



SHREE MINERALS LTD

ASX Announcement
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Shree Minerals Limited advances Nelson Bay River Iron Project

Highlights

ASX Code SHH

ACN 130 618 683

COMPANY DIRECTORS

Sanjay Loyalka
Director and Company Secretary

Andy Lau
Non-Executive Director

Amu Shah
Non-Executive Director

Davide Bosio
Non-Executive Director

CONTACT DETAILS

Principal & Registered Office
Unit 38
18 Stirling Highway
NEDLANDS WA 6009

www.shreeminerals.com

T +61 8 6150 7565
F +61 8 9389 1199

Following on from its update on Nelson Bay River Iron (NBR) Project announced to ASX on 20 February 2019, Shree Minerals Ltd (Shree or the Company) is pleased to advise that the Company is actively advancing the DSO (direct Shipping Ore) project at NBR.

Favourable iron ore market conditions

The iron ore price has continued to improve and has risen above US\$90/t (CFR China), due to recent supply disruptions and improving sentiment in the sector. Consensus Analyst forecasts estimate that it may take a few years to normalise supply back to the levels produced before these disruptions occurred. Any near-term supply response is expected to be limited, particularly with little latent capacity left at major Iron Ore exporting ports and railways in Australia.

There have been further improvement in premiums for material with lower impurities like low alumina (as per the NBR ore produced previously) as Chinese authorities continue emphasis on environment control.

The Iron Ore Prices in Australian Dollar terms have further improved due to the exchange rate of AUD with USD at around \$0.71 levels compared to around \$0.95 levels when the NBR project was last operating in 2014.

Nelson Bay River Iron Project update

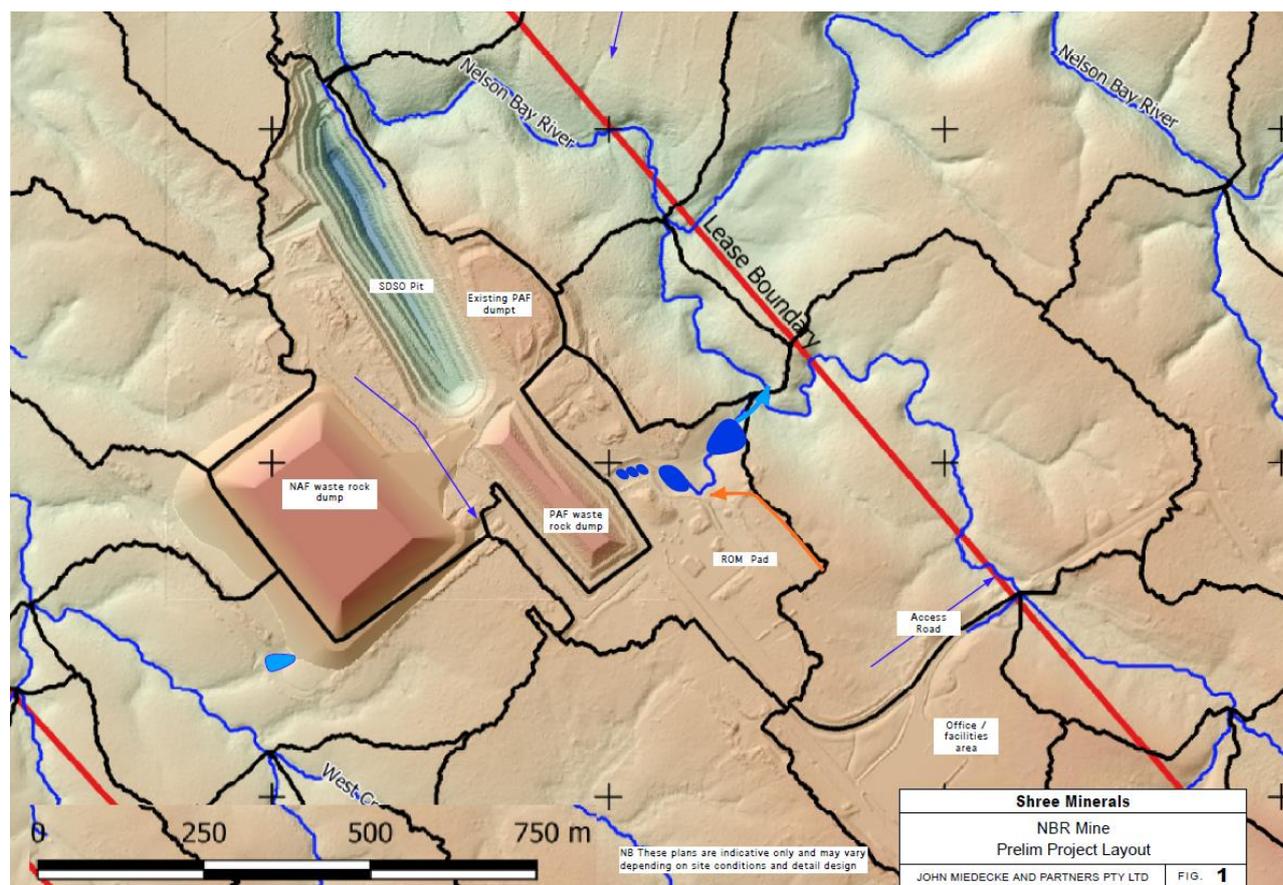
Shree's wholly owned Nelson Bay River Project ("NBR" or the "Project") including Mining Lease 3M/2011 is engaged in the mining and shipment of iron ore. NBR was previously producing a direct shipping product until being placed on care and maintenance since June 2014 following sharp iron ore price falls.

Following the recent improvement in Iron Ore Prices, the Company has commenced actively pursuing re-permitting activities forming part of development process of DSO project at NBR.

NBR DSO Project Development

The DSO requires no major processing beyond crushing and screening. It is then trucked to the port and shipped. The south DSO pit ("SDSO") was developed in 2013 with production commencement in November 2013 and first shipment in January 2014. The operation has been developed as an all contract mining, processing and haulage operation with local contractors in the region. The iron ore shipments totalled 181,000 tonnes historically. The NBR product (DSO Lump and Fines) has been very well received and is in demand by customers due to its low impurities like alumina (Al_2O_3) at only 1.3%.

Figure 1 shows the planned mine development on site. The main features are the SDSO pit and waste dumps. Other elements are the mine water treatment dams, ROM stockpile area and the facilities area.



Development Approvals for Mine

The Company applied to the Circular Head Council for a permit under the Tasmanian Land Use Planning and Approvals Act for the Direct Shipping Iron operations in August 2018. This was referred by the Council to the Tasmanian EPA who issued draft guidelines for public consultation and comment for preparation of a DPEMP (Development Proposal and Environment Management Plan). These Guidelines have now been finalized and final guidelines were issued during November 2018.

Consequently, Shree has initiated requisite technical studies. These studies are now either complete or near complete and the Company is aiming to complete the draft DPEMP in the near future. Final reports have been forwarded to the EPA in April 2019 as part of the assessment process. Some of the detailed technical studies include the following as per Figure 2:

Figure 2	Status
Waste Rock Characterisation : Geochemical sampling, test work, analysis and reporting	Completed
Waste Rock Characterisation : Geological modelling & estimation	Completed
Hydrogeology Modelling	Site visit completed ; Desktop data analysis & modelling progressing
Water Quality – test work, analysis & reporting	Progressing
Water balance (surface & Ground water) modelling	Waiting for inputs from hydrogeology
Ecology studies: Flora & fauna surveys	Completed – draft report received
DPEMP study management & Reporting	Progressing
Water Quality Assessment including receiving waters	Progressing
Traffic impact studies	Site visit completed ; Report expected soon
Mine planning	Progressing
Pit Stability study	Progressing
Greenhouse Emissions impact	Progressing
Hazard Risk Analysis	Progressing
Fire Risk Analysis & Management plans	Site visit completed ; Report expected soon

The company has engaged independent consultants & contractors who are very well regarded & respected in the Industry to carry out these studies. Summary highlights of some of these studies are provided below.

Waste Rock Characterisation

A detailed pyrite model was developed by using all the historical data from previous drilling and mining. This included over 450 waste rock samples analysed. Emphasis was placed on waste rock characterisation according to Sulphur content and acid forming potential.

Waste rock has been characterised after extensive testwork including both laboratory and column testing. Almost 4 years of column testwork has confirmed the proposed management approach of alkalinity addition to waste rock as the primary management tool. PAF waste rock will be managed by alkalinity addition, compaction and encapsulation.

Water quality

Shree has over 4 years of water quality data which was analysed for background water quality (ie receiving waters) and off site discharges. Site experience with alkalinity addition is being used to model water quality when operation resume. The proposed approach for the release of mine affected waters is alkalinity addition, on site storage, settlement (with flocs if required) and controlled release to the river at times when the receiving waters can meet the required standard. The control of any acid drainage is fundamental to the proposed strategy.

Hydro-geology

On site studies have been conducted and a hydro-geological model developed for the mine. Estimates of groundwater inflows into the pit during the mine life are being used in the water balance model. No adverse effects on surface or groundwater are anticipated.

Water balance and management

A detailed description and quantitative analysis of the water balance at the mine site, and at keys stages in the mine development is being developed. The water balance will include details of mine site surface water flows and water transfer routes, discharge points (storm related or otherwise), water requirements (including any freshwater input requirements), water storage facilities, groundwater recharge into the DSO pit, and waste rock dump seeps. This water balance will be used in the development of a water management plan, which as a

primary objective will minimize offsite effects from any discharges.

Flora and fauna

Flora and fauna survey have been conducted in February 2019. The report concludes that no potential impacts of the mine and associated infrastructure will impact directly on known occurrences of any species protected under the Tasmanian Threatened Species Protection Act 1995.

Figure 3 shows the vegetation mapping. Shree has recently during project planning, reduced substantially the mine “footprint” by reducing the size of the NAF waste dump to within the existing disturbance – so there will be no new vegetation disturbance.

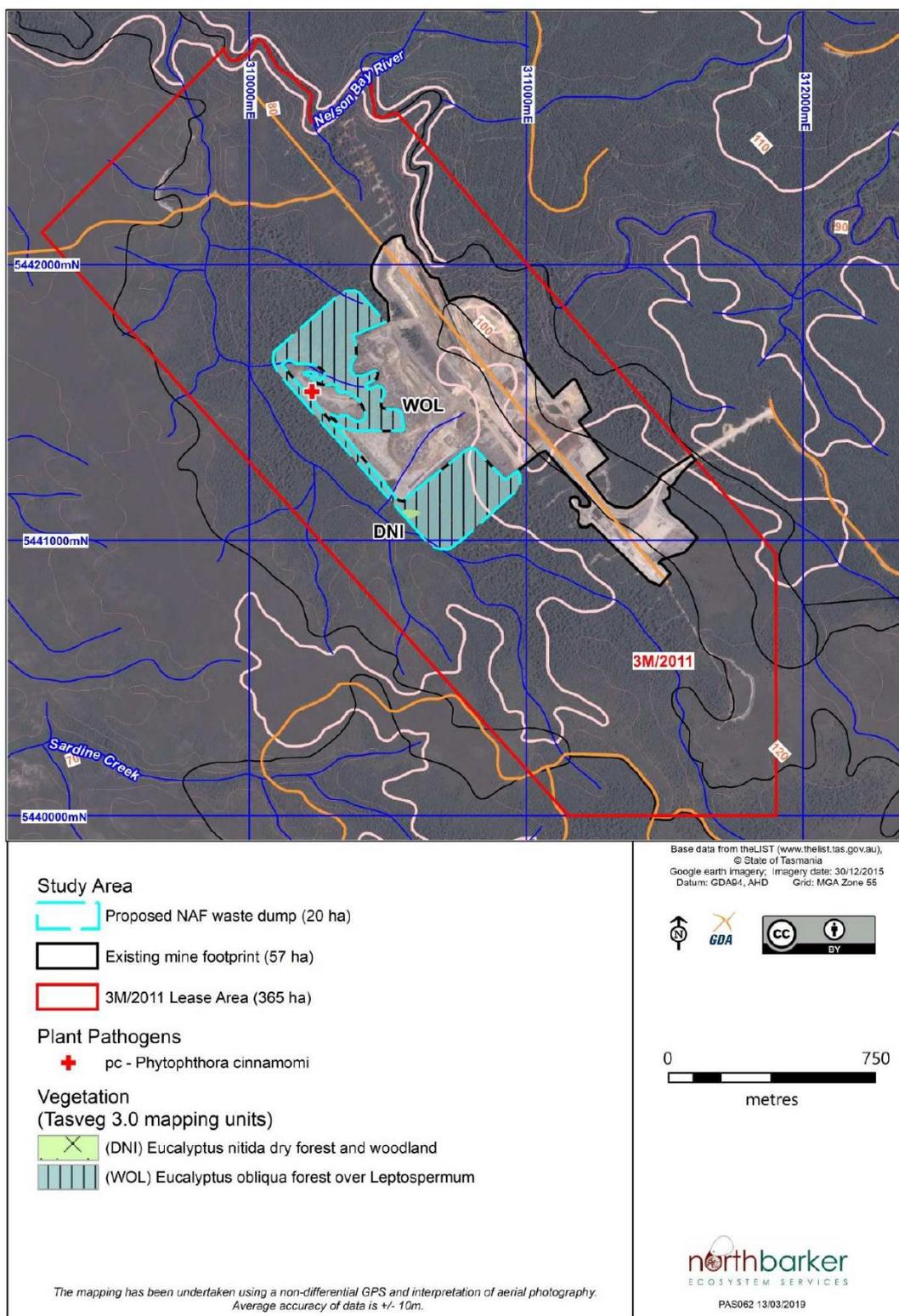


Figure 3 – Vegetation communities

Assessment Process

The company is focussed to complete the various studies & a draft DPEMP in the near future to enable the EPA assessment process to follow.

About Shree Minerals Limited

Shree Minerals Limited is an exploration and mine development company including being engaged in mining and production of iron ore and dense media magnetite at its Nelson Bay River Iron Project in the north-western Tasmania and Gold exploration at its Golden Chimney Project in Western Australia.

Contact Details

Sanjay Loyalka
Executive Director
+61 8 6150 7565

Davide Bosio
Non-Executive Director
+61 8 9263 5210