

SHREE SHREE MINERALS LIMITED

25 July 2011

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

SHREE MINERALS SIGNS MOU WITH GRANGE

Dear Sir

Shree Minerals Limited (**Shree**) is pleased to announce it has signed a MOU with Grange Resources Limited (**Grange**), Australia's leading magnetite producer, with a view to forming a strategic alliance that has the potential to facilitate development of Nelson Bay River Iron Project by access to existing infrastructure as well as to increase the iron ore pellet production of Grange's Tasmanian Operations by 150,000- 300,000 tonnes per annum, over and above the current production rate of 2 million tonnes per annum.

Shree is an ASX listed company (ASX: SHH) with iron ore resources at its Nelson Bay River Iron Project, north of Grange's Savage River operations. Shree has previously published indicated and inferred resources of:

Ore Type	Tonnes
Magnetite	7,800,000
Goethite Hematite	1,200,000

The Resource details are provided in the Resource tables as per annexure 1.

Under the terms of the MOU Grange would:

- Provide Shree with port and ship loading facilities at Port Latta for up to 400,000 tonnes of hematite per annum;
- Provide a marketing and sales service for the hematite;
- Process magnetite from Shree for pelletising at Port Latta, adding to the current production from Savage River.

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Grange Managing Director and CEO, Russell Clark, said “This MOU is an exciting development for both Grange and Shree. With the existing infrastructure we have, there is an opportunity to assist Shree in the development of its project, and to allow Grange to increase its production at its Tasmanian Operations, leveraging existing downstream processing infrastructure with minimal capital cost implications.

Shree Chairman, Sanjay Loyalka, said “This MOU facilitates an opportunity to realise synergistic outcomes from the Nelson Bay Iron River Project and Grange’s Tasmanian Operations to the mutual benefit of both companies, as well as providing enhanced economic benefits in North West Tasmania.”

Yours sincerely

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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Annexure 1:

Table 1: Iron Resource Estimates at Nelson Bay River Iron Project

Resource Category	Mass (Mt)	Fe %
Indicated	1.8	38.6
Inferred	10.8	35.6
Total	12.6	36.1

Note: The resource estimate includes the magnetite resource material and is estimated using a 30% Fe cut off and with an average density of 3.5 t/m³;

Table 2: Magnetite Resources at Nelson Bay River Iron Project

Resource Category	Mass (Mt)	Mag% (DTR)	Contained Magnetite (Mt)
Indicated	1.7	38.5	0.7
Inferred	6.1	38.2	2.3
Total	7.8	38.3	3.0

Note: The resource estimate is based on 20% magnetite (DTR) cut off and with an average density of 3.71 t/m³. DTR = Davis Tube Recovery

Table 3: Goethite-Hematite Resources at Nelson Bay River Iron Project

Area	Mass (Mt)	Grade (%)							Remarks
		Fe	SiO ₂	Al ₂ O ₃	P	S	LOI	Fe (Cal)	
NBR South	0.5	57.8	8.8	1.4	0.06	0.03	6.3	61.7	DSO
NBR North	0.7	46.8	23.7	2.7	0.02	0.07	4.7	49.1	Beneficiable material
Total	1.2	51.0	18.0	2.2	0.04	0.05	5.3	53.9	

Note: The resource estimate is estimated at 30% Fe cut off and with an average density of 3 t/m³; The Fe (Cal) grade is the calcined iron grade with the loss on ignition material removed from the block grade value [Fe_Cal = Fe / (100-LOI)]. The resources are of Inferred Category.

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