

13th September 2012

The Manager Companies
Company Announcements
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Sub: Nelson Bay River Iron Project - Grant of Mining Lease

Shree Minerals Ltd (ASX: SHH) (“Shree” or “the Company”) is pleased to announce that the company has today been granted a Mining Lease by the Tasmanian Government for its Nelson Bay River Project.

The company’s Chairman, Mr Sanjay Loyalka, said granting of a mining lease comes after a very long and rigorous assessment process to confirm that the mine will proceed in accordance with very stringent environmental management conditions set by the EPA. The conditions include measures to prevent acid drainage, to protect and enhance wildlife habitat and to minimise the risk of roadkill by confining product transport to daylight hours.

“A new mine in North West Tasmania will provide very significant social and economic benefits to the region. In addition, the mine will generate royalties and payroll tax for the state government.”

“We are particularly keen to create employment opportunities for young Tasmanians, to allow them to stay and prosper in the own community and not have to leave the state to look for career openings.”

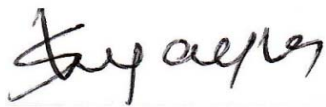
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SHREE SHREE MINERALS LIMITED

“The expansion of beneficial and environmentally responsible use of mineral resources can help Tasmania develop greater economic self-reliance and build a brighter future for all Tasmanians,” Mr Loyalka said.

Shree Minerals is now waiting on the Commonwealth’s separate approval decision.

Sincerely,



Sanjay Loyalka

Chairman

Media enquiries : Please contact Richard Gerathy on 0419 203075.

About the NBR Project

The NBR Project area is located about 6 km North East of the town of Temma and about 70 km South West of Smithton, in North West Tasmania.

The tenements contain a series of NW striking, strong amplitude magnetic anomalies. The iron mineralisation at NBR is hosted by a 10 to 28 metres wide mafic dyke, which crosses cuts the country rocks and increases in width with depth. Within this dyke is a magnetite-rich section and oxidation of the magnetite has generated goethite-hematite mineralisation to varying depths.

NBR project has a JORC compliant global Iron resource of 11.3 Mts including goethitic-hematite resource of 1.4 Mts and magnetite resource of 7.8 Mts.

About Shree

Shree Minerals Ltd is a multi-commodity exploration and development company, which is listed on the ASX. The Company has interests in iron, gold, and base metals. All held 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 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.