



**Iberian Minerals Ltd.**  
**President's Report to the Shareholders**

There are many milestones to share with our stakeholders in this year's President's Report. The past year has been an extremely active one for us with many accomplishments. The key message I wish to convey in this letter is the assurance that as a Company we are all working diligently to position Iberian Minerals/Mineworx in such a manner as to significantly increase shareholder value for all of you.

**Solid Mines Espana**

We are slowly and methodically advancing our Spanish assets. All necessary documentation to increase the size of the Cehegin iron ore concession has been submitted. As well, we have completed the work necessary to submit for work/drill program permitting but are waiting for the market sentiment towards iron ore to move in a more favorable direction.

We have completed our legal assessment on the Aroche Wollastonite project and are awaiting acceptance of our revised offer. Once accepted the necessary permitting steps will be undertaken to advance the project towards production. We are very optimistic about both projects but are very aware of market sentiment and are spending our exploration and drilling dollars accordingly.

**Mineworx Technologies**

A large part of the year has been spent on our integration endeavors regarding the Mineworx acquisition and operational roll out. Many acquisition/mergers encounter a cultural conflict between the two companies resulting in strategic and operational challenges but we have experienced a relatively seamless transition where all employees are working together harmoniously and with common objectives. A company is its' employees, we are fortunate to be surrounded by enthusiastic and dedicated individuals.

Considerable time has been spent sourcing and evaluating future alluvial and hard rock deposits, primarily in the southwestern U.S. Through this process we were able to sign an agreement to operate our initial patent-pending, environmentally friendly, portable heavy mineral extraction unit, HM X-tract, for alluvial/placer deposits, on the Vulture Peak mine site near Wickenburg, Arizona.

In June the first HM X-tract machine was mobilized and setup. Final calibration will be done in late June to maximize efficiencies for this particular deposit and once completed we will begin full commercial production on a 24/7 work schedule. All of our mine site employees have successfully completed the MSHA (Mine Safety and Health Administration) regulatory requirements.

Our future emphasis will be on hard rock deposits and our second generation HM X-tract unit for hard rock deposits is currently being fabricated and assembled in the Coquitlam, British Columbia fabrication/assembly plant and will be ready for mobilization by late summer.

We have recently submitted a patent application on a crushing component of the HM X-tract hard rock unit named HM X-mill. This can be a stand-alone crushing unit or a component within our hard rock HM X-tract system. We believe the HM X-mill will have a significant positive impact within the mining industry and are excited with its commercial possibilities.

Our team in our new lab facility, also in Coquitlam, are presently working in two areas: mine site data analysis pertaining to present and future HM X-tract operations; and secondly, a lixiviant which we anticipate to be a front runner within the mining sector. Our recently submitted patent application for this environmentally friendly product will be competing directly with cyanide applications for gold and precious metal processing. As we move towards commercial viability of this nontoxic lixiviant named HM X-leach, the mining industry will obviously be following us very closely. The benefits of having an environmentally friendly product that can economically compete with cyanide are many and is industry changing in magnitude.

Our immediate objective is proof of commercial viability of our processing technologies. If all goes as anticipated our strategic plan is to accomplish this at the Vulture Peak Mine where we can commercially test not only our HM X-tract alluvial processing technology but also our HM X-tract hard rock unit; as well as our HM X-mill and HM X-leach processing technologies. We hope to accomplish this prior to the end of 2016 and then enter the next phase of our strategic plan. The plan would be to scaling up our various processing technologies on a much wider horizon within North America and beyond. In support of this objective is the announcement of the agreement for the Foothills property in Kingman, Arizona.

We have accomplished much within a very short period of time. None of this could have happened without our dedicated and talented employees in all aspects of our business - engineering/design, fabrication/assembly, chemistry/processing, field operations and administration. I acknowledge them all for their past and anticipated future efforts and want you to know that everything we do has the ultimate goal of maximizing shareholder value. Finally, and most importantly, I wish to acknowledge our shareholders for their ongoing confidence and support as we strive to make our presence felt in the mining industry.

“Greg Pendura”  
Greg Pendura  
President and CEO