

Quarterly Report

PERIOD ENDING 31 MARCH 2012

ASX Code: SHH

Highlights of March Quarter

- The DSO resource for NBR increased by 55% from 2010 figure (0.45 Mt) with similar iron values.
- Statutory approvals process advanced with completion of public exhibition & comment period for the Draft EIS and the Draft DPEMP.

This report covers Shree Minerals' (Shree or the Company) exploration related activities for the quarter ended 31st March 2012.

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Nelson Bay River Iron (NBR) Project:

Resource Estimation

During 2011-12, the company drilled 1,259 m RC along 23 holes for DSO resource delineation.

As a consequence of this RC drilling, the DSO resource estimates were revised. The revised DSO resource estimates at 0.7 Mt show an increase of 55% in the resources over the 2010 figures of 0.45 Mt with similar iron and other element values.

As a result of the 2011 drilling, new resource estimates made for the goethitic-hematite (DSO and BFO) mineralisation for the Project are given in Table 1.

Table 1: Nelson Bay Updated DSO + BFO Resource Estimates

Material Type	Resource Category	Mass (Mt)	Grade %					
			Fe	Al ₂ O ₃	P	S	SiO ₂	LOI
DSO	Indicated	0.34	57.4	1.3	0.075	0.035	9.2	6.4
DSO + BFO	Inferred	1.10	50.8	2.2	0.044	0.055	18.1	5.5
Total Resource		1.43	52.3	2.0	0.051	0.050	16.0	5.6

(Average density 3t/m³; the use of significant figures does not imply precision; minor rounding errors)

No drilling during 2011 was carried out for the BFO resource area thus the values for the BFO resource have been retained from the 2010 Resource Estimate. However, reinterpretation of the geology based on the information gleaned from the 2011 drilling highlighted a zone of resource in this area ranging from 90,000 to 200,000 tonnes at 54.5 to 55.5% Fe. Shree believes that this material, using Platts 52% Fe index as a reference point, could be sold as low-grade DSO and thus has the potential to increase the size of the DSO resources

NBR: Statutory approvals progressed

Environment Protection and Biodiversity Conservation Act 1999 (EPBCA):

The public exhibition & comment period for the draft EIS was completed in February with only one submission received. A response along with final EIS has been submitted for final assessment & these documents are available for public viewing.

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Environmental Management and Pollution Control Act 1994:

The public exhibition & comment period for the draft DPEMP was completed in January with two submissions received (including one being a common to draft EIS). Further discussions with EPA including iteration on further requirements based on assessment by various Government agencies are being addressed to finalise the DPEMP.

Sulphide Creek (EL 43/2008)

During the Quarter 742 meters of core, using MRT HyLogger was logged for the study of wall rock alteration in the tenement area. A further 1,135 m of core remains to be logged using HyLogger facilities at MRT. Due to heavy demand on the equipment and it's low productive availability the work, including data interpretation, is anticipated to be completed during the 2 Quarter of 2012.

Mt. Bertha (EL 42/2004)

During the Quarter, approval for fieldwork was sought and a 2-week long reconnaissance field exploration at the tenement was carried out. Fieldwork mainly targeted significant magnetic highs close to easy access (Savage River Pipeline access road). The primary target is magnetite, analogous to the Savage River Iron Ore deposit that lies ~30km SW along strike within the Arthur Metamorphic Complex (AMC). The potential for other commodities (Cu and Au) was also considered.

A magnetic susceptibility meter (magsus-meter) was used to record magnetic susceptibility of as many rocks as possible in the area examined. The magsus-meter work generated 166 data points, which will be used in refining magnetic modelling of the area; in particular in characterising the magnetic Tertiary Basalts, which mask potential subsurface magnetite mineralisation within the area. Additionally, 17 rock chip samples were collected for geochem studies. The samples included both typical and magnetic basalt as well as the Arthur Metamorphic Complex quartz-vein containing schists. The later, samples are aimed to assess potential for Cu and Au mineralisation in the tenement.

The data collected is being examined for planning future work in the tenement.

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.

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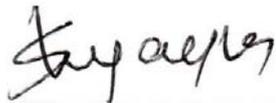
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Proposed Work Program for Q2 - 2012

For Q2, 2012 the following activities are planned:

- Continue working the planned exploration programs for Mt Sorell, Mt Bertha and Sulphide Creek tenements;
- Planning of exploration program for NBR and Rebecca Creek tenements
- Review of data from other tenements;
- Progress Statutory approvals for NBR Project and;
- Attending to statutory reporting related to the Company operations.

Yours faithfully



Sanjay Loyalka

Chairman

About Shree Minerals

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

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.

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