

## Quarterly Report

PERIOD ENDING 31 DECEMBER 2014

ASX Code: SHH

### Highlights

- NBR operations continue under care & maintenance

This report covers Shree Minerals' (Shree or the Company) activities for the quarter ended 31<sup>st</sup> December 2014.

### Nelson Bay River Iron Project (NBR)

### Mining & Production

		Quarter ending 31/12/2014	Quarter ending 30/9/2014	Year to date period ending 31/12/2014	Year to date period ending 31/12/2013
Waste Stripping	BCM	-	-	-	127,752
Ore Mining	Tonnes	-	-	-	52,173
Ore Crushing & screening	Tonnes	-	-	-	45,313
Sales	Tonnes	-	-	-	-

- Suspension of operations & care & maintenance activities continued.
- While Iron ore prices continued to drifted lower during the quarter , there have been some favourable macro price movements in recent times :
  - The price differential of 62% Fe & 58% Fe product has narrowed
  - The Lump premium has strengthened
  - The ocean freight has come down consequent to Oil prices movement
  - US dollar has strengthened versus the Australian dollar effectively increasing our realised prices in AUD terms

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- We understand that, EPA Tasmania's variation of the Environment permit in Nov'13 to allow a temporary PAF rock permit for DSO south pit has been found invalid in a judicial review by Court in Dec'14. The company hopes this to be resolved through due administrative process. All government approvals (other than variation pertaining to temporary PAF rock permit for DSO south pit) for the project ( such as Mining Lease , Federal Government Environmental Approval, Tasmanian Government 's Environment & Development permits etc) remain valid .

## Recap

As previously advised , Mine Plans & Management plans are updated periodically to update mine plan estimates & modelling progressively & appropriate approvals taken thereof. Further drilling and modelling in 2013, subsequent to the original DPEMP (Development Proposal & Environment Management Plan) & EIS (Environment Impact Statement) prepared in 2011 has provided a better understanding of the DSO resource, which is now known to be larger than originally thought. This will support a larger and deeper DSO pit, which in turn has increased the overall ore & waste volumes to be excavated. Further , the modelling in 2013 also took a precautionary measure to minimise risk of potential acid forming waste rock ( PAF) segregation from other non acid forming waste rock (NAF) by including areas which are only partially mineralised with pyrite but represent all the potential PAF material. These two factors (increased mining quantities and precautionary modelling of increased proportion of PAF waste) combined result in following together for all phases ( DSO , BFO , Magnetite ) :

Estimates	Mine Life (years)	Total Ore Mining (tonnes)	Total waste rock Mining (M3)	Total PAF waste rock Mining (M3)	% of PAF waste rock as % of total waste rock
2011	10	3,836,079	11,673,545	1,675,679	14.35%
2013	10.7	4,111,101	12,796,725	1,891,950	14.78%
Change (%)	7%	7%	10%	13%	

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## Tenements

- The mining tenements held at the end of quarter and their location.

<u>Mine Lease/ Exploration License</u>	<u>Locality</u>	<u>Remarks</u>
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
EL41/2004	Nelson Bay River	100% Shree Minerals Ltd
EL42/2008	Mt.Sorell	100% Shree Minerals Ltd

- The mining tenements acquired and disposed of during the quarter and their location.  
NIL
- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.  
NIL
- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.  
NIL

## Exploration

Desk top analysis & reporting during the quarter.

## About Shree Minerals

Shree Minerals Limited is engaged in mining and production of iron ore & dense media magnetite at its core project; the Nelson Bay River Iron Project in the North West Tasmania and engaged in exploration of its other tenements in Tasmania.

## ABOUT THE NBR PROJECT

The NBR Project area is located about 6 km North East of the town of Temma and about 70 km South West of Smithton, in North West Tasmania.

The tenements contain a series of NW striking, strong amplitude magnetic anomalies. The iron mineralisation at NBR is hosted by a 10 to 28 metres wide mafic dyke, which crosses cuts the country rocks and increases in width with depth. Within

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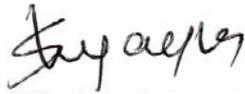
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this dyke is a magnetite-rich section and oxidation of the magnetite has generated goethite-hematite mineralisation to varying depths.

The NBR project is being developed in a phased philosophy with the initial plan to mine the goethitic-hematite resource to export iron ore over the first couple of years at low capital expenditure to be followed by the magnetite resource to produce dense media magnetite (DMM) used for the coal washery industry.

Studies to-date have reflected a stable market and pricing for DMM as an industrial mineral in Eastern Seaboard of Australia with domestic production not being adequate to meet demand resorting to imports , thereby confirming the long-term value potential of the NBR project.

Yours faithfully



Sanjay Loyalka

Chairman

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