

## Shree Minerals Company Update

### Feasibility study commissioned at Nelson Bay River Project

Shree Minerals Limited (ASX: SHH) ("Shree" or the Company) is a Perth based multi-commodity exploration and development company which listed on the Australian Stock Exchange on 16<sup>th</sup> February 2010.

The Company has exploration interests in iron, gold, coal, and base metals. It currently has two core projects; Nelson Bay River Iron in the North Western Tasmania and Catamaran Coal in the South West Tasmania.

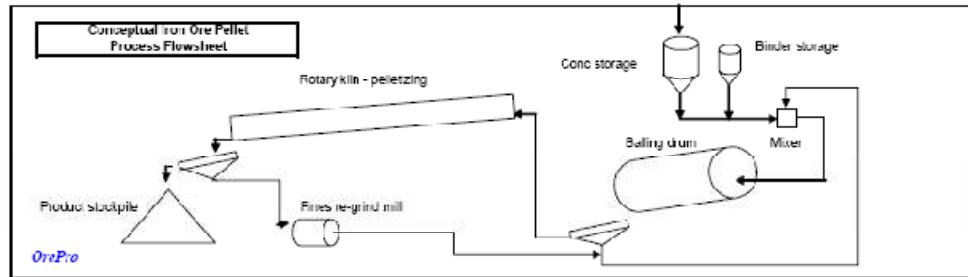
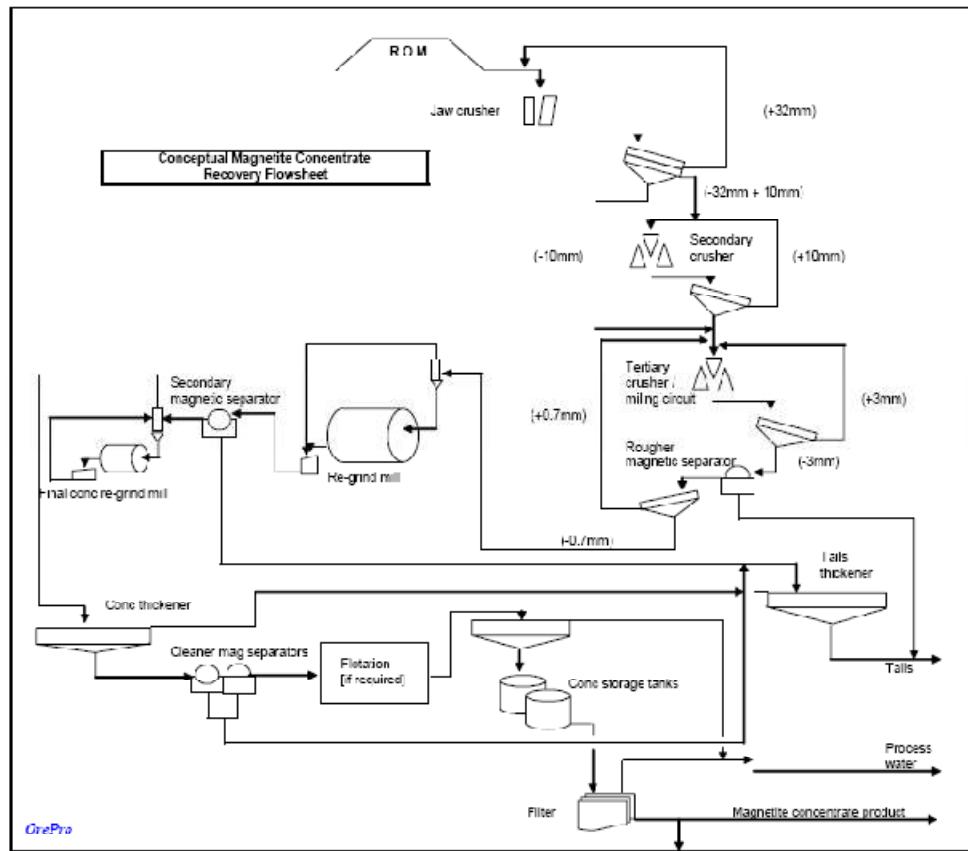
The Minserve Group has, in March 2010, completed a review of the conceptual study completed on Nelson Bay River Iron project and the Company has now commissioned Minserve to complete the Feasibility Study.

#### Highlights

- Nelson Bay River Magnetite Deposit has a current JORC compliant Resource of 6.9Mt of magnetite based on a 20% magnetite cut-off grade.
- The Company subsequently has carried out grab sampling and rock chip sampling in 2008 and diamond drilling in 2009 and believes the Nelson Bay River Project has potential to produce Direct Shipping Ore (DSO) with grades of greater than 60% Fe, and beneficiable material (magnetite) of greater than 38% Fe capable to produce concentrates suitable for coal washeries and / or high-grade pellets. These results will be updated in the Resource model in 2010 after the current drilling in progress.
- The Company is pleased to advise it has now commissioned a Feasibility study following a review by The Minserve Group Pty Ltd (Minserve). The results of the conceptual study estimate production of approximately 150,000 tpa of coal washery heavy media magnetite product with following outcomes:

<b>Coal Washery Magnetite</b>		
Annual Product Tonnes	t	150,000
Pit depth	m	225
Ore to Waste Ratio	m <sup>3</sup> /t	3
Product Recovery	%	38.2%
Annual Mill Feed	t	392,670
<b>Project Annual Surplus</b>		<b>\$12,293,874</b>
<b>Project Operating Surplus</b>		<b>\$203,504,600</b>
Capital Costs		\$25,000,000
<b>Project Surplus after Capital</b>		<b>\$178,504,600</b>
Project Life	Years	16.6

- The study also indicates the production of high-grade pellets as an alternative to coal washery heavy media magnetite product.



Conceptual Process Flowsheets – Concentrate & Pellet production

- The Company believes that the DSO ore production from the oxidised zone will further improve the economics substantially as well as the option of producing high grade pallets should be an attractive option.
- The feasibility study will be to establish open cut mining and site processing to produce:
  - DSO material from the oxidised zone and
  - coal washery heavy media magnetite product or magnetite pellet product as per the outcomes of the above mentioned study.

# SHREE

## About Shree Minerals

Shree Minerals is a Perth-based multi-commodity exploration and development company which was listed on the ASX in February 2010. The Company has interests in iron, coal, gold, and basemetals. All tenements are in Tasmania. The Company currently has two core projects in Tasmania; the Nelson Bay River Iron Project in the North West and the Catamaran Coal Project in the south.

Sanjay Loyalka  
Chairman  
Shree Minerals Limited