

30th August 2010

Excellent drilling results at Nelson Bay River Iron Project (NBR)

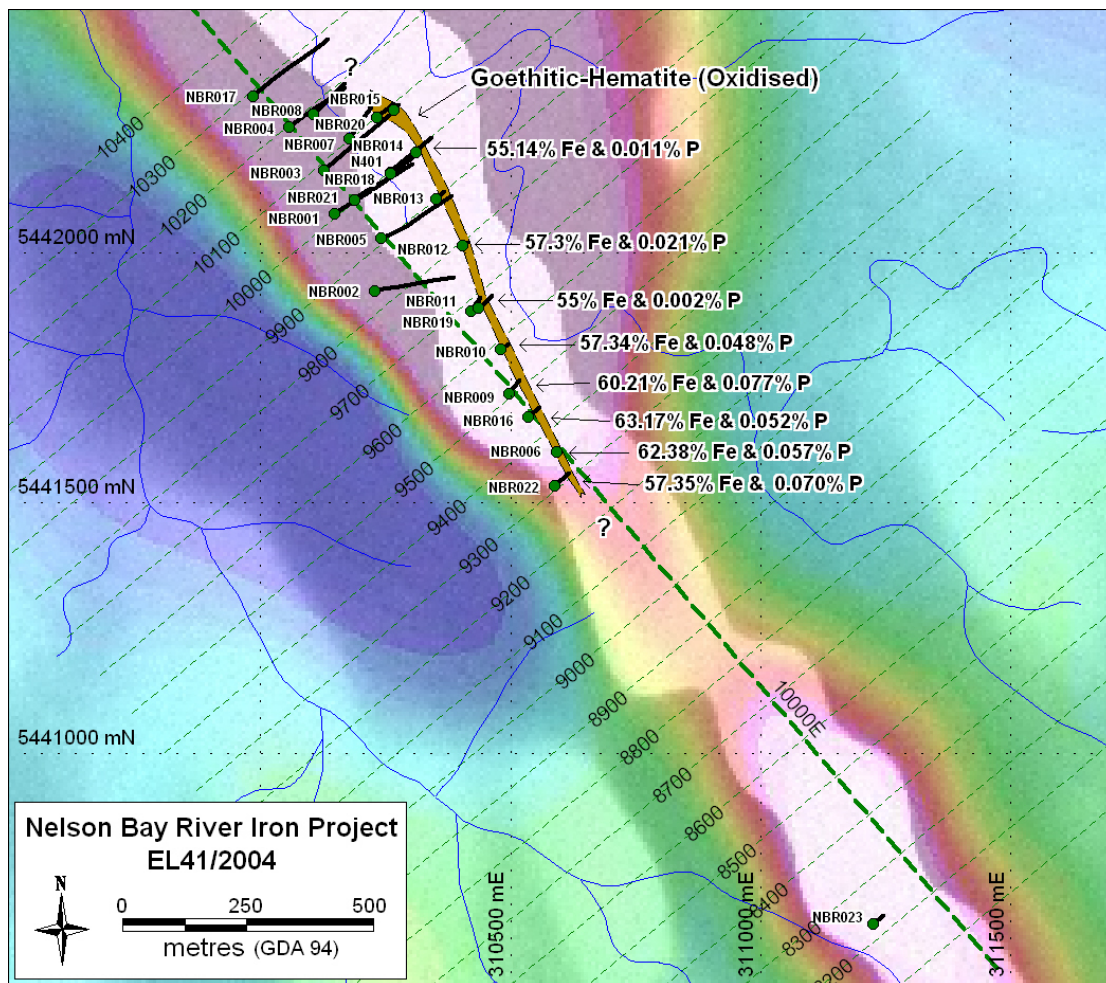
The company is very pleased to inform about the excellent drilling results achieved at NBR.

Highlights

- **Drilling at NBR has extended presence of goethitic-hematite over more than 1 km in length being the oxide cap on top of the existing Magnetite resource.**
- **Recent assay results confirm the continuation of high-grade iron within the oxide deposit suitable to produce DSO with very low deleterious elements at the NBR Project.**
- **The Company expects that these drilling results along with drilling results of 2009 will culminate in a maiden oxide Resource in addition to the existing magnetite resource at NBR.**
- **Head Assays from infill drilling at NBR in the deeper magnetite zone along with infill drilling in 2009 is expected to result in upgrade of the existing magnetite resource category.**
- **DTR work is in progress and on completion will be followed by resource estimation over the next few weeks.**

The 2010 drilling has extended the strike length of the goethitic-hematite mineralisation to almost 1km in the tenement (Figure 1) and assay results confirm the continuation of high-grade iron within the oxide deposit suitable to produce Direct Shipping iron Ore (DSO) with very low deleterious elements. Along with drilling of 2009, we expect these drilling results will result in announcement of a maiden oxide resource in addition to the existing magnetite resources once the geological model is updated to incorporate these results & resource estimation study is carried out over next few weeks.

Figure 1: NBR drill hole location plan with extent of goethite-hematite

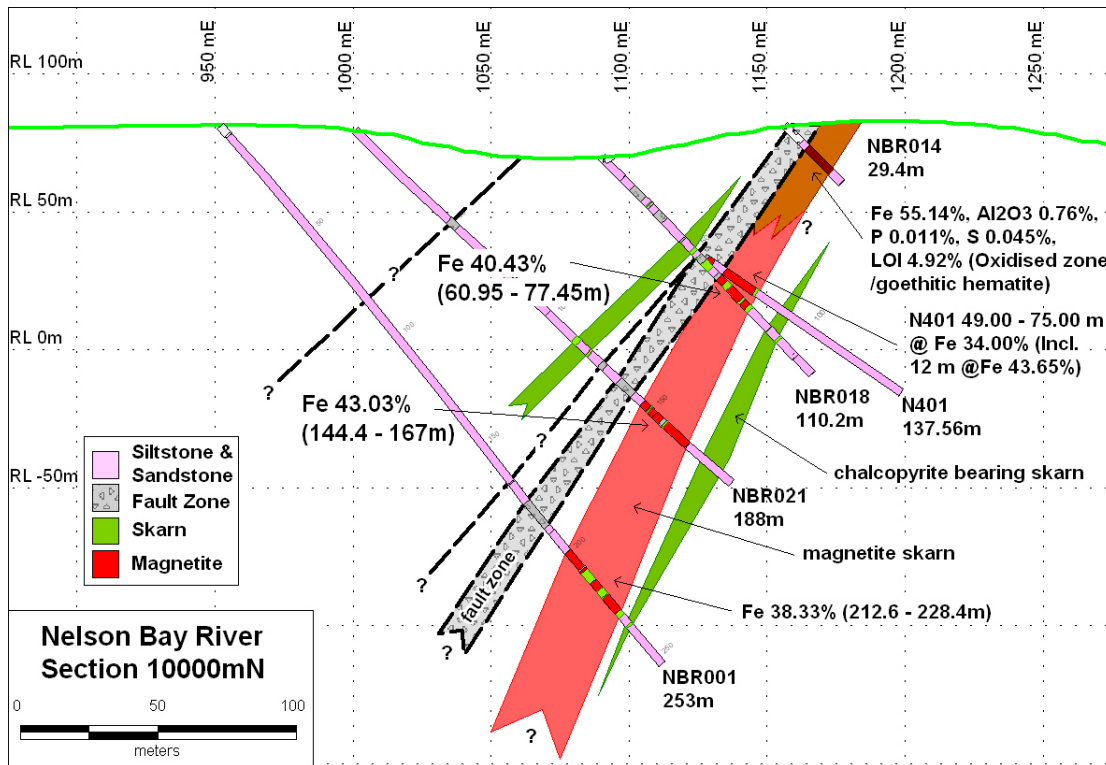


The drilling has also intersected beneficiable magnetite (Plate 1) material and along with infill drilling in 2009, confirms the continuity of the magnetite resource which is expected to result in upgrade of existing resource category. Significant assay results are given in Table 1A & 1B and a cross sectional view of the two mineralisation types from the tenement is shown in Figure 2

Plate 1: Drill hole NBR18 magnetite distribution in drill core



Figure 2: Ore body cross sectional view with mineralisation types & grades







Note: Coordinates given are in the Map Grid of Australia 1994 (MGA94). All drill holes at the Project are oriented to -45 degrees to 050 degree. Sampling was based on lithology and core recovery and varied from 0.3 m to 3.40 m intervals and analysed at SGS Australia laboratories.

Table 1A: Significant assay intersection along drill holes for oxide mineralisation at NBR

Drillhole No	Drillhole Location (m)		Sample Location (m)			Grade %					
	Easting	Northing	From	To	Interval	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI
NBR 19	310548.85	5442074.04	14.7	25.9	11.2	51.86	20.45	0.28	0.03	0.01	5.04
<i>Includes</i>			16.7	21.7	5	55	15.96	0.27	0.002	0.02	5.15
NBR 22	310699.32	5441718.99	31.15	42.7	11.55	57.35	7.95	1.81	0.07	0.01	7.56
<i>Includes</i>			31.15	39.7	8.55	61.09	3.48	0.64	0.08	0.01	8.25

Table 1B: Significant assay intersection along drill holes for magnetite mineralisation at NBR

Drill hole No	Drill hole Location (m)		Sample Location (m)			Grade %					
	Easting	Northing	From	To	Interval	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI
NBR 17	310096.3	5442497	242.1	245.47	3.37	28.53	35.37	7.09	0.03	0.78	5.51
NBR 18	310372.55	5442341.9	51.6	57	5.4	29.42	30.41	8.18	0.02	0.03	11.75
			60.95	77.45	16.5	40.43	29.5	2.64	0.01	0.12	1.51
NBR 21	310300.20	5442289.28	132.85	140.05	7.2	27.64	25.16	9.59	0.02	0.91	12.15
			144.4	167	22.6	43.03	24.89	1.23	0.01	0.60	5.65

Legend		
High-grade	Fe ≥ 60 %	
Diluent	Fe ≥ 55 <59.99 %	
Low-grade	Fe ≥ 50 <54.99 %	
Beneficial magnetic material	Fe >25 %	

Outlook

The very encouraging results at NBR strengthens the Company's belief that the Nelson Bay Project has the potential to produce Direct Shipping iron Ore (DSO), with very low deleterious elements, as well as beneficiable magnetite resource capable to produce concentrates suitable for Dense media magnetite for coal washeries and high-grade blast furnace pellets. The company will seek to commence production of DSO ore in second half of next financial year being April 2011 – Mar 2012 subject to all necessary approvals being in place by first half of next year. Work towards seeking approvals is well advanced with the help of the company's advisors who are working on DPEMP & mining license approval process.



SHREE MINERALS LIMITED

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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 base metals. All tenements are in Tasmania.

The information reported herein is based on information compiled by Mr Mahendra Pal who is a Member of the Australian Institute of Company Directors, 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.