

NELSON BAY RIVER PROJECT UPDATE

Shareholder update

The Company wishes to advise that various studies are progressing satisfactorily and the company is working towards its objective of making applications for various approvals for Nelson Bay River project early in the New Year.

Aboriginal Cultural Heritage Assessment

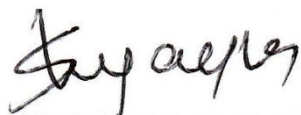
An Aboriginal Cultural Heritage Assessment of the proposed Nelson Bay River Mine Development has been completed by independent consultants. No identified Aboriginal heritage sites or areas of potential archaeological sensitivity were found to be present within the designated bounds of the study area. The general assessment is that the study area encompasses a landscape that is of low archaeological sensitivity. Based on these negative findings it is advised that there are no site specific heritage constraints to development activity proceeding within the bounds of these areas.

Lapse of Tarkine Emergency National Heritage Listing

Shree Minerals is pleased to learn that the Commonwealth Minister has allowed the emergency heritage listing to lapse after the end of the 12 month emergency listing period.

In our submissions to the Heritage Council and the Minister we presented information to demonstrate that the area of our proposed mining lease does not include any values for which the nomination had been proposed. We also argued that the nominated area's boundary was an arbitrary line that follows geographic features, including Nelson Bay River, for convenience rather than being an accurate delineation of heritage values that might warrant listing.

It is possible there will be a longer term more considered assessment of heritage values in the Tarkine region but our concern has been that there would be region wide area heritage listing under the emergency process simply because there was not the time for proper scientific assessment. We are confident that any well considered heritage assessment would conclude that our site does not contain wilderness values worthy of incorporation into any Tarkine wilderness listing should that ever eventuate.



Sanjay Loyalka
Chairman