

## Quarterly Report

PERIOD ENDING 31 DECEMBER 2011

ASX Code: SHH

### Highlights of December Quarter

- The Pre-Feasibility Study (PFS) of Nelson Bay River Iron (NBR) Project confirms the viability of the project to be an iron ore producer in the North West Tasmania.
- Draft DPEMP & EIS finalised for Public exhibition.
- Development application lodged.
- Mining Lease application amended to add Category 3 products (construction minerals) as an additional category.

This report covers Shree Minerals' (Shree or the Company) exploration related activities for the quarter ended 31st December 2011.

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

[www.shreeminerals.com](http://www.shreeminerals.com)

# SHREE SHREE MINERALS LIMITED

Work performed during the Quarter

During the reporting period, following tasks were attended to:

Nelson Bay River Iron (NBR) Project: Pre-feasibility Study completed.

Study Findings

- The study confirms the viability of the project to become a producer of iron ore in North West Tasmania.
- The Project is located in close proximity to existing infrastructure within an established mineral province with active mining in the region of North West Tasmania.
- The Project has three types of resources: Direct Shipping Iron (DSO), Beneficial low-grade resource (BFO) and Magnetite resource
- The Company plans to mine the DSO first followed by beneficial low-grade magnetic goethitic-hematite (BFO) material, and then the magnetite resource.
- Feasibility study of DSO pit will be completed including updating of the resources based on 2011 drilling which based on observations are expected to increase DSO resources.
- The PFS study has highlighted a few areas requiring further technical input before commencing mining of deep magnetite resources. These studies will be attended to during the DSO & BFO production phase. These studies have the potential to improve project economics.

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

[www.shreeminerals.com](http://www.shreeminerals.com)

## NBR - Statutory approvals progressed

### Mining Lease

A mining lease application (MLA 3 M, 2011) which was submitted to Mineral Resources Tasmania earlier for Category 1 products (metallic substances) has been amended to add Category 3 products (construction minerals) as an additional category. This has been done to provide for the possible beneficial use of suitable parts of waste rock which Shree has identified as potential future opportunities for purposes, such as road base. Testwork has confirmed the characteristics of waste rock to required specifications for such use.

### Environment Protection and Biodiversity

#### Conservation Act 1999 (EPBCA)

The Company referred its proposal for developing a mine to the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (the Department) in February 2011. The Minister, the Hon Tony Burke MP, determined in March 2011 that the proposal was a controlled action and required the preparation of an Environmental Impact Statement (EIS) under Part 8 of the EPBC Act. Guidelines for preparation of EIS were issued in July 2011 following public consultation by the department. Draft EIS was submitted to the department & finalized for public exhibition period commencing in December 2011.

### Environmental Management and Pollution Control Act 1994

A Notice of Intent (NOI) was submitted on 23 March 2011 to the Board of the Environment Protection Authority's (EPA). In May 2011, EPA issued Guidelines for the preparation of a Development Proposal and Environmental Management Plan for Shree Minerals – Nelson Bay River Magnetite Mine, Tasmania in May 2011. Draft DPEMP was submitted to the EPA & finalised for public exhibition period commencing in December 2011.

Development application was lodged with the Circular Head council during the quarter.

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

[www.shreeminerals.com](http://www.shreeminerals.com)

## Sulphide Creek (EL 43/2008)

To date desk studies and exploration work has confirmed presence of "gold mineralisation" from near surface to depths greater-than 180 m at the tenement. Moreover, the occurrence of gold mineralisation in the area is attributed to hydrothermal activities. Therefore, the Company decided to get in depth knowledge on the mineralising processes and has commenced work on getting the available core (1,877 m) logged using HyLogger.

The HyLogger uses reflectance spectroscopy and high-resolution imagery to scan drill core and identifies various minerals common to many geological units and hydrothermal alteration assemblages.

## Mt. Bertha (EL 42/2004)

Desktop Geological studies & Geophysical studies have identified few targets for further exploration. Accordingly, a works program was submitted to MRT during the quarter for Field geological reconnaissance including track cutting for access and stream & soil sampling.

## Other Tenements

Shree Minerals' exploration activities for the Quarter in review were confined to those referred to in this report. However, the Company can report that all other tenements remain in good standing and meet statutory requirements.

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

[www.shreeminerals.com](http://www.shreeminerals.com)

## Proposed Work Program for Q1 - 2012

For Q1, 2012 the following activities are planned:

- Planning of exploration programs for NBR, Rebecca Creek, Mt Sorell, Mt Bertha and Sulphide Creek tenements;
- Finalise estimation of resources at NBR based on 2011 drilling;
- Review of data from other tenements;
- Progress Statutory approvals for NBR Project and;
- Attending to statutory reporting related to the Company operations.

Yours faithfully

Sanjay Loyalka

Chairman

### **About Shree Minerals**

Shree Minerals Limited is a multi-commodity exploration company which listed on the ASX. The Company has project interests in iron, gold, and base metals. All tenements are in Tasmania. The Company currently has one core project in Tasmania; the Nelson Bay River Iron Project in the North West

*The information in this report that relates to Exploration Results, Minerals Resources or Ore Resources is based on information compiled by Mr Mahendra Pal who is a Fellow of the Australasian Institution of Mining and Metallurgy, Australia and a Member of the Society of Geoscientists and Allied Technologists, India. Mr Pal is a member of the Shree Minerals Board (Non-Executive Director) and has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Pal consents to the inclusion of this report of the matters based on his observations in the form and context in which it appears.*

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

[www.shreeminerals.com](http://www.shreeminerals.com)