



SHREE MINERALS LTD

Nelson Bay River Iron DSO Project Progressing Permitting Process

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- Updated draft Development Proposal & Environment Management Plan (DPEMP) submitted to Environmental Protection Agency, Tasmania ("EPA") involving additional studies including
 - Process Systems Engineering
 - Design for Mining Stages
 - Trigger Action Response Plan for water discharge
- Independent expert review of proposal completed

Shree Minerals Ltd ("Shree" or the "Company") is pleased to announce progress on the re-permitting of the Nelson Bay River Iron Project (NBR) in Tasmania

The Company has submitted an updated DPEMP for the Direct Shipping Ore ("DSO") project at NBR to Environmental Protection Agency, Tasmania (EPA).

This follows comments received from EPA in June 2021 on the previous draft DPEMP submitted in January 2021.

Consequently, further engineering plans (including process systems study including preparation of P&ID diagrams, designs for various mining stages etc), additional clarifications on management plans (including preparation of a Trigger Action Response Plan for water discharge strategy) etc have been provided in the updated DPEMP.

DPEMP preparation has involved a multi-disciplinary exercise. Some of the detailed technical studies for preparation of DPEMP are reflected in Table 1.

An Independent Expert Review of the Updated draft DPEMP has also been carried out over the last few weeks prior to lodgement with EPA.

The Company expects this will enable the EPA assessment process to follow. The Company's understanding of the expected process including steps taken to-date are as per figure 1

On that basis, the company hopes to be in a position to consider a formal decision for recommencement of the mine, once the environmental permit is granted.

The Company remains committed to driving value for Shareholders and looks forward to updating the market as it continues to progress the iron ore project towards recommencement in a very strong macro environment for producers.

Iron Ore prices while volatile, are forecast to remain at healthy levels. 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. As Iron Ore Prices remain healthy, there has also been a substantial reduction in discounts for medium grades Iron Ore such as the 58% Fe that the Company's DSO product. There has been further improvement in premiums for material with lower impurities like low alumina (like the NBR DSO product) as Chinese authorities continue emphasis on environment control.

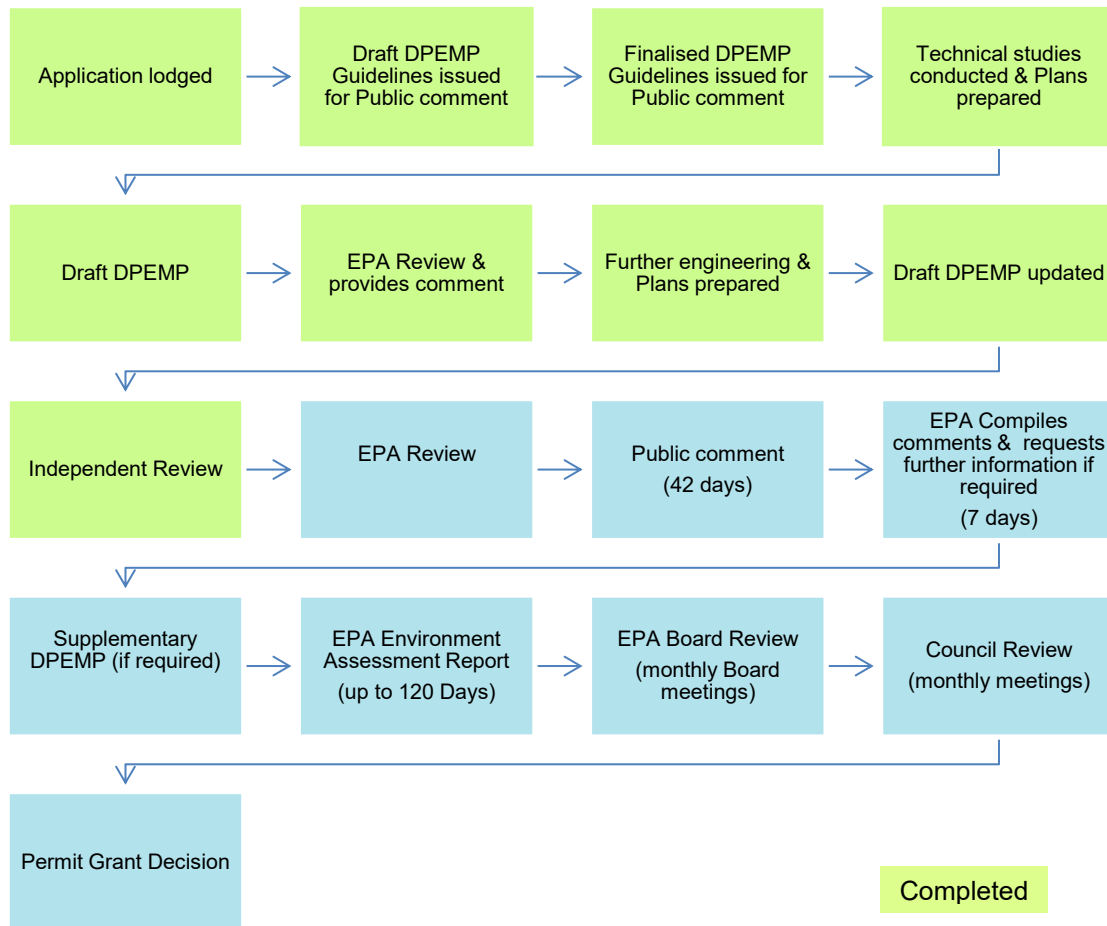


Figure 1: Estimated Permitting Process for Environmental Approval

Table 1: Technical Studies for DPEMP
Waste Rock Characterisation: Geochemical sampling, test work, analysis and reporting
Waste Rock Volume estimation: Geological modelling & estimation
Hydrogeology studies & Modelling
Water Quality – analysis & reporting
Water treatment test work including toxicology studies
Water balance (surface & Ground water) modelling
Infrastructure design & engineering
Ecology studies: Flora & fauna surveys
Process systems design & engineering
Traffic impact studies
Mine Design, planning & Scheduling of Ore production & Waste Extraction
Pit Stability study
Greenhouse Emissions impact
Hazard Risk Analysis
Fire Risk Analysis & Management plans
Mine Closure Plan
Trigger Action Response Plan for Water discharge
PAF waste rock identification & segregation handling Plan
Environmental monitoring Plan

Background

NBR Project (Mining Lease 3M/2011) is located in the far north-west of Tasmania and is approximately 150km from the Burnie Port. The location of the Mining Lease 3M/2011 is shown in Figure 2.



Figure 2: Location Plan – NW Tasmania

The Project is within an established mineral province in the region. Operating mines include Grange Resources' (ASX: GRR) Savage River Iron Ore.

The Direct Shipping Ore (DSO) project at NBR is an all-contract mining, processing and haulage operation using local contractors in the region. It requires no major processing beyond crushing and screening after which the ore is then trucked to the port and shipped. It was developed in 2013 with the first shipment of ore leaving the Port of Burnie in January 2014. NBR project was placed on care and maintenance in June 2014 following sharp iron ore price falls.

With the improvement in the iron ore price since mid-2018, the Company has been actively working to re-permit the NBR. The strategy has been to recommence the production of the DSO resources from the existing open pit at NBR. To resolve legal issues with the existing permit, the Company applied for a new Tasmanian environmental permit covering the DSO operations. After public consultation in November 2018, the EPA issued guidelines for the preparation of a DPEMP. Working towards adopting this framework, the Company has completed the requisite technical studies to develop a draft of the DPEMP.

Disclaimer

Shree Minerals Limited has prepared this announcement based on information available to it at the time of preparation.

This announcement contains a number of forward-looking statements. Such statements may include, but are not limited to, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment, the timing of new projects, statements with regard to the “Estimated Permitting Process for Environmental Approval” as per Figure 1 which is as per the Company’s subjective interpretation based on discussions with the Tasmanian Government. Known and unknown risks and uncertainties, and factors outside of Shree’s control, may cause the actual results, performance, and achievements of Shree to differ materially from those expressed or implied in this announcement.

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The release of this document to the market has been authorised by the Board of Shree Mineral Ltd