

Quarterly Report

PERIOD ENDING 30 June 2015

ASX Code: SHH

This report covers Shree Minerals' (Shree or the Company) activities for the quarter ended 30th June 2015.

Highlights

- Geological mapping and rock chip sampling at Mt.Sorell returned a highly significant 15.5g/t Au.

Nelson Bay River Iron Project (NBR)

Mining & Production

		Quarter ending 30/6/2015	Quarter ending 31/3/2015	Year to date period ending 30/6/2015	Year to date period ending 30/6/2014
Waste Stripping	BCM	-	-	-	636,347
Ore Mining	Tonnes	-	-	-	224,571
Ore Crushing & screening	Tonnes	-	-	-	153,332
Sales	Tonnes	-	-	-	130,899

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- Care & maintenance activities & environment monitoring as per approved plans being attended to.
- We continue to take steps to conserve cash & in this regard ,the Directors have voluntarily taken a sharply reduced drawings of their remuneration .
- Business Development opportunities being examined including diversification.
- Studies being pursued for up-gradation of DSO ore grades by ore sorting technologies.
- The company continues maintaining a close watch over Iron Markets for an appropriate window to recommence shipments of inventory on hand, though proving challenging due to high volatility in Iron Ore prices. Meanwhile, the company has made some further payments during the quarter towards the unadjusted off-take finance and is in regular discussions with its off-take partners in this regard.
- The dispute on the third shipment which was under arbitration has been amicably settled.

Contract terms for the Company's sale of Iron Ore allow for a price adjustment based on final assay results of the ore for Fe content & other trace elements at the discharge port to determine the final content. The terms of Iron Ore sales contracts contain provisional pricing arrangements whereby the selling price for Iron Ore is based on prevailing spot prices on a specified period around the date of shipment to the customer (the "quotation period"). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The contract also allows for price adjustment to arrive at FOB price based on actual ocean freight incurred while the provisional price is based on estimated freight where there were differences in computation leading to the dispute.

As there was a sharp fall in market published index price of Iron Ore at the time provisional price was done in May 2014 & final quotation period in June 2014 , there was a liability provision recognised in the company's books at USD \$ 433,999.82 in this regard while the initial debit notes sent by the buyer totalled US\$ 572,624.74.

The dispute was amicably finally settled during the quarter at US\$475,676.36. Consequently, the payments have been released for final settlement and the difference in amounts (being USD 41,676.54) with the amounts currently recognised in the accounts has been charged to the sales account as per the accounting policy.

- During the quarter, the Company has conducted relevant studies & work to prepare a management plan for relocation of the temporary PAF waste rock dump pertaining to the DSO south pit, consequent to the requirements of EPA Tasmania following the Court's decision in Dec'14 to render invalid the variation of the Environment permit in Nov'13 to allow a temporary PAF rock dump for DSO south pit . The original permit remains valid, and without variation.

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).

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Tenements

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

<u>Mine Lease/ Exploration License</u>	<u>Locality</u>	<u>Remarks</u>
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

Significantly enhanced VHMS (Volcanic Hosted Massive Sulphide) prospectivity has resulted from recent field work and GIS interpretation. Geological mapping and rock chip sampling (No.=42) focused on a large IP (Induced Polarisation) chargeability anomaly and previously sampled 0.6g/t Au in rock chip vicinity. Composite re-sampling returned a highly significant 15.5g/t Au, accompanied by 7.7ppm Ag and minor Zn (0.1%).

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This sample comes from the northern end of a zone of silica – sericite – iron oxide altered felsic volcanics extending ~150m along SSE strike toward the vicinity of an anomalous basemetal zone, bearing Zn to 0.15% in rock chip and soil samples. Notably, two strongly altered float boulders were located near the 15.5g/t Au rock chip. These rocks contain moderate intensity pervasive silica, bearing irregular iron oxide halo's to relict stringer pyrite veining in a weakly foliated sericitic matrix.

A coherent zone of anomalous base metals (Cu, Pb, Zn, Ag & Au) in rock chip and soils is now better defined through the anomalous gold in rock chip area. VHMS prospectivity is further upgraded with presence of anomalous key pathfinder elements (Ti, Sb and As). Potential to find a Rosebery or Que-Hellyer like VHMS in the grid area is considered high.

Re-evaluation of a 1970's gradient array Induced Polarisation survey in conjunction with Airborne EM has provided further interpretive vectors to a relatively focused VHMS prospective zone coincident with anomalous geochemistry. The black shales were found to commonly correspond with high chargeability and low resistivity. The investigated chargeability anomaly and black shale are not un-expectantly also coincident with significant WTRMP airborne EM cx980k and cx7k EM anomalies.

The black shales mapped extent thins considerably at the chargeability anomalies southern end, whilst chargeability remains high. This suggests that some component of the chargeability footwall to the Au in rock chip anomaly maybe mineralisation related. Immediately south of the shales termination and Au in rock chip anomaly is a relatively strong EM anomaly reflected in all channels. This is a VHMS target! Further supporting a VHMS focus in this area is a broad elevated chargeability zone coincident with Au and Zn in soils within the footwall to the EM anomaly and 15.5g/t Au rock chip. This feature is not evident footwall to other chargeability anomalies in the area. A significant resistivity high zone coincident with strong albite – silica alteration footwall to the Au in rock chip anomaly also supports potential VHMS fluid focus in this area.

An earlier WSW to WNW orientated cleavage disrupted and overprinted by the dominant NW aligned foliation was identified at several localities in the northern footwall. This may reflect earlier Cambrian deformation, possibly reactivating Cambrian rift faults active during VHMS formation.

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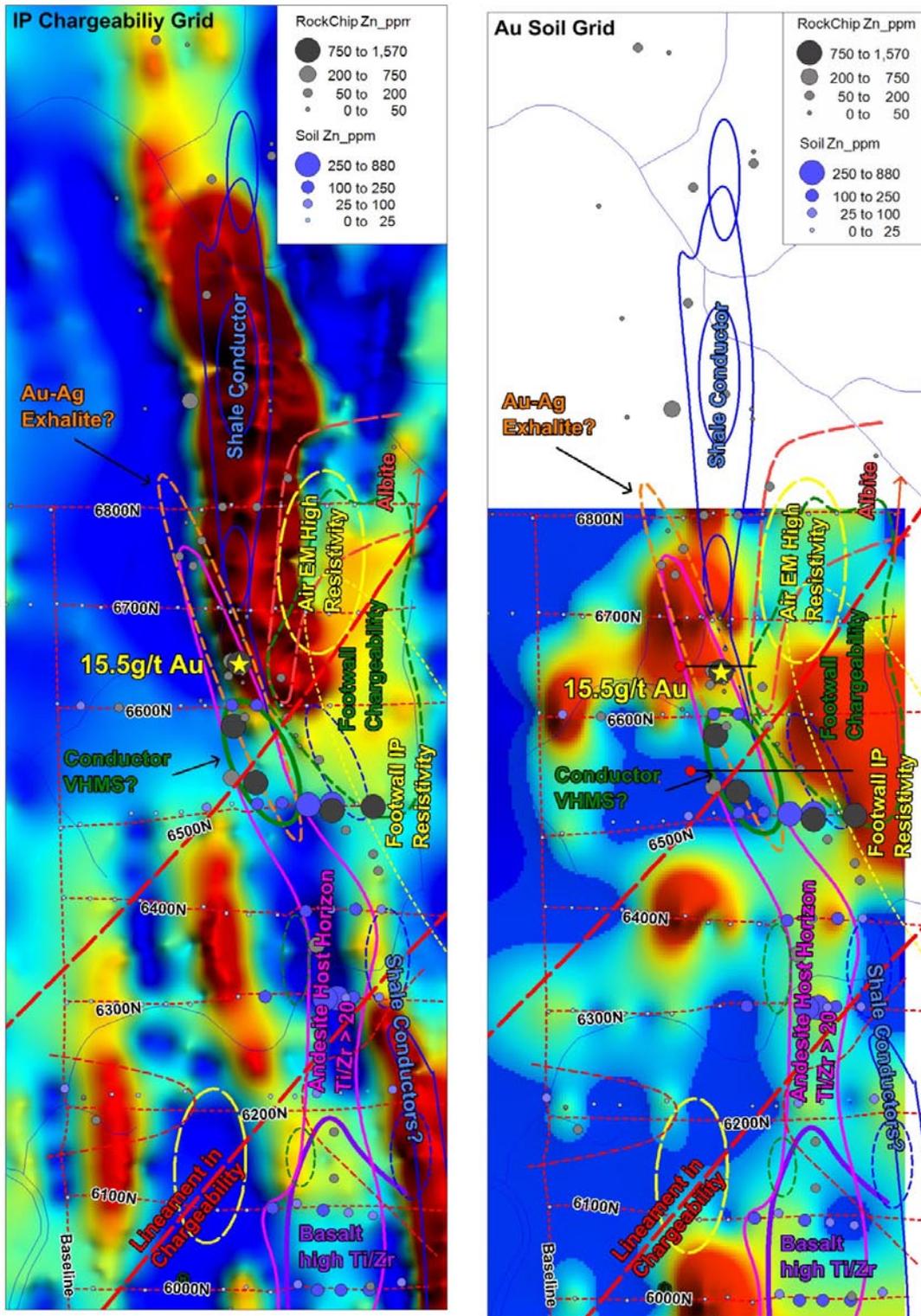


Figure 1: VHMS prospectivity map for the northern half of the Clark River Grid showing Zn in rock chip and soil thematic and recommended drill holes over IP Chargeability grid (left) and Au in soils grid (right).

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About Shree Minerals

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

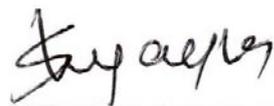
The NBR Project area is located about 6 km North East of the town of Temma and about 70 km South West of Smithton, in North West Tasmania.

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

Executive Chairman

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