

27th November 2014

Chairman's address at the Annual General Meeting

Dear fellow shareholders,

Your company has made significant progress during the financial year, which has been witness to the Company's journey from explorer to an iron ore producer. It is also very pleasing to note that your company achieved development timelines and costs at benchmark levels.

The company notes with regret the impact of the inordinate delayed approvals of approx two years, moving the project start-up into the bottom of the commodity price cycle. The project has had to be suspended within six months of start-up and put under care and maintenance.

As the NBR project has been planned for a phased development, a normal approval time frame would have had the project well placed to execute the DSO phase at the right point in the cycle. This would underwrite the capital for the magnetite phase to produce dense media magnetite (DMM) used for the coal washery industry. Suppliers are few in number for the higher value DMM product and mining generally occurs on a small scale. This would suit the Nelson Bay Iron Project. Studies to-date have reflected a stable market and pricing for DMM as an industrial mineral in the 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.

The company acted proactively early in April 2014 to adjust the mine plan as the Iron Ore price was beginning to wind down, which enabled a quick reaction time in June for timely suspension when the price plunged. The project has been developed with a philosophy of being lean & efficient & consequently nimble footed. Further steps have been taken to conserve the cash resources as well as reduce cash costs while having the necessary preparedness to respond to improving price cycle when it emanates. The company believes the long term demand for the commodity remains robust due to growing urbanisation of the global population.

Shree will continue to review options to resume NBR operations by cost rationalisation as well as look at options to bring forward the development of the magnetite phase.

Shree continues to also explore at its other tenement at Mt Sorell. The exploration fieldwork has identified encouraging signs indicating presence of Volcanic Hosted Massive Sulphide (VHMS) system in the tenement area. A VHMS style deposit would be similar to Rosebery, Hellyer etc., while structurally controlled gold mineralisation related to major faulting would be similar to the style of Cu/Au mineralisation at Mt Lyell.

Your company continues to actively pursue its objective to create shareholder wealth by growing the company through acquisition of additional prospective mineral tenements in Australia and overseas.

Amidst the current challenging times, your Company is committed to high standards of business practices and optimisation of resources to progressing the company's projects. With modern mining practices and right mind set for 21st century commodity market, we see our company achieve its goal for all the share holders and stakeholders.

Shree would like to acknowledge the ongoing strong support of the local community in the northwest of Tasmania, Tasmanian Government, contractors, service providers, customers & shareholders.

Thank you.

Sanjay Loyalka
Executive Chairman

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