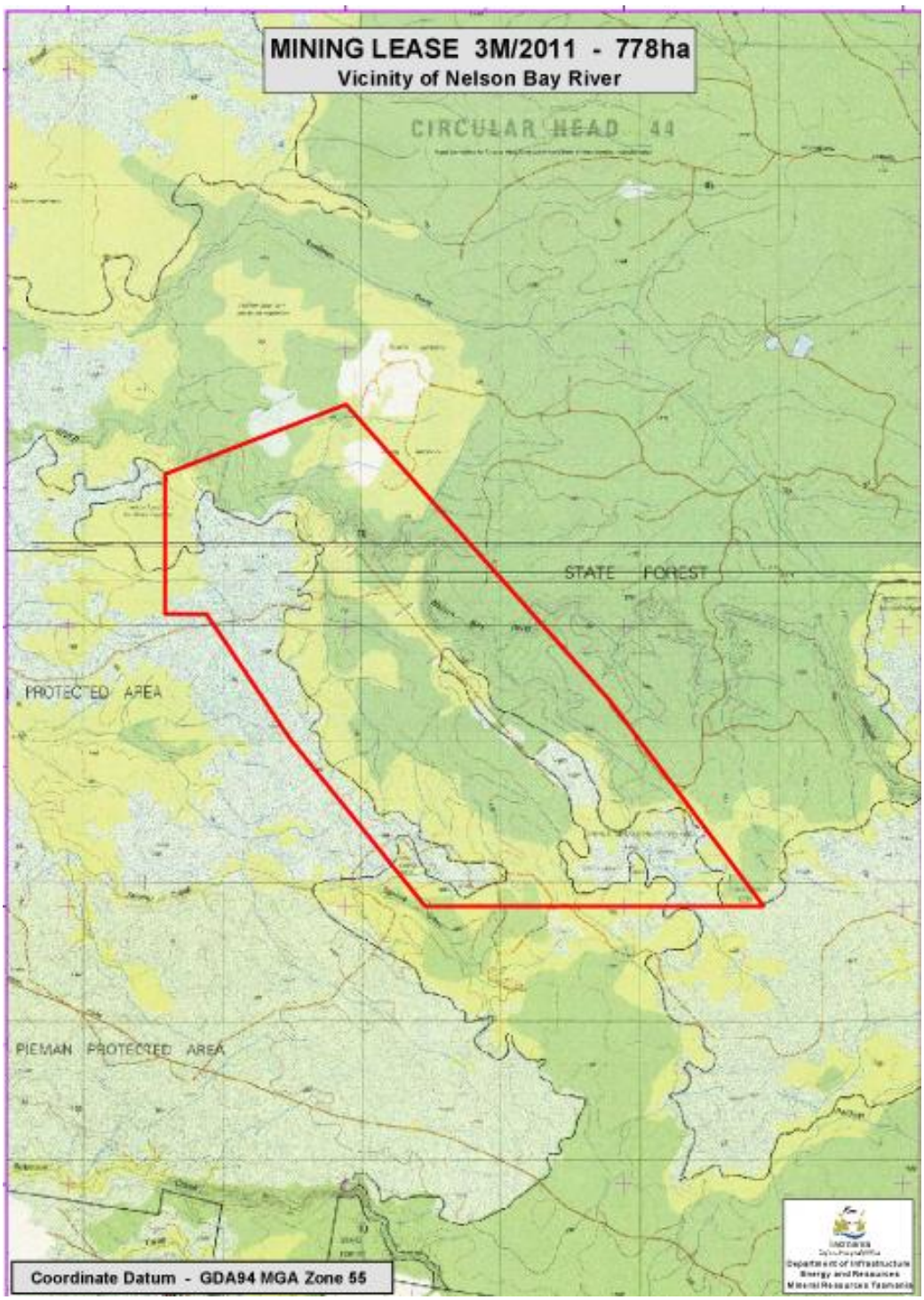
The coordinate datum for the licence is based on GDA1994, MGA Zone 55. Tenement boundary is shown in Figures 1 and 2.

Commencing at the southwest corner at grid coordinates 306 000 metres E 5 440 000 metres N thence grid north to 5 445 000 metres N -end east to 316 000 metres E grid south to 5 440 000 metres N aforesaid thence grid west to the point of commencement.



Source: MRT

Figure 1: Tenement (EL41/2004) Location and Acess Map



Source: MRT

Figure 2: Mining Lease Area with Acess

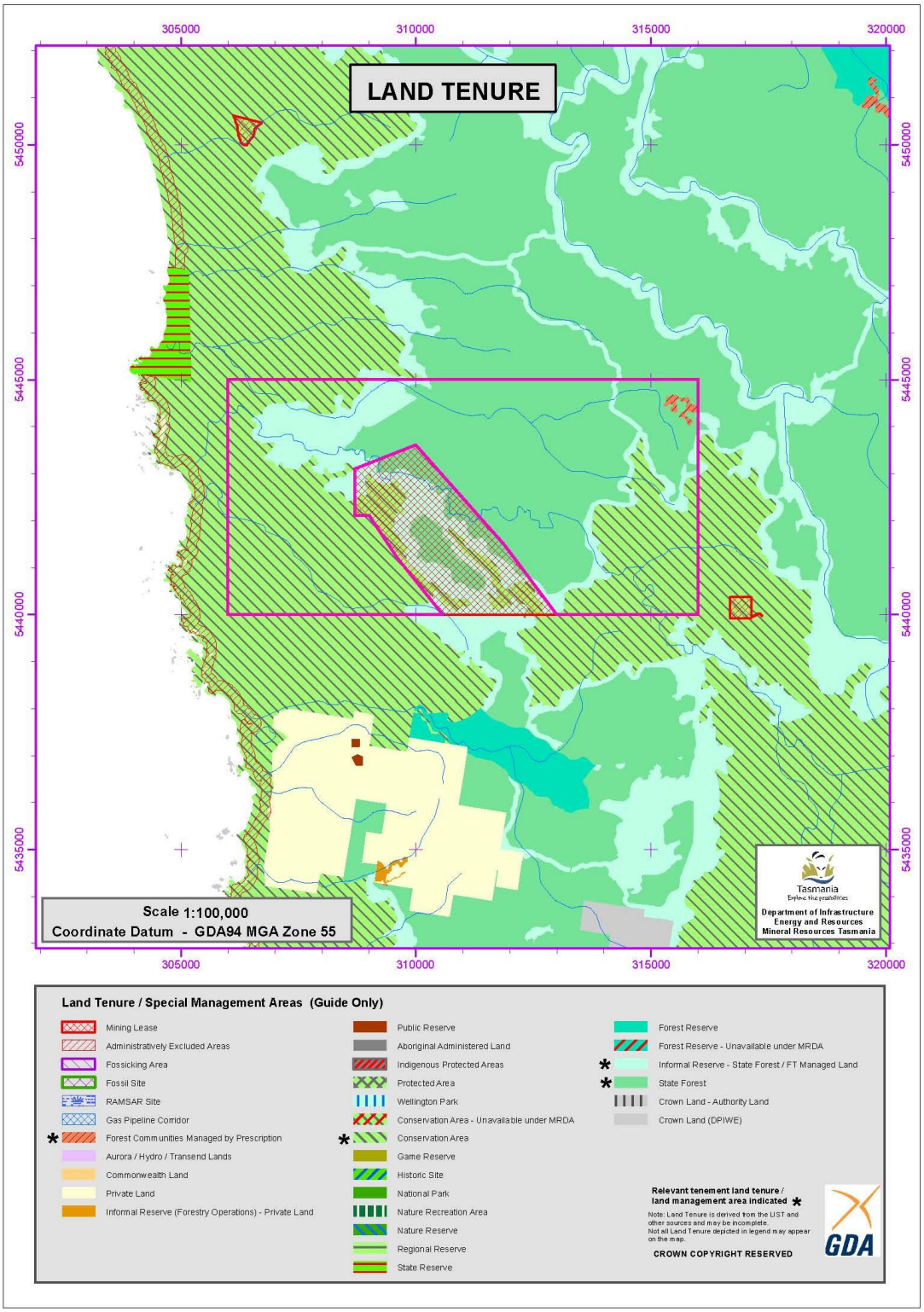
4.1. Land Tenure

The area comprises (Figure 3):

- Multiple use State Forest
- MDC Informal Reserves
- Arthur – Pieman Conservation Area

The licence area contains Forest Communities Managed by Prescription and areas which are listed (including listed on an interim basis) on the

Register of the National Estate kept under the *Australian Heritage Commission Act 1975.*



Source: MRT

Figure 3: Nelson Bay River Project (EL41/2004) Land Tenure Map

4.2. Exclusion

The exclusion areas are list below:

- Any land owned or leased by the Commonwealth of Australia.
- Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995.*
- Areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement - Private Forests Reserves Program and / or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement - Private Forests Reserves Program.

5. PHYSIOGRAPHY & VEGETATION

The west of the properly lies within a peneplained hinterland to the coast with fossil sand dunes locally. In the east the terrane becomes more undulating with incision by creeks. There are major rivers draining east to west, close to or through the property, including Sundown Creek, Sardine Creek and the Nelson Bay River (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 and forestry plantation (Plate 2) in the east of the area.

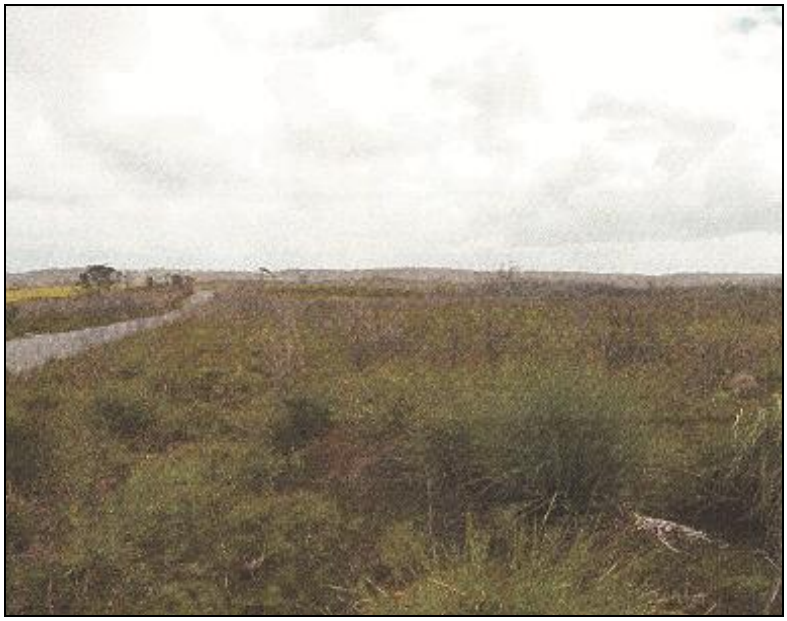


Plate1: Low Heath Peneplain

Plate2: Forestry Plantation

6. GEOLOGICAL SETTING

6.1. Regional Geology

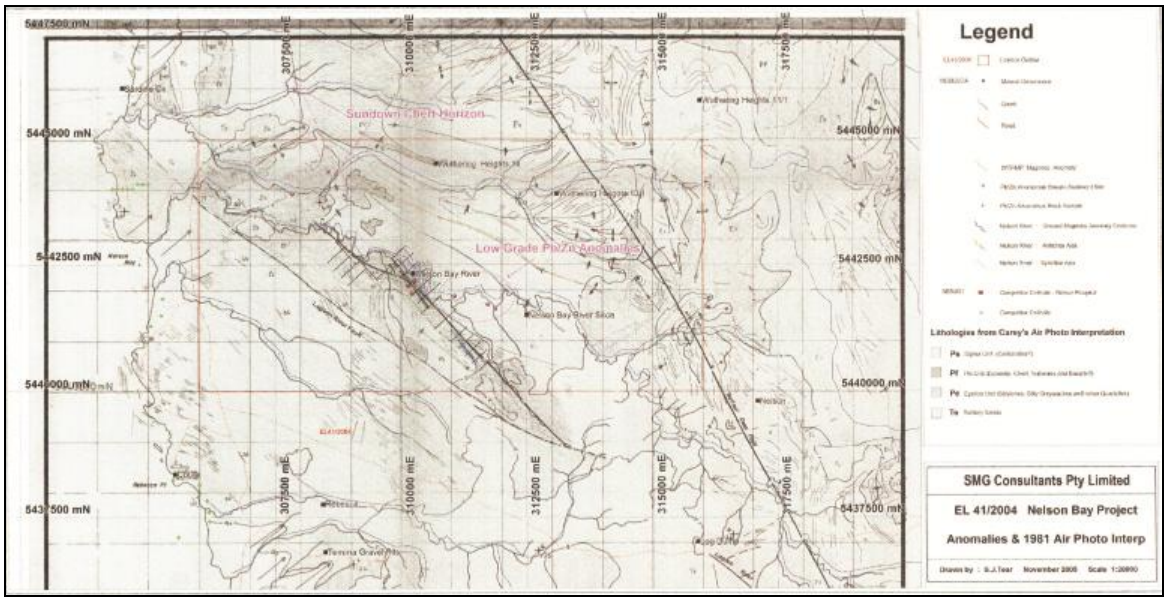
The geology of the Nelson Bay River tenement consists of siltstones, sandstones, and carbonaceous mudstones of the Cowrie Siltstone, part of the Rocky Cape Stratotectonic Element. This element consists of Early Neoproterozoic autochthonous marine shelf clastic sequences, relatively unmetamorphosed to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

6.2. Local Geology

Rocks in the Nelson Bay area comprise finely laminated, psammo-pelitic, Proterozoic-aged siltstones with medium-grained sandstones/quartzites. The quartzites are clean, well sorted, and massive to thinly bedded and up to 200 m thick. Variable siltstones include finely laminated units to 'pyjama' siltstones, chloritic siltstones/schists and carbonaceous siltstones - similar to the rocks seen at Balfour. The rocks strike northwest and generally dip and face to the east between 55^{o} and 65^{o}.

Carey's 1981 air photo interpretation divides the licence area into two sections using the Lagoon River Fault (Figure 4). Southwest of the fault, he interprets finely bedded slates and silty greywackes with only minor amounts of quartzite (the Epsilon Unit). He has equated this unit to the Balfour Slates and the Interview Group. Northeast of the fault and much higher in the Proterozoic sequence lies the Phi and Sigma Units, the former

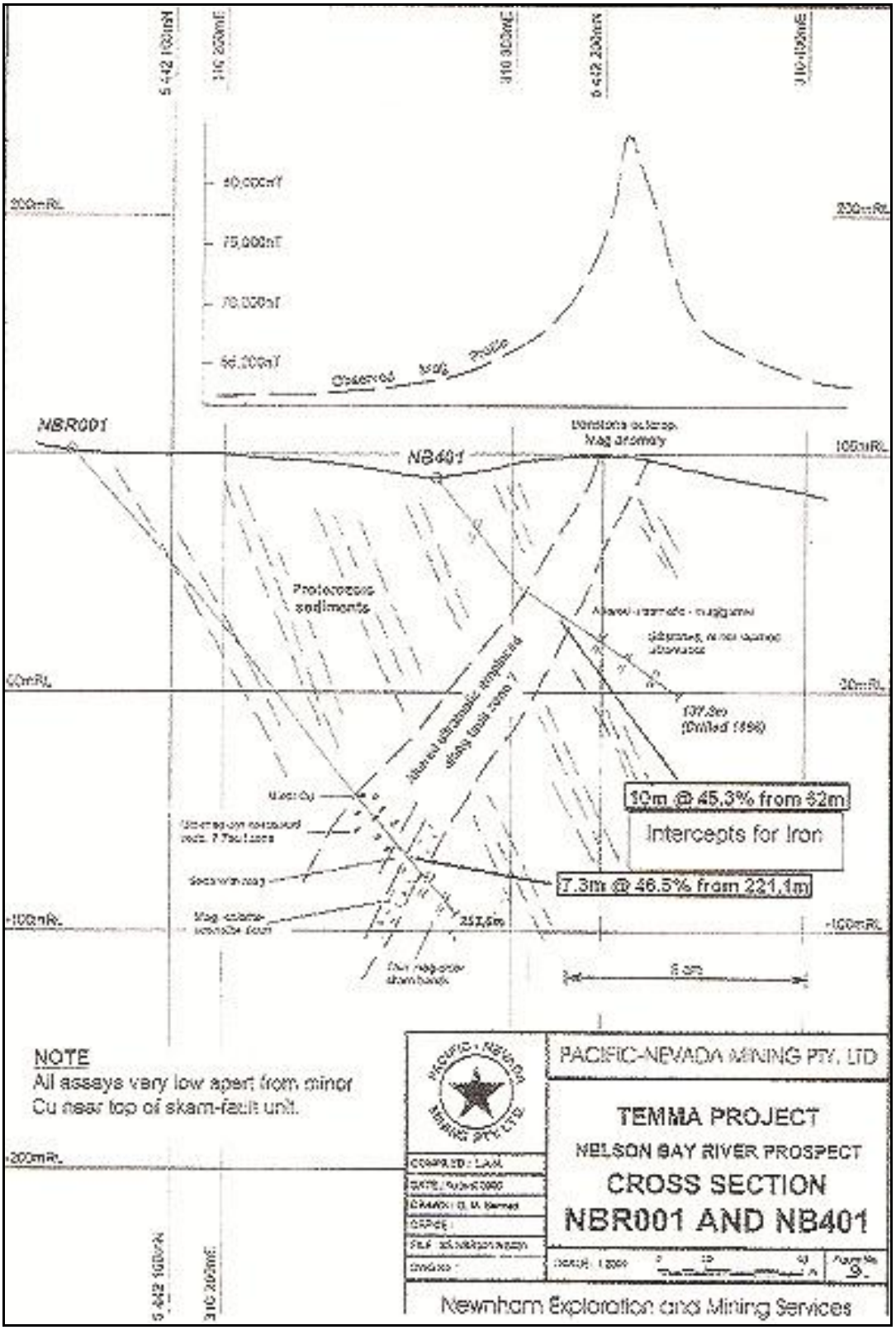
has a lot of carbonate/dolomite within it, whilst the latter comprises a mixed sequence of dolomite, chert, volcanics and basalts, however, Tear (2005) does not support this view. Carey's structural interpretation implies multiple fold hinges of varying orientations and suggests that the Balfour Deep Fault passes through the northeast corner of the tenement EL41/2004. However, Tear based on work reported by Tear 1996 and Tear & Russell 1998 believes that the Balfour line lies further to the east (Tear 2005).



Source: Tear 2005

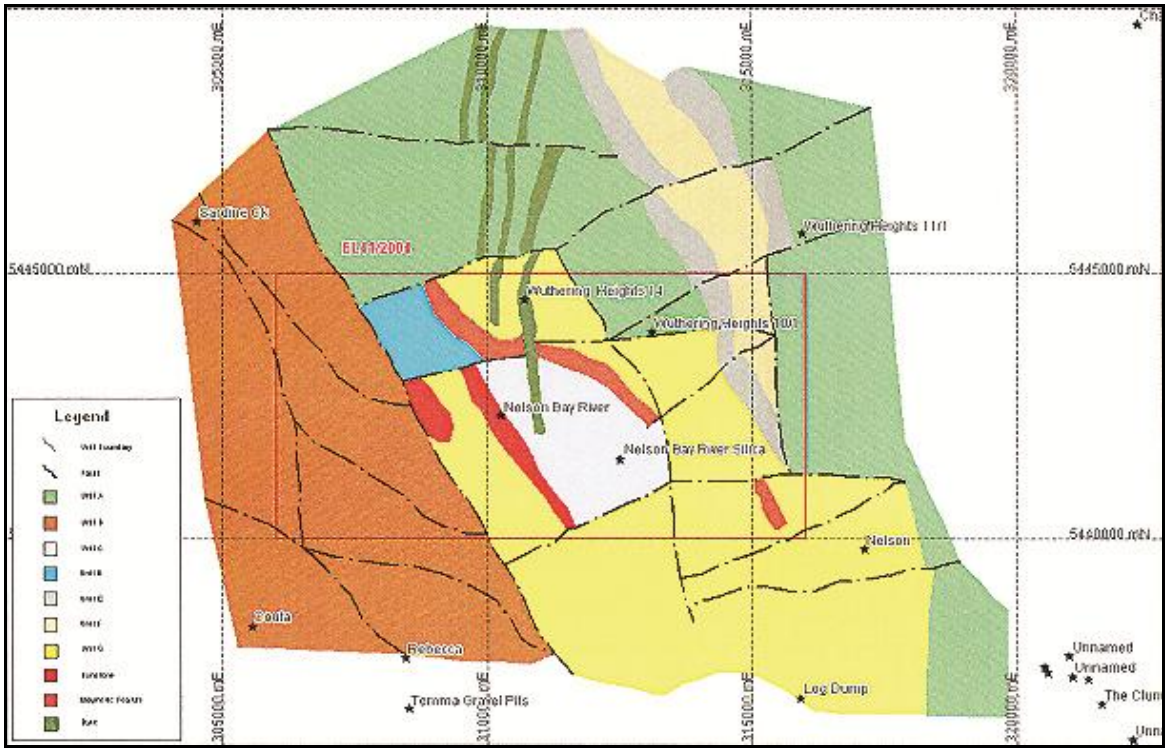
Figure 4: NBR Project – 1981 Carey Photo Interpretaion

Prospect scale mapping of the Nelson River area by Australian & NZ Exploration Co (Brandt 1973) records a series of clean quartzites units on the south west side of the iron feature. Whilst the Geopeko mapping is confined to the magnetic grid, it details a series of interbedded quartzite and siltstone units. The Pacific Nevada drilling results (NBR1 and NBR2) confirm the northeast dip of the beds (Figure 5). The Geopeko work also indicates the oblique cross cutting nature of the magnetite bearing ultramafic dyke, whilst the Pacific Nevada data confirms the steep (>60^{o}) dip of the intrusive to the southwest (Tear 2005). An interpreted geology map of the tenement by consultant (Tear 2005) is given below(Figure 6)



Source: Newnham 2000

Figure 5: NBR Project – Cross Section



Source: Tear 2005

Figure 6: Interpreted Geology Map of EL41/2004

6.3. Mineralisation

Within the Nelson Bay River Licence there are four mineral occurrences listed in the MRT database. The main one of interest to the licence holder is the Nelson Bay River iron (magnetite and goethitic-hematite) occurrences.

The Nelson River magnetite occurrence is a 4km long magnetic feature confirmed by the WTMRP airborne surveys. Follow up ground magnetic work by Geopeko in the 1980's has shown that the airborne feature splits into two anomalies, a northern one and a southern one. In field, the northern anomaly comprises of an 800 m long lode of granular aggregates of hematite and magnetite in an iron clay and/or siliceous matrix. At depth it is up to 40m wide "ultramafic dyke-like structure" comprising a quartz-carbonate-magnetite-pyrite-garnet-chlorite-amphibole assemblage that dips 60° west and cross cuts stratigraphy at about 70° (Figure 4). Alteration associated with the dyke consists of a "white mineral and olive coloured silicate, fibrous amphibole and green silicates". In addition, dense clusters of garnet are reported at the ultramafic's contact with the sediments. This mineral style has been linked in the past to Proterozoic iron formations similar to that, which occurs at Tennant Creek (Newnham 2000).

7. PREVIOUS EXPLORATION

In the area of Nelson Bay River the main target has been the iron occurrence (magnetite & goethitic hematite) commonly known as Nelson Bay River Magnetite. Other areas of interest include the Sundown Chert anomaly and other

untested magnetic features highlighted by the WTMRP airborne magnetic-radiometric survey data.

Below is a very brief out line of previous explorers´ activitites:

7.1. Pickands Mather - 1966 to 1972 - (EL16/68)

Pickands Mather International was the first to carry out exploration in the tenement area (held as EL 16/68). The exploration activities included identification and geological mapping of the magnetite dike area, and drilling of NB401 for 137.6 m. Drilling intersected 10 m of magnetite @ 45.3% Fe. Additionally, a weakly anomalous zone of lead, zinc, silver, copper, and arsenic was also noted with the magnetite lode.

The company also carried out some soil sampling.

7.2. Australian & NZ Exploration Co – 1972 to 1973 - (EL8/72)

The Australian & New Zealand Exploration Company provided details of the Pickands Mather exploration work at the Nelson River prospect (Brandt 1973). Their main area of interest was the nearby clean quartzites for the potential production of silica.

7.3. CRAE Pty Limted – 1977 to 1984 - (EL1/77)

CRAE Pty Ltd. in 1978 undertook exploration beginning with a major regional stream sediment and rock chip sampling programme (Weir 1981). This work was reported to have delineated a five anomalous value cluster for the Nelson River iron feature with peak rock chip values to 105 ppm Pb, 475 ppm Cu, 130 ppm Zn and 170 ppm As. However, an inspection of maps with the creeks and anomalies marked on seems to indicate that the anomalous creeks are not draining the main drill tested anomaly but appear to come from the southern rnagnetic anomaly area. No further work was undertaken by CRAE. Not all of the CRAE stream sediment sites are in the MRT stream sediment database.

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

Geopeko (Herrmann & Sumpton, 1982) repeated the Pickands Mather work at Nelson River, by re-establishing the baseline and the grid. They then completed a ground magnetic survey that separated the airborne anomaly into two distinct anomalies, a southern and a northern one. In addition, a geochemical survey was completed by collecting C-horizon soil samples. This work produced a very distinct soil anomaly over the northern magnetic feature with Cu to 350 ppm and Pb to 725 ppm. There was no anomaly over the southern magnetic feature but this may be a function of overburden thickness and type. Geopeko also re-assayed the Pickands Mather drillhole N401 recording 0.42% Cu over 1.22m from 85.2m. Gold assays indicated presence of only low levels.

CRAE undertook further mapping in 1983 (Weir 1984) for an area around Sundown Creek in the north of the current licence and just beyond. "The Company identified a mixed sequence of northwest striking quartzites, black siltstones with cherts, chloritic siltstones (possibly tuffs) and black

shales. Thin section work suggested that a pyrite-chalcedonic rock was a volcanic sinter hosted within the chloritic tuff units. Locally there are varying quantities of pyrite within the sediments and pyritic quartz veins developed in fault zones were observed." A black carbonaceous chert was found in Sundown Creek with anomalous levels of lead and arsenic. This package of rocks is very similar to rock sequences mapped by CRAE at Balfour in 1996 (Tear & Russell, 1998) although no volcanics have been confirmed at Balfour. Interestingly this unit appears to be along strike from the Nelson River iron occurrence; although the geology map indicates a possible truncation of the chert unit by an ENE fault.

7.5. Bach Holdings - 1986 to 1990 – (EL33/86)

Bach Holdings, auger tested various Quaternary sand deposits in EL33/86 for heavy minerals.

7.6. Aureole Resources – 1989 to 1990

During 1989/1990, David Leaman, for the Aureole Resources, produced a set of regional structural interpretations from geophysical data for a large area of northwest Tasmania. He identified a northwest trending 'anticlinal' residual Bouguer gravity anomaly roughly centred on the Nelson River iron feature. He deduced a possible conjugate set of structures striking east north east and northwest. He also proposed that the Proterozoic sequence was thrusted over the Cambrian sequence with the contact depth between 0.5 to 1 km. A shallowing of this feature was thought to exist in the Nelson River area.

7.7. Pacific Nevada – 1998 to 2000 – (EL15/97)

From 1998-2000 Pacific Nevada used a Tennant Creek model for gold and base metal mineralisation on the Nelson River iron occurrence. Their work involved completing a magnetic re-interpretation of the pre-WTMRP, AGSO airborne magnetic data that confirmed that the strong anomaly at Nelson River was due to a large amount of magnetite (Turner, 1999). Re-logging and re-sampling of the Pickands Mather drillhole N401 was undertaken followed by diamond drilling, NBR1 and NBR2 (Newnham 2000). The drilling covered 200 m of strike length of the main airborne magnetic anomaly and confirmed the geological nature of the anomaly i.e. a magnetite body dipping 60° west hosted by an ultramafic dyke within a fault zone. NBR1 recorded two main mineralised zones, 43 m wide in total, consisting of upper quartz - magnetite-pyrite unit with brecciated sediments and a lower magnetite-chlorite-amphibole unit. The best base metal result from drilling was 5.5 m @ 0.4% Cu from 192.7 m, but this zone was characterised by poor recoveries. NBR2 was drilled 200 m to the south of the first hole. It encountered a breakup of the main ultramafic zone into two 9 m wide dykes with 22 m of sediments in between. The second of these magnetite dykes is a high-grade zone that appears to be present in the footwall of the magnetite/ultramafic body in NBR1 and N401. No resource figures were reported for the iron grades and nickel values for the ultramafic dyke were low, often below detection of 10 ppm.

7.8. Zelos Resources NL NL. 2005 – 2006

Literature review and an estimation of resource based on drilling done until 2000 were carried out by SMG Consultants Pty Ltd. The exercise resulted in an Inferred Resource of 4 million tonnes @ 40% Fe.

Additionally, 4 core samples from drill hole NBR1 were petrographically studied at AMDEL and 4 diamond drillholes (3 angled and 1 vertical, numbered NBR 3 to 6) for 597.9 m were drilled into the NBR anomaly. The petrographic study confirmed magnetite as the predominant mineral contributing to Fe values.

NBR3 was collared at 10 000 m E/10 100 m N (local grid) inclined at -45° azimuth 050, drilled to 225.6 m depth and intersected 19 m of iron zone from 148-167 m.

NBR4 was collared at 10 000 m E/10 200 m N (local grid) inclined at -45°, azimuth 050, drilled to 187.4 m depth and intersected 20 m of iron zone from 157.7 to 177.7 m.

NBR5 was collared at 2 m west of the baseline 10 000 m E and 10 m north of cross line 9800 m N. The hole was inclined to -45°, azimuth 065, and drilled to 151.4 m depth and only intersected the top dyke wall skarn zone from 114-115.5 m.

NBR6 was collared at 9 350 m N/9 994 m E. The hole was drilled to 33.50 m depth and intersected 14.20 m of goethitic-hematite from 13.5-27.7 m.

7.9. Gujarat NRE Resources NL - 2006 to 2008

Gujarat NRE Resources NL (the Company or Gujarat) commissioned Minserve Pty Ltd to carry out a conceptual mining study of 4 Mt of magnetite resource estimated by previous holder at the Nelson Bay River Magnetite project and to provide an indicative estimate of capital cost to produce saleable products for use in pig iron making and coal washeries.

The study concluded that with open cut mining ore could be mined to 225 m depth and the production of magnetite concentrates for coal washing purposes is the highest value market for the NBR product. In addition, it pointed out that the Australian mines supplying this product are few and supply only 50 000 - 100 000 tonnes per annum, whereas market demand is for more. This finding was highly encouraging for Gujarat NRE Resources NL.

Resource Estimation

Following this the Company re-commissioned SMG Consultants to carry out a new resource estimate incorporating additional drilling (NBR3 to NBR6) done by Zelos Resources NL in 2006. A new estimate of 6.9 Mt of Inferred Resources (as per JORC classification) @ 38.2 % Fe Magnetite

with magnetite content of 2.63 Mt was estimated. The magnetite resources were estimated using a 20% magnetite cut off. The new resource figure was about 72% increase over the 2005 estimate.

Metallurgical Study

The DTR analysis was undertaken on samples from earlier diamond drillholes from the tenement. Results are given below in Tables 1&2

Table 1: DTR Results of Drill Core Samples

Hole ID	**Sample Interval (m)**		**DTR (%)**
	From	**To**	**Magnetite**
NBR1	51.0	70.5	52.2
NBR2	58.9	61.9	32.5
NBR3	44.2	70.6	65.6
NBR4	47.0	69.7	59.5

A composite sample of the above intervals gave following results (Table 2).

Table 2: Recovery & Grades of Magnetite Fraction at Different Mesh

Sample particle size (dry magnetic separation)	**Sample particle size (DTR)**	**Magnetic fraction recovery (%)**	**Grade (%)**				
			Fe	SiO_2	Al_2O_3	S	P
-3.35 mm	95%-75µ	57.0	69.9	1.58	0.05	0.08	0.00
-2.0 mm	95%-75µ	61.3	70.1	1.57	0.06	0.10	0.00
-0.5 mm	95%-75µ	61.1	70.4	1.49	0.05	0.08	0.00

The test work indicated that a recoverable magnetite concentrate by weight should be in the range 57% – 61% with Fe grade greater than 69.0% and SiO_2 less than 1.6%, Al_2O_3 less than 0.05%, S less than 0.1% and P less than 0.01%.
From the above results it is apparent that impurities overall are a small percentage of the ore and would be removable by beneficiation to produce a suitable product for sale. This implies that more than 96% of the magnetic material is magnetite.

Further, the results indicated that material from the Nelson Bay River deposit should be suitable to produce a marketable magnetite concentrate for either heavy media markets or pellet production.

7.10. Shree Minerals – 2008 to 2010

In May 2008 Shree Minerals Ltd acquired 100% interest in the tenement (EL41/2004) from the Gujarat NRE Resources NL and exploration was rejuvenated with fervour.

The 1980 Geopeko grid of 4 km was re-cut and a Consulting Botanist was commissioned to carry out a botanical survey of the tenement area. No rare plant species were found. Subsequently, using a Geometrics G859 Cesium magnetometer, a ground magnetic survey of the main NBR magnetic anomaly was carried out. Survey data was processed, which confirmed the strike length of the NBR magnetic anomaly.

Geoscientists associated with the Company management anticipated presence of an oxidised zone (goetitic-hematite) over the magnetic anomaly. To confirm this view, following the ground magnetic survey, 26 samples (rock chip/channel) were collected and analysed for iron industry standard suit elements.

Assay results confirmed the presence of oxidised zone (goethitic-hematite) in the tenement. The highest and lowest iron grades were of 65.1 and 22.9% Fe respectively; most of the samples assayed were in the 60 - 65% Fe range. The two lowest Fe results were from sandstones.

Following this, the access tracks were up-graded, 12 drill pads were prepard, drilling operation related logistics were organised and a total of 501.8 m for 10 diamond drill holes (NBR 7 to NBR 16) were drilled, gelogically logged, mineralised intrvals were sampled at 1m intervals and analysed for iron industry standard suit of elemements and DTR of magnetite.

Drill holes NBR 9 & 16 intersected goethitic-hematite mineralisation assaying greater than 60% Fe, with low deleterious elements (Al_2O_3 SiO_2 , P etc.). This confirmed managements´ belief that the NBR project has two types of iron mineralisation, i. e. goethitic-hematite of greater than 60% Fe capable of producing Direct Shipping (Iron) Ore (DSO) and magnetite ore which on beficiation can produce concentrates for pig iron making and coal washeries.

With these encouraging results the Company planned a further drilling program of 7 holes to delineate further resources in the tenement. Additionally, environmental, Aboriginal Heritage assessment, engineering,etc., studies were initiated.

7.11. Shree Minerals – 2010 to 2011

During 2010/11 report period about 820 m diamond drilling to upgrade the existing Inferred magnetite resource to an Indicated Category and define further goethitic-hematite direct shipping ore (DSO) resource was undertaken.

Based on drilling information from inception to 2010 (2,512.96 metres along 24 diamond holes) the following resource type, category and grades were estimated (Tables 3 to 5):

Table 3: Iron Resource Estimates at Nelson Bay River Iron Project

Resource Category	**Mass (Mt)**	**Fe %**
Indicated	1.8	38.6
Inferred	10.8	35.6
Total	**12.6**	**36.1**
Note: The resource estimate includes the magnetite resource material and is estimated using a 30% Fe cut off and with an average density of 3.5 t/3M		

Table 4: Magnetite Resources at Nelson Bay River Iron Project

Resource Category	**Mass (Mt)**	**Mag% (DTR)**	**Contained Magnetite (Mt)**
Indicated	1.7	38.5	0.7
Inferred	6.1	38.2	2.3
Total	**7.8**	**38.3**	**3.0**

Table 5: Goethite-Hematite Inferred Resources at Nelson Bay River Iron Project

Resource Category	**Mass (Mt)**	**Grade (%)**							**Remarks**
		Fe	**SiO_2**	**Al_2O_3**	**P**	**S**	**LOI**	**Fe (Cal)**	
Inferred	0.5	57.8	8.8	1.4	0.06	0.03	6.3	61.7	DSO
Inferred	0.7	46.8	23.7	2.7	0.02	0.07	4.7	49.1	Beneficiable material
Total	**1.2**	**51.0**	**18.0**	**2.2**	**0.04**	**0.05**	**5.3**	**53.9**	

In addition, some ground magnetics, petrography, metallurgical and geophysical studies were carried out.

7.12. Shree Minerals – 2011 to 2012

During the 2011/12 field season, the Company carried out 1568 m drilling (1259 m RC along 23 holes for resource delineation, 236 m RC along 6 holes for ground water studies and ~73 m PQ diamond drilling for metallurgical studies) along 32 holes and collected and analysed 280 samples.

The drilling principally aimed to better define the goethitic–hematite resource with the view to commence mining of Direct Shipping Ore (DSO) some time in 2012.

Additionally, logging of drill cuttings, magnetic susceptibility reading, sampling, asaying for resources, sampling of 31 core intervals from various diamond drill holes and analysis for "Acid Rock Draimnage Investigation," metallurgical study of Beneficiable Feed Ore (BFO), some geological

mapping, upgrading of access tracks and preparation of drill sites and rehabilitation was under taken.

7.13. Shree Minerals – 2012 to 2013

During the 2012/13 reporting period all the Company resources were devoted in attending court proceedings relating to injunction brought by the Tarkine Coalition and seeking reapproval from the Commonwealth Government for commencing mining at the Nelson Bay Iron Ore Project, consequently no exploration work was carried out in the Exploration Licence (EL41/2004) area.

7.14. Shree Minerals – 2013 to 2014

The Company received Commonwealth Government Approval under the EPBC Act for the NBR Project in August 2013 after the earlier approval decision made on 18th December 2012 by the Federal Environment Minister to approve the NBR project under the Environment Protection and Biodiversity Conservation Act was set aside by the Federal Court as a consequence of an application for a judicial review in April 2013. During the year , all the Company resources were devoted in attending court proceedings relating to injunction brought by the Tarkine Coalition and seeking reapproval from the Commonwealth Government for commencing mining at the Nelson Bay Iron Ore Project, as a result no exploration work was carried out in the Exploration Licence (EL41/2004) area.

7.15. Shree Minerals – 2014 to 2015

Shree Minerals is proud to be the first company to conceptualise Direct Shipping Iron Ore (DSO) in Tasmania – there was no known information from Tasmania or anywhere else on the metallurgical characteristics of the NBR type DSO products - this has been a trend-setter and already other iron ore investments have followed this lead. Nelson Bay River Iron ("NBR") Project also has the proud distinction of being the first Greenfield mine in North West Tasmania in many years.

The company notes with regret the impact of the inordinate delayed approvals (as a consequent of negativity by minority activist groups) moving the project start-up into the bottom of the commodity price cycle , the project has had to be suspended within 6 months of start up & put under care & maintenance.

As the NBR project has been planned for a phased development , a normal approval time frame would have had the project well placed to execute the DSO phase of the project at the right point in the cycle which would underwrite the capital for the magnetite phase to produce dense media magnetite (DMM) used for the coal washery industry .

During the report period all the Company resources were devoted in developing the DSO mine at NBR 3M/2011 & subsequently for care & maintenance activities due to plunge in Iron Ore Prices .As a result no exploration work was carried out in the Exploration Licence (EL41/2004) area.

8. WORK PERFORMED

During the report period all the Company resources were devoted for care & maintenance activities due to plunge in Iron Ore Prices .As a result no exploration work was carried out in the Exploration Licence (EL41/2004) area.

9. OUTLOOK

During 2016/17 the Company will resume its exploration activities in the tenment, which will include, search for DSO and magnetite resources by geological mapping, some ground magnetic survey, outcrop sampling, etc, within the tenement and environs.

Emphasis will be placed for the search of "detrital iron ore" resources in the area.

10. REFERENCES

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APPENDIX 1

List of appended digital data files

1. EL412004_201501_01_Digital_Files.txt
2. EL412004_201501_02_Annual_Report.pdf