SHREE MINERALS LIMITED

Quarterly Report

PERIOD ENDING 31 March 2015

ASX Code: SHH

This report covers Shree Minerals' (Shree or the Company) activities for the quarter ended 31st March 2015.

Nelson Bay River Iron Project (NBR)

Mining & Production

		Quarter ending 31/3/2015	Quarter ending 31/12/2014	Year to date period ending 31/3/2015	Year to date period ending 31/03/2014
Waste Stripping	BCM	-	-	-	496,773
Ore Mining	Tonnes	-	-	-	139,746
Ore Crushing & screening	Tonnes	-	-	-	128,434
Sales	Tonnes	-	-	-	86,448

- Suspension of operations continued with care & maintenance activities & environment monitoring as per approved plans being attended to. Steps continue to contain costs & preserve value by appropriate discussions with various service providers & vendors involved.
- Efforts have been focussed on cost reduction initiatives when Operations recommence. In this regard, company is reviewing all aspects including engineering solutions, logistics chain etc.
- Business Development opportunities are being examined including new areas as well as examining options to bring forward the Magnetite phase of the project as well as upgrading the quality of DSO Iron Ore Product which attract higher selling prices to improve project economics.

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- The company will assess the valuation of Iron Ore inventory at the time of next accounts reporting & depending on Iron Ore price movements since the last reporting date (31st December 2014), There may be a requirement to make an impairment charge in this regard.
- The company continues maintaining a close watch over Iron Markets for an appropriate window to recommence shipments of inventory on hand, though proving challenging as Iron Ore prices continue to fall rapidly in an extreme & unprecedented manner. Meanwhile, the company has made some payments towards the unadjusted off-take finance and is in regular discussions with its off-take partners in this regard.
- EPA Tasmania has notified the company that that the variation of the Environment permit in Nov'13 to allow a temporary PAF rock dump for DSO south pit has been rendered invalid in a judicial review by Court in Dec'14. The original permit remains valid, and without variation. As a consequence, the current PAF storage temporary dump is not compliant. The Company is taking appropriate steps including lodging appeal towards the notification from EPA and or application for approval of the temporary PAF rock dump, through due processes.
  All government approvals (other than variation pertaining to temporary PAF rock permit for DSO south pit) for the project remain valid. These include the Mining Lease, Federal Government Environmental Approval and Tasmanian Government 's Environment & Development permits (etc).

Tenements

- The mining tenements held at the end of quarter and their location.

Mine Lease/ Exploration License	Locality	Remarks
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
EL41/2004	Nelson Bay River	100% Shree Minerals Ltd
EL42/2008	Mt.Sorell	100% Shree Minerals Ltd

- The mining tenements acquired and disposed of during the quarter and their location.

  NIL

- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.

  NIL

- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

  NIL

Exploration

Mt.Sorell

Data from an historical (1978) Induced Polarisation geophysical survey was digitised, georeferenced and re-interpreted. Chargeability anomalies were commonly found to lie immediately in the footwall to the Clark Grid inferred VHMS horizon. A strong chargeability anomaly and resistivity low is located immediately north of Shree's Clark Grid 0.6g/t Au in rock chip. This anomaly was historically described as "a most significant anomaly...where chargeabilities reach over 50 millivolts/volt ... and resistivities are significantly reduced" (Howland-Rose, 1978). This zone was recommended for high priority follow up at that time.

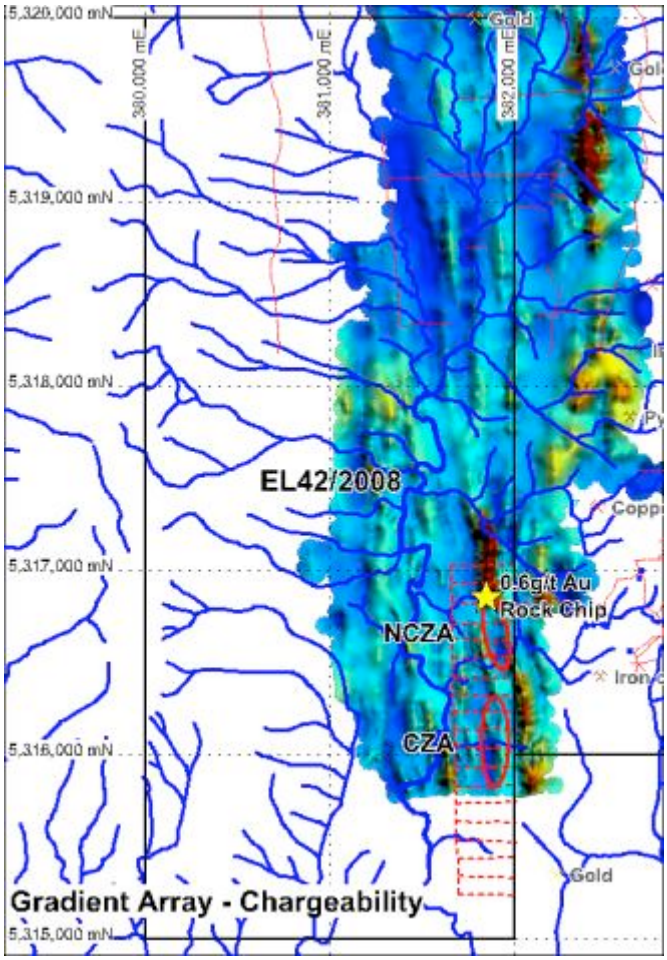

Figure 1: Clark Valley Gradient Array IP – Chargeability

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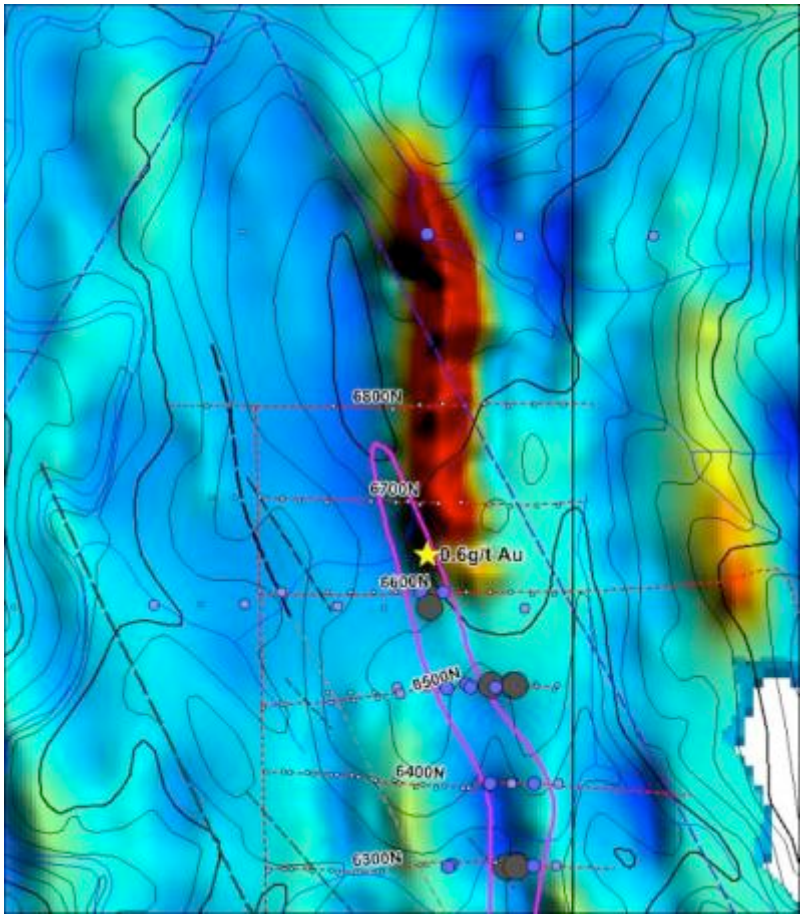

Figure 2: Zn in soils thematic over gridded 1978 chargeability, also showing mafic volcanic (purple), structure (black) and magnetic lineaments (blue)

Recent geological mapping and rock chip sampling (No.=43; analysis results awaited) focused on the chargeability anomaly and 0.6g/t Au in rock chip vicinity has upgraded the VHMS (Volcanic Hosted Massive Sulphide) potential of the area. The anomalous gold site was re-sampled and two strongly altered float boulders were located nearby. These rocks contain moderate intensity pervasive silica, bearing irregular iron oxide zones as a halo to relict stringer pyrite veining in a weakly foliated sericitic matrix. Similar less intensely silica – sericite – iron oxide altered felsic volcanics were located along strike to the SSE, extending some ~125m toward the vicinity of two ~0.15% Zn in rock chip (and soil) samples.

The chargeability anomaly extending north of the 0.6g/t Au in rock chip is coincident with black shales bearing disseminated and locally veined sulphide. Strong pervasive silica and albite alteration was located footwall to the shale.

About Shree Minerals

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SHREE MINERALS LIMITED

Shree Minerals Limited is engaged in mining and production of iron ore & dense media magnetite at its core project; the Nelson Bay River Iron Project in the North West Tasmania and engaged in exploration of its other tenements in Tasmania.

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 meter 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.

The NBR project is being developed in a phased philosophy with the initial plan to mine the goethitic-hematite resource to export iron ore over the first couple of years at low capital expenditure to be followed by the magnetite resource to produce dense media magnetite (DMM) used for the coal washery industry.

Studies to-date have reflected a stable market and pricing for DMM as an industrial mineral in Eastern Seaboard of Australia with domestic production not being adequate to meet demand resulting in imports, thereby confirming the long-term value potential of the NBR project.

Yours faithfully

Sanjay Loyalka

Chairman

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