

Quarterly Report

PERIOD ENDING 31 MARCH 2013

ASX Code: SHH

Highlights of March Quarter

- Completion of 2656 m (2167 m RC and 489 m diamond) drilling along 48 drill holes (40 RC and 8 diamond) at the Nelson Bay Iron Project (NBR)
- Drilling mainly aimed to upgrade the resource category and further extend DSO resources/reserves, allowing development of a mine plan for DSO beyond the current production schedule of 2 years as well as for geotechnical engineering for mine design.
- Drilling confirmed mineralisation is open both along and across the strike and shows pinching and swelling pattern
- Necessary steps taken to complete approval conditions & other steps for Project implementation of NBR project.

This report covers Shree Minerals' (Shree or the Company) exploration related activities for the quarter ended 31st March 2013. During the reporting period, major emphasis was placed on tasks related to the development of Nelson Bay River Iron Project.

Unless otherwise stated, Company's interest in the tenements referred to in this report is 100 per cent and references to schedules are based on calendar year. Overall, all planned exploration work remains broadly on schedule.

Nelson Bay River Iron Project (NBR)

During the reporting period, the following tasks were attended:

Drilling

RC drilling at NBR planned for November 2012, due to non-availability of drill rig, commenced on 3 January 2013 and concluded on 12 March 2013. A total of 2167 m RC was drilling along 40 holes. Additionally, 488.8 m of HQ diamond coring along 8 holes was performed for geotechnical studies pertaining to DSO pit. The RC drilling was mainly to improve resource category and further extend DSO resources, allowing development of a mine plan for DSO beyond current production schedule of 2 years. The completed drilling is shown in Figure 1.

Significant intersections

RC resource drilling samples were sent for typical iron ore analysis. Only a portion of the analytical results have been received to-date. Significant assay intervals are given in Table 1.

Table 1: Significant iron ore intersections

Hole ID	Location (m)		Interval (m)	Grade (%)					
	From	To		Fe	SiO ₂	Al ₂ O ₃	P	S	LOI
NRC24	45	49	4	60.14	4.09	1.2	0.085	0.023	7.9
NRC25	61	68	7	60.21	4.88	1.42	0.063	0.015	7.04
NRC27	32	36	4	57.88	7.56	2.87	0.125	0.012	6.15
NRC28	56	60	4	59.55	10.23	0.77	0.049	0.074	3.29
NRC28	62	68	6	59.61	5.62	1.1	0.121	0.031	7.23
NRC29	13	18	6	59.96	4.92	0.99	0.087	0.026	7.61
NRC29	18	27	9	59.13	8.82	0.65	0.082	0.012	5.42
NRC31	38	45	7	58.21	8.19	0.98	0.071	0.041	6.42
NRC34	25	28	3	62.06	6.11	1.05	0.071	0.05	3.55
NRC49	24	29	5	58.248	11.49	0.81	0.023	0.046	2.87

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

www.shreeminerals.com

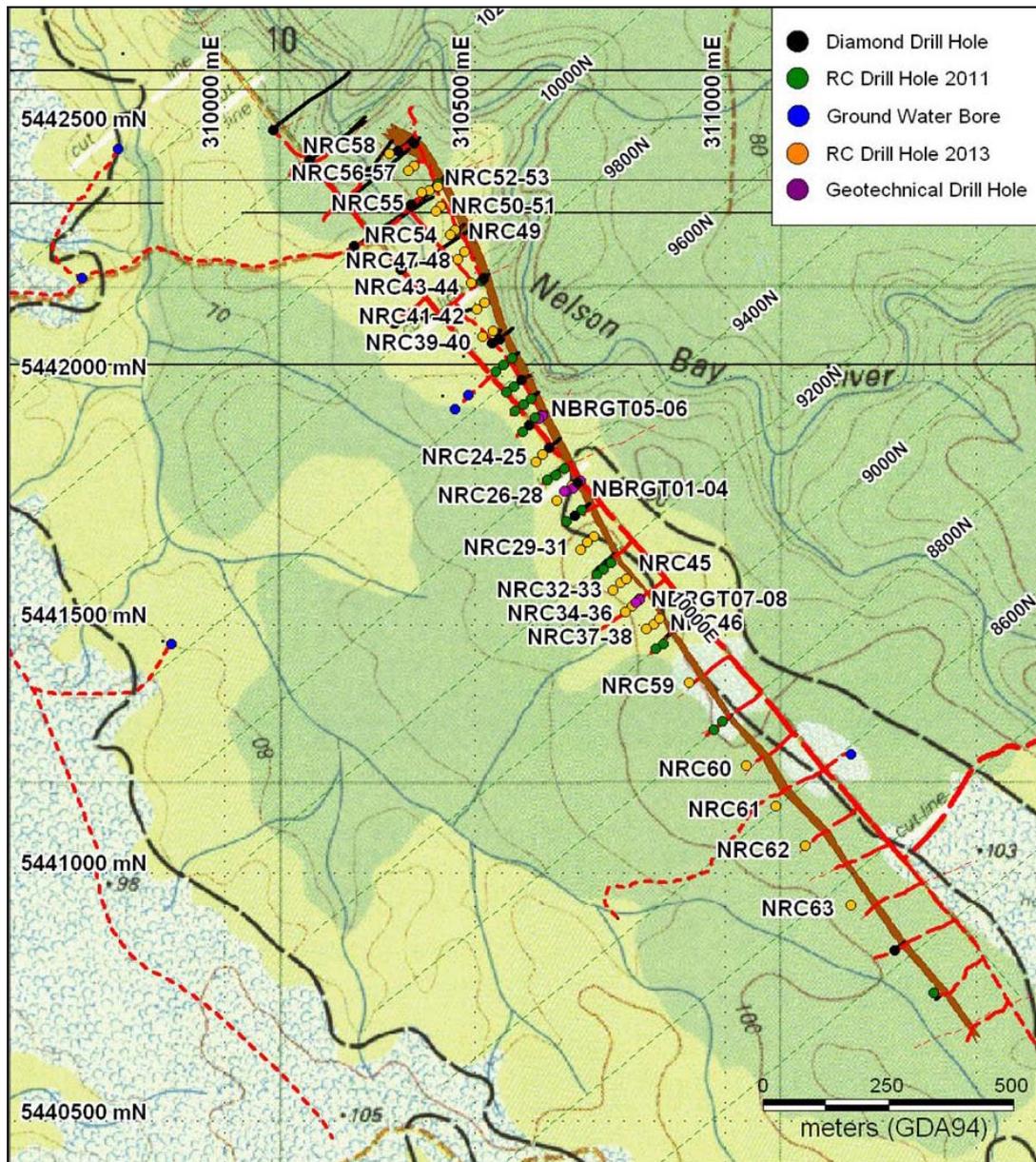


Figure 1: NBR 2013 drill hole (RC and geotech) plan

Project implementation steps initiated

Necessary steps have been taken for Implementation of Approval conditions (pre construction & development commencement) including preparation and approval of various Management plans (like Construction Environment Management Plan , Tasmanian Devil Monitoring Strategy , EPBC Species Management and Protection Plan, Biological Monitoring Plan , Dust Management Plan , Fire Management Plan , Environmental Management System), establishment of Fauna Habitat Protection Zone, Pre Clearance surveys etc.

SHREE MINERALS LTD, ACN 130618683

Unit 4, The Pines Business Centre,

86-88 Forrest Street, Cottesloe, WA6011

Phone: + 61 (08) 61612068; 92861509, FAX: +61 (08) 93855194

www.shreeminerals.com

SHREE SHREE MINERALS LIMITED

Steps have also been taken for recruitment of key personnel, engineering of various aspects, tenders for various contracts, agreements with various parties etc.

Approvals update

During the financial year 2012-13, all requisite approvals have been received to develop mine at Nelson Bay River Iron Ore Project including Mining Lease, Development Permit by the State Government including EPA Tasmania and the approval from the Australian Commonwealth Government, under EPBC ACT.

There was an appeal against the State planning and environmental permit which was dismissed by the Tasmanian Resource Management and Planning Appeal Tribunal has dismissed the appeal.

The company has now become aware that The Tarkine national Coalition has in April 2013, made an application for a judicial review of the decision made on 18th December 2012 by the Federal Environment Minister to approve the NBR project under the Environment Protection and Biodiversity Conservation Act. The company hopes that the issue will be dealt through due process.

Outlook

The Company is working towards implementation of NBR project. It plans to mine the DSO first, followed by Beneficiable Iron Ore (BFO) material, and then the magnetite resource.

Additionally, at the adjoining Rebecca Creek tenement (in view of the recent 3D magnetic modelling study) a ground magnetic survey of the tenement land and reconnaissance geological mapping are planned.

Sulphide Creek - EL43/2004

At Sulphide Creek, no fieldwork was carried out. Assay results from fieldwork conducted in November 2012 have been received. Due to Consultant's heavy commitments elsewhere, analysis of 78 rock chip samples collected for HyLogger analysis are pending and will be attended to during second half of 2013.

Other Tenements

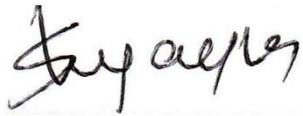
Shree Minerals' exploration activities for the Quarter in review were confined to those referred to in this report. However, the Company can report that all other tenements remain in good standing and meet statutory requirements.

Proposed Work Program for Q2 - 2013

For Q2, 2013 the following activities are planned:

- Continue study of information acquired on Mt Sorell, Mt Bertha and Sulphide Creek tenements and planning of appropriate further exploration work for these tenements;
- Review of data from other tenements;
- Continue steps for implementation of NBR Project

Yours faithfully



Sanjay Loyalka

Chairman

About Shree Minerals

Shree Minerals Limited is a multi-commodity exploration company, which listed on the Australian Stock Exchange (ASX). The Company has project interests in iron, gold, and base metals. All tenements are in Tasmania. The Company currently has one core project; the Nelson Bay River Iron Project in the North West Tasmania

The information in this report that relates to Exploration Results, Minerals Resources or Ore Resources is based on information compiled by Mr Mahendra Pal who is a Fellow of the Australasian Institution of Mining and Metallurgy, Australia and a Member of the Society of Geoscientists and Allied Technologists, India. Mr Pal is a member of the Shree Minerals Board (Non-Executive Director) and has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Pal consents to the inclusion of this report of the matters based on his observations in the form and context in which it appears.