

SHREE SHREE MINERALS LIMITED

26th October 2012

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

Nelson Bay River Iron Project: DSO Maiden Reserves & Mine plan

Shree Minerals Ltd (ASX code: SHH) (“the Company”) is pleased to advise the publication of Maiden DSO Reserves based on the Mine Plan for the first two of years of DSO operations at its Nelson Bay River Iron (NBR) Project.

Reserves

Minserve consultants as per the JORC code guidelines have carried out the estimation of Ore Reserves. Simon Tears of H&S Consultants Pty Ltd (H&S) has compiled the Resources used as the basis for these Reserves. (Copy annexed)

Under the JORC Code, only Measured and Indicated Ore Resources can be considered for conversion to Ore Reserves after consideration of the “Modifying Factors” including mining, processing, economic, environmental, social, and government factors. The Reserve Statement applies solely to JORC resources in the Indicated Resource category.

The Southern pit DSO Iron Reserve Statement that conforms to the JORC Resources guidelines is shown in Table 1

Table 1: DSO Reserves Statement

Category	M Tonnes	Iron %	Alumina %	Phos %	Sulfur %	Silica %	LOI %
Proven							
Probable	0.33	57.4	1.3	0.075	0.035	9.2	6.4
Marketable	0.33	57.4	1.3	0.075	0.035	9.2	6.4
Total	0.33	57.4	1.3	0.075	0.035	9.2	6.4

Average density 3t/m³; the use of significant figures does not imply precision; minor rounding errors.
(DSO cut off based on a nominal 54% Fe)

Mine Plan for DSO Iron Ore

The production schedule for the first two years comprise of mining DSO iron ore .The DSO requires no further beneficiation to produce a marketable product . It only requires crushing and screening. Two separate DSO pits are planned in the first two years (comprising DSO South Pit & DSO North Pit which is within the BFO resources) with following total resultant pit quantities:

DSO ore	Million tonnes	0.815
Grade	% Fe	57.5

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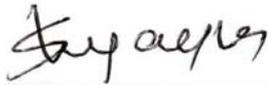
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Future work and Development Objectives

The company has recently obtained Tasmanian State Government Approvals for the NBR project, which included the grant of Mining Lease & Development Permit (including EPA approval conditions). The Company is looking forward to receiving approval from the Australian Commonwealth Government under EPBC Act, for which the final EIS has been published following response to submission received as a result of public exhibition of Draft EIS. All departmental queries have been responded & the final decision is now expected soon.

The Company plans to mine the DSO first followed by BFO material, and then the magnetite resource. Shree has concentrated in recent times on work to support statutory approvals. A drilling campaign is now planned to commence next month with an objective to upgrade the hematite Resources to Measured & Indicated category to enable publication of entire DSO mine plan into Reserves as well as increase the extent of DSO resources to develop a mine plan for DSO beyond current production schedule of 2 years.

Yours sincerely



Sanjay Loyalka
Chairman

The information in this report for the Direct Shipping Iron Reserve estimate for the Nelson Bay River Iron Project, was prepared under the direction of Alwyn Hyde-Page, director and member of The Minserve Group Pty Ltd. Alwyn Hyde-Page is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM) with 40 years' experience and has the relevant experience in relation to the mineralisation being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 Edition)". Alwyn Hyde-Page does not have any material interest or entitlement, direct or indirect, in the securities of Shree Minerals Limited or associated companies. Fees for the preparation of the report are on a time and materials basis.

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 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

Resources

From geological model drawn based on drilling from inception to 2011, the following three types (DSO, BFO and Magnetite) of resources were estimated (Tables A, B and C) by H&S Consultants Pty Ltd in accordance with the JORC Code and Guidelines on 27 April 2012.

Table A: NBR Magnetite Resources

Magnetite Resource Estimate – April 2012 (20% DTR cut off)

Category	M Tonnes	Mag %	Magnetite (kt)
Indicated	1.7	38.5	667
Inferred	6.1	38.2	2,324
Total	7.8	38.3	2,991

Average density 3.71t/m³.

A cap of oxide resource covers the magnetite resource and extends southwards for a further 600m of strike. The oxide resource is composed of goethitic-hematite (Direct Shipping Ore (DSO) and magnetic goethitic-hematite material amenable to beneficiation (BFO) to generate marketable products (Table B & C).

Table B: NBR Hematite (DSO South pit) Resources

Category	M Tonnes	Iron %	Alumina %	Phos %	Sulphur %	Silica %	LOI %
Indicated	0.33	57.4	1.3	0.075	0.035	9.2	6.4
Inferred	0.37	58.7	1.3	0.094	0.029	6.9	6.8
Total	0.70	58.1	1.3	0.085	0.032	8.0	6.6

Average density 3t/m³; the use of significant figures does not imply precision; minor rounding errors. (DSO cut off based on a nominal 54% Fe)

Table C: NBR Hematite Resources

Deposit	Category	Tonnes (Mt)	Iron %	Alumina %	Phos %	Sulphur %	Silica %	LOI %
DSO Sth & BFO	Indicated	0.33	57.4	1.3	0.075	0.035	9.2	6.4
	Inferred	1.10	50.8	2.2	0.044	0.055	18.1	5.5
	Total	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. DSO cut off based on a nominal 54% Fe; Beneficiable Ore (BFO) cut off based on a nominal 30% Fe.