



**ANNUAL REPORT TO FEDERAL GOVERNMENT
PERMIT EPBC 2011/5846**

1st November 2012 – 31st October 2013

Contents

Introduction	1
Compliance With Conditions	1
Summary of induction training and awareness activity undertaken or proposed	1
EPBC Species Register	1
Details of Progress Against Actions.....	2
Preparation of a Tasmanian Devil Monitoring Strategy	2
Tasmanian Devil Monitoring Strategy	2
Monitoring Program	2
Findings	2
Changes to the monitoring program	3
Save the Tasmanian Devil Program (STDP) contribution.....	3
Contribution to orchid baseline research	3
Mining Lease security deposit	3
Compliance	3
Emergency Travel.....	3
Management Documents	4
EPBC Species Management Plan.....	4
Mine Closure Plan	5
Decommissioning and Rehabilitation Plan	5
Incidences of non-compliance	5
Appendix A.....	6
Appendix B	7

Introduction

This Annual Report is submitted in fulfilment of Condition 25 of Shree Minerals Limited's permit EPBC 2011/5846 (issued under sections 130(1) and 133 of the *Environment Protection and Biodiversity Conservation Act 1999*).

Clearing and preliminary construction works at the Nelson Bay River site began on 29th April 2013. However work was halted in early May due to legal action between an environmental group and the Commonwealth Government regarding the approval of the mine. During the period of the legal action (May to July) no work was permitted on-site.

On 29th July 2013, permit EPBC 2011/5846 was issued, and site clearing works recommenced on 12th August 2013.

This annual report covers the period of 12 months ending 31st October 2013.

Compliance With Conditions

Summary of induction training and awareness activity undertaken or proposed

(Condition 25(a))

Construction phase inductions were held at Riverbend, Smithton on 8th April 2013. Twenty-nine people attended including contractors and Shree Minerals staff. Several individual inductions were also undertaken.

Mining phase inductions were held on Thursday 17th October and Friday 18th October 2013 at the Circular Head Community & Recreation Centre with over 80 people in attendance over four sessions. These sessions consisted of both a mine safety induction and environmental induction. The environmental induction includes a section on identification and awareness of 13 EPBC listed species, as well as general education of the various permits and site processes.

Routine induction sessions are now held on a weekly basis for new staff, contractors and visitors, with additional sessions scheduled where necessary.

A Visitor Induction was held at Tall Timbers on Thursday 31st October for the mine opening ceremony, with 33 inductees. Visitor inductions are valid for a period of one month. Visitors to site must be accompanied at all times by a fully inducted employee or contractor, and are not permitted to perform any works (other than office based work) nor operate any vehicles or machinery.

EPBC Species Register

(Condition 25(b), Condition 12)

A copy of the EPBC Species Register is located in Appendix A. GPS coordinates of EPBC species sighted on the mine lease may not be included for public release for site security reasons (including unauthorised access) and/or where recommended by flora and fauna consultants (e.g. for locations of Giant Freshwater Crayfish).

The EPBC Register is also available on the Shree company website, www.shreeminerals.com.

Details of Progress Against Actions

Condition 25(c) of permit EPBC 2011/5846 requires the annual compliance report to include “*details of progress against actions (including documentary evidence of payments) required under Conditions 13, 15, 16 and, if required, 20.*”

Preparation of a Tasmanian Devil Monitoring Strategy

(Condition 13)

Tasmanian Devil Monitoring Strategy

A Tasmanian Devil Monitoring Strategy (TDMS) was prepared for Shree Minerals Ltd in January 2013 by consultants Pitt & Sherry following consultation with a recognised Tasmanian devil and wildlife expert, and the Save the Tasmanian Devil Program (STDP). The Tasmanian Devil Monitoring Strategy (Version 1) was approved by the Minister on 21st March 2013. Following legal action and issue of permit EPBC 2011/5846 in July 2013, the TDMS was revised and version 3 was subsequently approved on 9th August 2013.

Monitoring Program

A number of infrared monitoring cameras have been placed in the mining lease area in order to monitor for Devil Facial Tumour Disease (DFTD). A small number of these cameras have been stolen, with eight cameras remaining in operation at the end of the reporting period. The approved TDMS provides for a further six cameras to be placed to monitor denning/lay-up opportunities within the Fauna Habitat Protection Zone (FHPZ) once clearing activities are substantially complete. Note that clearing will be undertaken progressively, with only those areas immediately required for production being cleared (as consistent with Best Practice Environmental Management).

Under the TDMS, cameras are scheduled to be checked weekly and data downloaded fortnightly. However this schedule may be disrupted by inclement weather conditions and site access track conditions. All cameras have been set up such that they have a battery life of over two months, and either 4GB or 8GB of storage, to ensure that no data is lost in the event of a site becoming temporarily inaccessible.

The 154ha FHPZ has been established as per the TDMS. A Baseline Vegetation Condition Assessment (VCA) will be conducted within six months of the commencement of mine operations (i.e. summer 2014). A suitably qualified expert will be engaged to conduct the assessment.

The TDMS includes measures for the detection and prompt reporting of DFTD. A Tasmanian devil expert has been engaged to review camera images fortnightly and provide monthly advice in relation to any DFTD visible on infrared camera images. This information is also provided to the Save the Tasmanian Devil Program.

Findings

At this stage it is too early in the monitoring program to determine trends within the local devil population. There have been no documented (or suspected) signs of DFTD on the site during this period.

As per the TDMS, new denning/lay-up opportunities will be created in the FHPZ over time. No new denning/lay-up opportunities have been formally established as yet as the NAF (non acid-forming) waste rock dump has not been cleared to its furthest extent. Windrows and denning/lay-up opportunities within the 30m buffer separating West Creek and the waste rock dump collection drain will be established as clearing of the NAF waste rock dump progresses.

Changes to the monitoring program

Under Section 2.5 of the TDMS, it is stated that;

“All information will be added to the EPBC species register (established under condition 12 of the EPBC approval).

Shree Minerals will also ensure that all data from this monitoring strategy is entered onto the Natural Values Atlas”

While sightings recorded by the cameras are being added to the EPBC Species Register, the locations of these sightings are not as this presents a safety and security risk to the company, particularly in relation to unauthorised access of the mine lease. During 2013 Shree Minerals had a number of cameras stolen from the mine lease area, and this theft was subsequently reported to the Police. Similarly, recording sighting information from cameras into the Natural Values Atlas would also require making the camera location coordinates public.

It is proposed to upload the sighting coordinates to the records on the EPBC Species Register (and add those records to the Natural Values Atlas) on an annual basis, for those records that are over 12 months old. As cameras will be periodically moved, this should minimise the safety and security risk of publicising the location information.

Save the Tasmanian Devil Program (STDP) contribution

(Condition 15)

Under Condition 15 (EPBC 2011/5846), Shree Minerals must contribute \$350 000 to the Save the Tasmanian Devil Program (STDP), of which 20% is to be paid within 12 months of commencement of operations. It is anticipated that this will be paid in April 2014.

Contribution to orchid baseline research

(Condition 16)

Condition 16 (EPBC 2011/5846) states that:

“The person taking the action must fund and implement their 'Proposed contribution to orchid baseline research', as provided with the finalised environmental impact statement prepared in relation to the action.”

An orchid specialist will be engaged in 2014 to carry out this work. As such, no payments have yet been made for this condition.

Mining Lease security deposit

(Condition 20)

Security deposits made as part of the Schedule 3 provisions of Mining Lease 3M/2011 are detailed in Appendix B.

Compliance

Emergency Travel

Condition 8 (EPBC 2011/5846) allows for emergency travel to site in authorised vehicles outside of daylight hours. There has been no emergency travel undertaken during the period.

Management Documents

Management documents refers to all plans, strategies, and reports developed in fulfilment of EPBC 2011/5846 conditions. These are:

- EPBC Species Management Plan (Condition 3)
- Tasmanian Devil Monitoring Strategy (Condition 13)
- Mine Closure Plan (Condition 17)
- Decommissioning and Rehabilitation Plan (Condition 18)

Compliance with the TDMS is detailed on page 2 and the other management documents are detailed below.

EPBC Species Management Plan

EPBC Species Management Plan (Version 1) was approved by the Minister¹ on 21st March 2013. It was subsequently revised on 31st July and 6th August 2013, in light of the new permit EPBC 2011/5846. The current plan is EPBC Management Plan (Version 3), which was approved on 9th August 2013.

Prescribed management measures included in the plan relate to;

- Vegetation clearance
- Food waste
- Hazardous substances
- Open Pits and Excavation
- Protocols for dealing with injured native fauna
- Protocols for recording any sightings of EPBC species

Vegetation clearance

Clearance has been limited to those areas required for the DSO Pit and its associated roadways, infrastructure, waste rock dumps and stockpiles. Construction drawings were provided to contractors, and clearing activities were conducted in accordance with *Environment Protection Guideline 3 – Clearing* (EPG 3, Shree Minerals Ltd). This included pre-clearance flora and fauna surveys carried out by relevant experts prior to each stage of clearing to ensure there would be no disturbance of EPBC species.

Areas to be cleared were delineated with flagging tape; for steeper areas 'Danger' tape was utilised. No vegetation clearance or disturbance occurred in the Fauna Habitat Protection Zone (FHPZ).

Food Waste

Management of food waste onsite is in accordance with *Environment Protection Guideline 5 – Food Waste* (EPG 5, Shree Minerals Ltd). Garbage bins have been provided in the crib room and office buildings. Currently all mine waste is removed from the site by Shree Minerals and their contractors on a regular basis. There is a zero tolerance procedure for littering, and this along with details of disciplinary proceedings and general waste management protocols are included in the site induction.

Hazardous Substances

A diesel holding tank has been provided by Caltas for refuelling trucks. This is a stand-alone self-bunded tank with a capacity of 30 000 litres. Two diesel generators are located onsite to power the office areas and the Caltas fuel tank. These are both located on the cleared office/workshop area pad.

No explosive materials are currently kept on the site. On days when a blast crew is working, an explosives truck arrives at and leaves the site on the same day.

As there is no processing plant facility required in the early stages of mining, there are no other hazardous substances currently kept onsite in bulk form.

¹ 'the Minister' is the Australian Government minister administering the EPBC Act

Open Pits and Excavation

All excavations during the construction phase were carried out in accordance with the guidelines contained in the Construction Environmental Management Plan (CEMP, 2013). Diversion drains were established and two shallow ($\leq 2\text{m}$) borrow pits were excavated. Excavation of the ore pit has also now commenced. All pits are accessible by vehicle, thus allowing fauna to escape in the unlikely event they enter the excavation.

All excavation at the site is carried out in accordance with *Environment Protection Guideline 16 – Excavation* (EPG 16, Shree Minerals Ltd)

Mine lease signage has been placed around the lease in accessible locations, including at the mine entrance. Additional signage and gate installations are expected to be installed in late 2013. Detailed mine plans are produced and updated daily, and the company has procured the regular services of a surveying company for the purpose of delineating pit and stockpile extents. Current pit and waste rock dump designs are located between East and West Creeks, which provide physical barriers preventing the operation from encroaching on the mining lease boundary.

Protocols for Dealing with Injured Native Fauna

Two staff were trained in animal handling procedures at a workshop at Trowunna Wildlife Park on the 4th and 5th of April 2013. Due to staff turnover, at the end of the reporting period there remained one trained staff member onsite, as the Designated Animal Handling Officer (DAHO).

There have been no injured native fauna on the mine site.

Protocols for Recording any Sightings of EPBC Species

Shree Minerals has developed an Environmental Induction, which is given in conjunction with the Site Safety Induction to all contractors, staff and visitors to the site. This includes images and information relating to 13 EPBC listed species, provision of glove-box guides and EPBC Species Sightings Forms as per the EPBC Species Management Plan.

Mine Closure Plan

A Mine Closure Plan with approximate rehabilitation costs was developed in November 2011 by Pitt & Sherry as part of the *Development Proposal and Environmental Management Plan* (DPEMP). A review of this Closure Plan with updated site information, current disturbed footprint areas, and revised costs is currently underway.

Decommissioning and Rehabilitation Plan

A Decommissioning and Rehabilitation Plan is required to be prepared “*within 30 days of any decision that is likely to give rise to the permanent cessation of the activity*” (Permit Part B 8977/1). Therefore a DRP is not required at this stage.

Incidences of non-compliance

Condition 25(f) requires the inclusion of details of any incidences of non-compliance with the EPBC 2011/5846 permit conditions, along with any associated remedial action undertaken, underway or proposed.

There have been no incidences of non-compliance during this period.

Appendix A

EPBC Species Register

EPBC Species Sightings Register - Quarterly to 28 October 2013

Species Sightings (including carcasses)	Location	Date & Time	GPS Coordinates / Grid Reference		* Notes
* Include whether carcass or not in notes column			<i>Easting</i>	<i>Northing</i>	
<i>Windswept spider orchid (Caladenia dienema);</i>					
<i>Large golden moths, snake orchid (Diuris lanceolata);</i>					
<i>Western leek orchid (Prasophyllum favonium);</i>					
<i>Pretty leek orchid (Prasophyllum pulchellum);</i>					
<i>Giant freshwater crayfish (Astacopsis gouldi);</i>	Nelson Bay River (catchment)	September			Five A. gouldi were caught by consultants Kanunna Pty Ltd. The location cannot be disclosed for legal reasons.
<i>Australian grayling (Prototroctes maraena);</i>					
<i>Wedge-tailed eagle (Aquila audax subsp. fleayi);</i>					
<i>Tasmanian azure kingfisher (Ceyx azureus subsp. diemenensis syn. Alcedo azurea subsp. diemenensis);</i>					
<i>White-bellied sea-eagle (Haliaeetus leucogaster);</i>					
<i>Satin flycatcher (Myiagra cyanoleuca);</i>					
<i>Tasmanian masked owl (Tyto novaehollandiae subsp. castanops);</i>					
<i>Spot-tailed quoll (Dasyurus maculatus subsp. maculatus);</i>					
<i>Spot-tailed quoll (Dasyurus maculatus subsp. maculatus) (FHPZ camera images)**</i>		(1) 19/09/2013, 19:52PM	(1) Camera 3		GPS Coordinates/Grid References of cameras are not disclosed as per site security/risk management processes.
<i>Tasmanian devil (Sarcophilus harrisii)</i>					
<i>Tasmanian devil (Sarcophilus harrisii) (FHPZ camera images)**</i>		(1) 07/09/2013, 23:32PM; (2) 26/09/2013, 00:24AM; (3) 12/10/2013, 13:38PM; (4) 03/10/2013, 07:05AM; (5) 07/09/2013, 02:08AM	(1) Camera 2; (2) Camera 4; (3) Camera 4; (4) Camera 6; (5) Camera 7;		GPS Coordinates/Grid References of cameras are not disclosed as per site security/risk management processes.
<i>Other</i>					

*There were no reports of live or carcass sightings of EPBC species by contractors, visitors or staff during the quarter.

**Cameras are downloaded on a fortnightly basis with last one downloaded in Mid October.

Appendix B

Details of Security Deposit Payments

Lease Search as at 17/09/2013

3M/2011

HOLDER: **Shree Minerals Limited**

ADDRESS: **Unit 4, The Pines Business Centre, 86-88 Forrest Street, Cottesloe, WA, 6011**

OPERATOR: **Shree Minerals Limited**

ADDRESS: **Unit 4, The Pines Business Centre, 86-88 Forrest Street, Cottesloe, WA, 6011**

Status:	Granted	Locality:	Nelson Bay River
Marked Out Date:	17/02/2011	Product Category:	Category 1 - Metallic Minerals, Atomic Substances Category 3 - Construction Minerals
Granted Date:	13/09/2012	Principal Product:	Magnetite
Term:	yr(s)	Charts	
Expiry Date:	01/07/2027	Tenure List	State Forest Informal Reserve Authority Land Conservation Area National Estate National Heritage Sites Cradle Coast
Current Area:	778 ha (s)	Diagram Ref	
Issue Area:	778 ha (s)	PWS District	-
Land Owner:	N	Forestry District	-
Rent:	Y	Municipality	Circular Head
Rental Area:	778 ha (s)		
Royalty Payable	Y		

TRANSFER PENDING

Received Date	Proposed Assignee
*****No Data Found*****	

DEALINGS INFO

Dealing Ref.	Document No.	Dealing Status	Received Date	Registered Date
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SECURITY DEPOSIT INFO

Received	Cat.	Supplied By	Tenements	Deposit Type	Amount
17/08/2012	LIC	Shree Minerals Limited	3M/2011	BG	150,000.00
03/04/2013	LSE	Shree Minerals Limited	3M/2011	BG	585,000.00
Total Security Held:					735,000.00

*****End of Report*****