

Quarterly Report

PERIOD ENDING 30 JUNE 2013

ASX Code: SHH

Highlights of June Quarter

- Necessary steps taken to complete approval conditions & other steps for Project implementation of NBR project.
- Entered into an Off-take & funding Agreement for DSO phase.
- 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 by Federal Court.
- EPBC Approval received in July 2013.

This report covers Shree Minerals' (Shree or the Company) exploration related activities for the quarter ended 30th June 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:

Project implementation steps

Necessary steps were completed for Implementation of Approval conditions (pre construction & development commencement) including:

- preparation and approval of various Management plans including the following :
 - Construction Environment Management Plan ,
 - Tasmanian Devil Monitoring Strategy ,
 - EPBC Species Management and Protection Plan,
 - Biological Monitoring Plan ,
 - Dust Management Plan ,
 - Fire Management Plan ,
 - Water Management Plan
 - Pit Stability Management Plan
 - PAF Verification & Separation plan
 - Environmental Management System,
- establishment of Fauna Habitat Protection Zone,
- Pre Clearance surveys ,
- recruitment of key personnel,
- engineering of various aspects,
- agreements with various parties
- Logging of drilling , laboratory analysis of the intersections & updating of Geological database
- Geotechnical study.

On complying with all necessary conditions, earthworks & clearance for construction of work areas & access upgrade, etc., were commenced until an injunction by the Federal court was emplaced in response to an application for a judicial review of the Federal Environmental approval as further enumerated in this report.

Off-take & funding Agreement for DSO phase

The Company has during the quarter entered into an Off-take Agreement for its Nelson Bay River Iron Ore DSO Project with Singapore based, Frost Global Pte Ltd ("Frost Global"). As a part of the agreement, Frost Global will be providing funding of US\$4 million by way of an advance towards the supply of Iron Ore to be adjusted @ US\$500,000 from each of the first 8 shipments of Iron Ore. The company has received \$1 million in this regard during the quarter from Frost Global.

Approvals update

During the financial year 2012-13, all requisite approvals were received to develop a mine at Nelson Bay River Iron Ore Project. These included the Mining Lease, Development Permit by

SHREE SHREE MINERALS LIMITED

the State Government including EPA Tasmania and the approval from the Australian Commonwealth Government, under EPBC ACT.

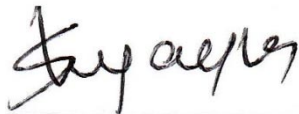
There was an appeal against the State planning and environmental permit, which was dismissed by the Tasmanian Resource Management and Planning Appeal Tribunal.

In July 2013, the company has received EPBC approval following an application for a judicial review made in June 2013 quarter 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 Federal court ordered an injunction in May 2013. Subsequently, the hearing was conducted & decision made by the Court in July 2013. Seven grounds of challenge were put up. Three were abandoned during the course of the case. Three were dismissed by the Court. Only one was upheld that the Minister had failed to comply with a mandatory requirement that he consider an approved conservation advice regarding the Tasmanian Devil. Subsequently, the Minister has done assessment as required under the EPBC Act & granted approval in July 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.

Yours faithfully



Sanjay Loyalka

Chairman

About Shree Minerals

Shree Minerals Limited is a multi-commodity exploration company, 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.

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