



SHREE MINERALS LTD

NBR DSO Project Permitting Advances

ASX Announcement
13th October 2021

❖ **Development Proposal & Environment Management Plan (“DPEMP”) accepted by Environment Protection Agency, Tasmania (“EPA”) for public consultation.**

❖ **The intent is to advertise permit application on or about 23 October 2021, for a period of 42 days**

ASX Code SHH

ACN 130 618 683

COMPANY DIRECTORS

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Shree Minerals Ltd (“Shree” or the “Company”) is pleased to announce that DPEMP for the Direct Shipping Ore (“DSO”) project at Nelson Bay River Iron Project (“NBR”) in Tasmania has been accepted.

EPA has advised the Company that the DPEMP has been prepared in accordance with the guidance provided by Board of the Environment Protection Authority (“the Board”) under section 74(3) of the Environmental Management and Pollution Control Act 1994 (“EMPC Act”) and is taken to be lodged under section 27F(1A).

EPA has advised the Circular Head Council to advertise permit application DA 18/059 and call for public representations. It understands that Council intends to do so on or about 23 October 2021, for a period of 42 days.

Once the public consultation period has ended, the Company may be required to provide additional information to address environmental issues that may arise during this period.

Mr. Sanjay Loyalka, Director said *“the acceptance of the DPEMP by the EPA is an important milestone in the permitting process of DSO project. It is the culmination of extensive technical studies by the Company & its consultants & we look forward to advancing the NBR project”*.

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 1.



Figure 1: 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 (Figure 2). 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.

Historical production from the previous mining campaign totalled 181,000 tonnes shipped with average grades of Fe 57.5%, SiO₂ 7.7%, Al₂O₃ 1.3%, P 0.07% and S 0.04%. Demand from historic customers was driven by positive metallurgy, specifically low impurities like alumina (Al₂O₃) and phosphorus (P).

The historic price received for NBR ore was enhanced with a premium for low impurities and for Lump Ore in line with market benchmarks. Historic costs during FY 2014 when the mine was last in production was approximately AUD \$ 72 per ton FOB Burnie Port (as derived from 2014 Annual Report to Shareholders).

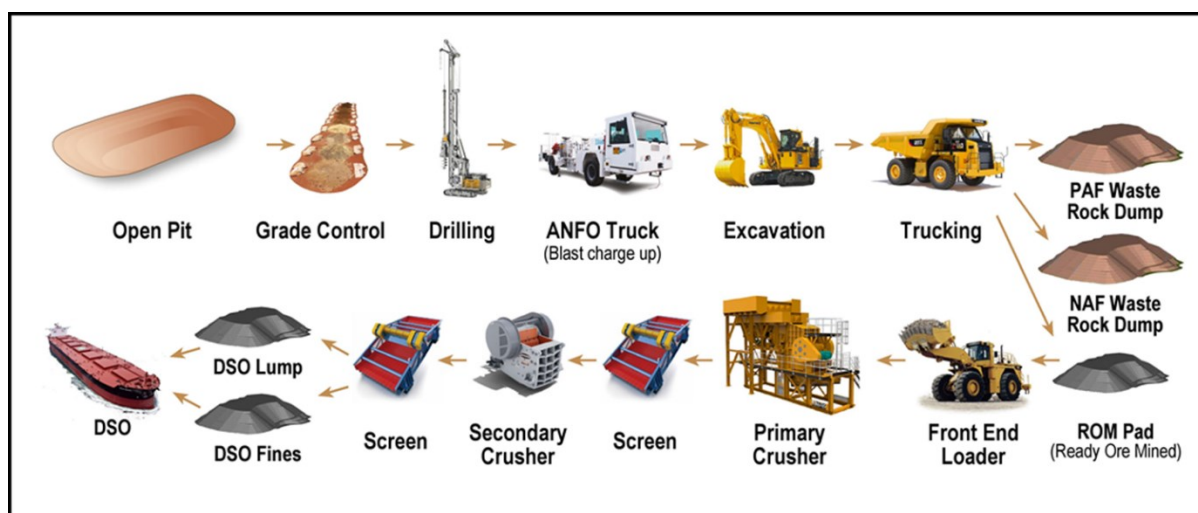


Figure 2: NBR DSO Flowchart

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.

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

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

An Independent Expert Review of the DPEMP has also been carried out prior to lodgement with EPA.

The Company's understanding of the expected permitting process including steps taken to-date are as per Figure 3

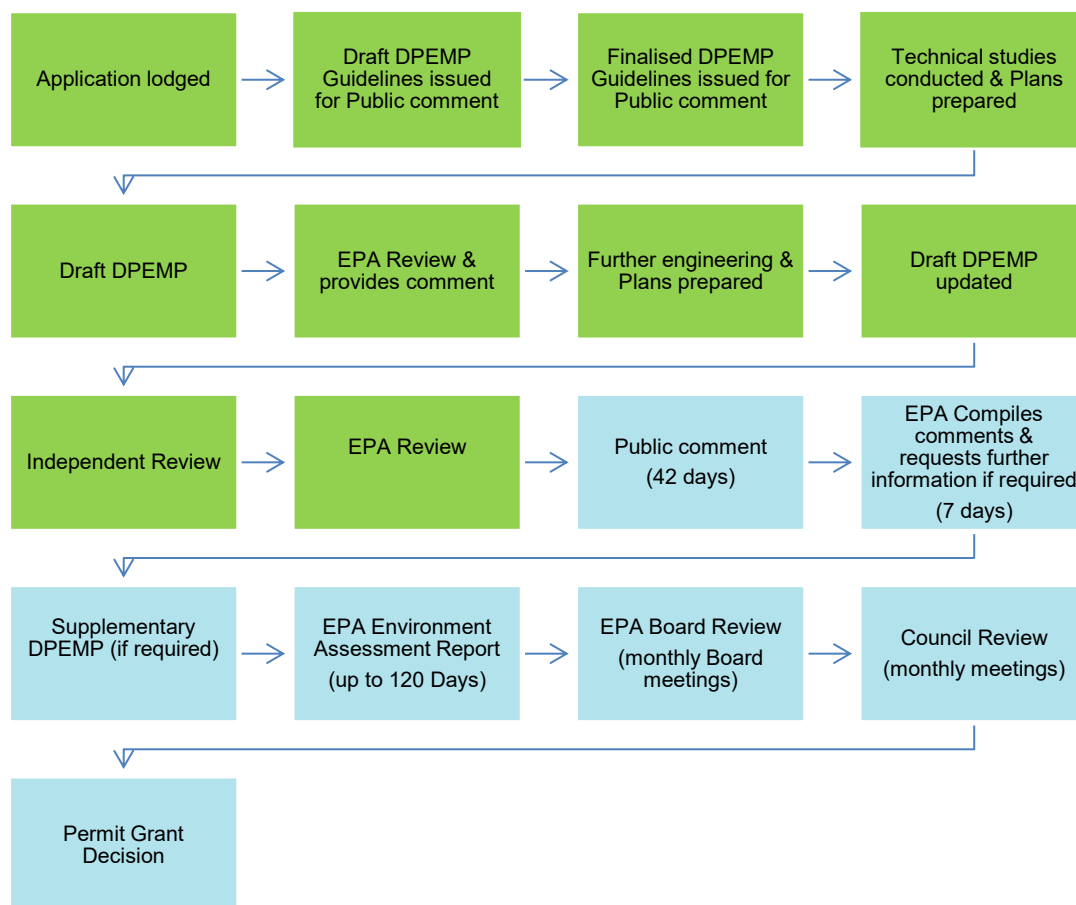


Figure 3: Estimated Permitting Process

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

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 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.

The DSO pit is some 25% complete, with waste rock materials deposited in two dumps designated as the Non-Acid Forming (“NAF”) waste rock dump and the Potentially Acid Forming (“PAF”) waste rock dump.

Figure 4 shows the existing mine development on site. The main features are the DSO pit and waste dumps. Other elements are the mine water treatment dams, ROM stockpile area and the facilities area.

Figure 5 shows the proposed development at completion of the DSO pit. The existing clearance on site is appx 63.9 ha. Additional clearing 3.15 ha for Mine Water Dam and RoM stockpile area on previously burnt-out area (during bush fires)



Figure 4: Existing development NBR DSO project

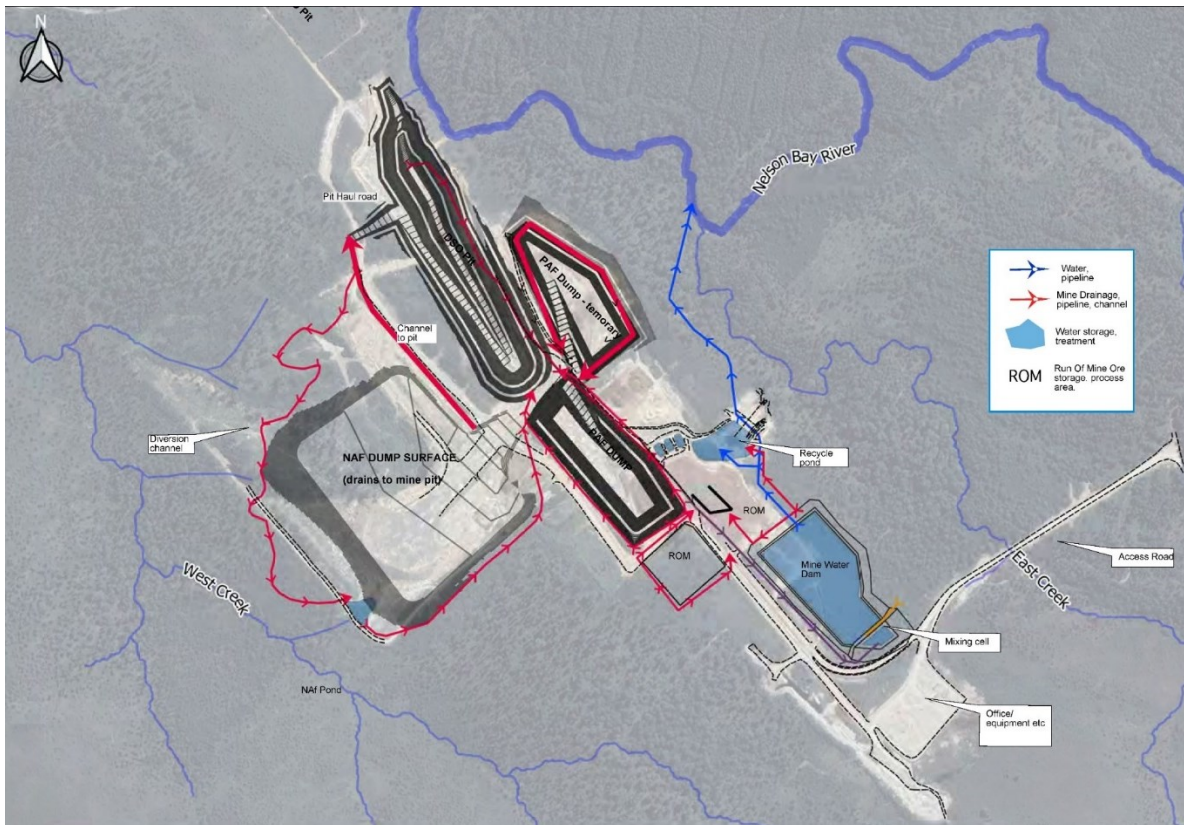


Figure 5: Proposed development NBR DSO project

The next stage after completion of DSO pit will be the north pit that targets the main magnetite ore body. At the top of this pit, there is an approximate 20 metre section of higher-grade ore - the beneficial oxide resource ("BFO"). This will require only dry magnetic separation in addition to crushing and screening before shipping. The BFO operation is a transition between the DSO operation and the magnetite production stage. The BFO circuit will require only a nominal capital expenditure of circa A\$1 million. The BFO section is fed by a -3mm size ore stream, which is upgraded by dry Low Intensity Magnetic Separation ("LIMS"). Test work by crushing and passing the ore over a coarse LIMS unit at 600 gauss pass produced an upgraded product with grades Fe 57.5%, SiO₂ 11.5% and Al₂O₃ 1.55% at 82.3% mass recovery.

For the magnetite project, completed studies have mine planning for an open pit that will extract ore for processing through a local plant that will include circuits to grind, mill, magnetically separate to produce high grade magnetite concentrate for Blast Furnace Pellets ("BFP") and Dense Media Magnetite ("DMM"). Magnetite Pellets fetch a premium to hematite iron ore as they are higher grade and allow for less energy consumption in blast furnace.

Resources

NBR has a JORC compliant global iron Mineral Resource of 11.3Mt, including goethitic-hematite Mineral Resource of 1.4Mt and Magnetite Mineral Resource of 7.8Mt. The Resource & Reserve tables are attached in Annexure 1.

Exploration

The current Resource at NBR covers approximately 1km in strike length of goethite-hematite mineralisation including approximately 400 metres of magnetite. It is based on drilling at the northern end of the strike line, where magnetic survey work indicated that the main strike line of mineralisation extends for at least 2,300 metres and is open along strike and at depth. The mineralisation in some cases is deeper than 300 metres.

A study of ground magnetics by Shree and the Tasmanian Government's airborne magnetic survey data suggests that the strike length of iron mineralisation at NBR extends to in excess of 2.3km. Mineralisation remains open along strike and down dip and in some parts extends to greater than 300 metres in depth.

The 3D Magnetic Inversion study based on aeromagnetic data from Mineral Resources Tasmania ("MRT") suggests continuity between the Main Body (Northern Anomaly) and the South Anomaly, but with in-between areas of non-magnetic material that could be inferred to be oxide mineralisation (Figure 6). Scattered detrital gossan fragments were noticed during recent reconnaissance in the Southern Anomaly area. The modelling indicates substantial continuation at depth of the magnetite-bearing ultramafic dyke.

This provides exploration upside for Shree. In addition to the NBR deposit, four additional targets have been identified from airborne magnetic surveys on the project area and remain to be drill tested.

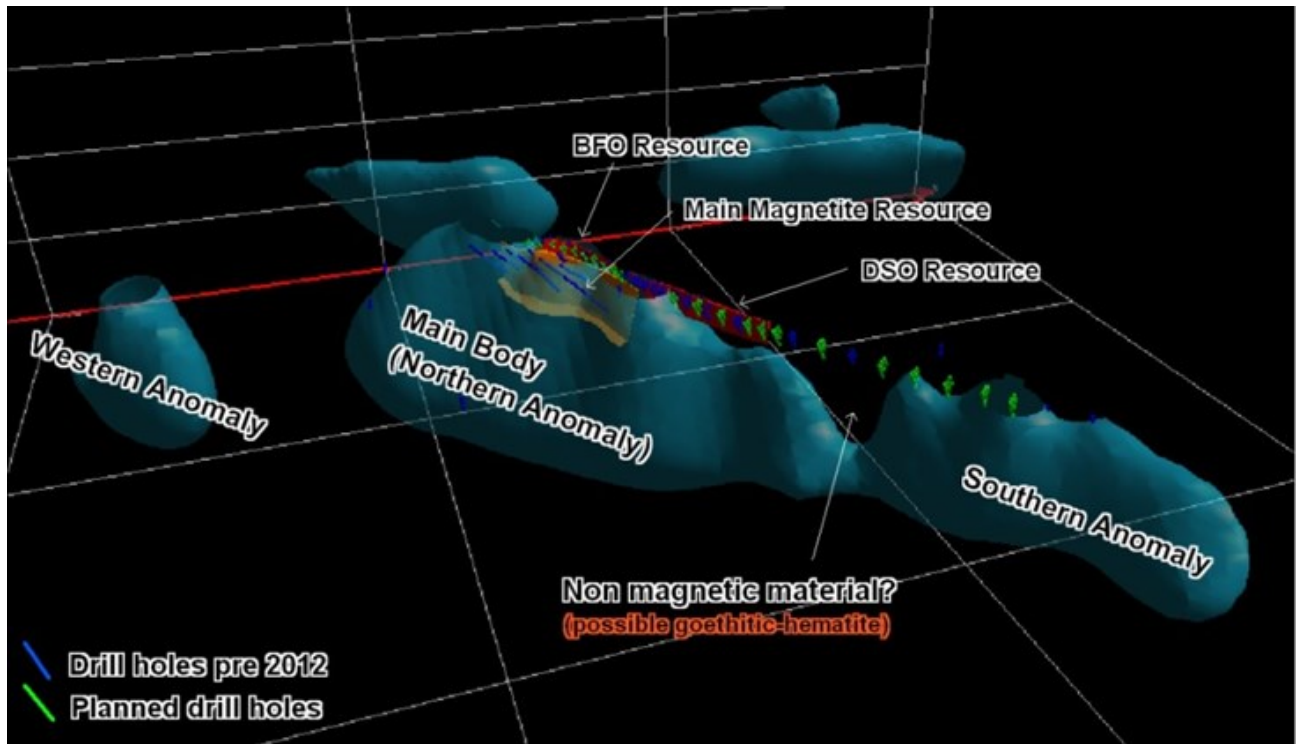


Figure 6: 3D Magnetic Inversion Study (Source: SHH)

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 ” as per Figure 3 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.

No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this document, nor the future performance of Shree, and will not be responsible for any loss or damage arising from the use of the information. To the maximum extent permitted by law, Shree Minerals Limited, its related bodies corporate and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

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

Annexure 1

Resource & Reserves

Mineral Resources & Reserves Estimates, summarised by JORC classification are as follows:

The in-situ DSO Mineral Resource Estimates, September 2015

Category	Tonnes	Fe %	Al ₂ O ₃ %	P ppm	S ppm	SiO ₂ %	LOI %
Measured	300,000	57.6	1.3	947	362	9.2	6.4
Indicated	190,000	57.5	1.4	919	377	9.3	6.3
Inferred	150,000	57.3	1.2	945	421	10.0	6.2
Total	640,000	57.5	1.3	938	380	9.4	6.4

(Nominal 54% Fe cut off; average density 3t/m³; minor rounding errors)

BFO Resource Estimates 2012

Category	Tonnes	Fe %	Al ₂ O ₃ %	P ppm	S ppm	SiO ₂ %	LOI %
Inferred	730,000	46.8	2.7	180	680	23.7	4.7
Total	730,000	46.8	2.7	180	680	23.7	4.7

(30% Fe cut off; average density 3t/m³; minor rounding errors)

"This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported."

Skarn Dyke Global Iron Resource Estimates (Includes Magnetite Resource)

Category	M Tonnes	Fe %
Indicated	1.8	38.6
Inferred	9.5	35.9
Total	11.3	36.3

(30% Fe cut off, fresh rock material; minor rounding errors)

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Skarn Dyke Recoverable Magnetite Resource Estimates

Category	M Tonnes	DTR Mag %	Magnetite Kt
Indicated	1.7	38.5	667
Inferred	6.1	38.2	2,324
Total	7.8	38.3	2,991

(20% DTR cut off; average density 3.71t/m³; fresh rock material; minor rounding errors)

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Magnetite Resource Estimate Concentrate Grades

Category	Fe %	Al ₂ O ₃ %	S %	SiO ₂ %
Indicated	66.4	0.16	0.21	4.6
Inferred	64.3	0.31	0.42	6.0

Total	65.5	0.22	0.30	5.2
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In situ DSO Ore Reserve Estimates for the Southern DSO pit, September 2015

Category	M tonnes	Fe %	Al₂O₃ %	P %	S %	SiO₂ %	LOI %
Proved	0.27	56.5	1.4	0.091	0.035	8.7	6.5
Probable	0.19	56.5	1.5	0.092	0.036	8.8	6.5
Total	0.46	56.5	1.4	0.091	0.035	8.7	6.5

(Minor rounding errors; cut off based on a nominal 54% Fe; default density of 3t/m³)

Competent Person Statement

The information in this report that relates to Mineral Resources is based on information evaluated by Mr Simon Tear, who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). And who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“the JORC Code”). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Ore Reserve Estimates for the Nelson Bay deposit is based on information evaluated by Mr Richard Beazley who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (MAusIMM CP(Min)) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”). Mr Richard Beazley is the Principal of Altair Mining Consultancy Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.