SHREE

Quarterly Report

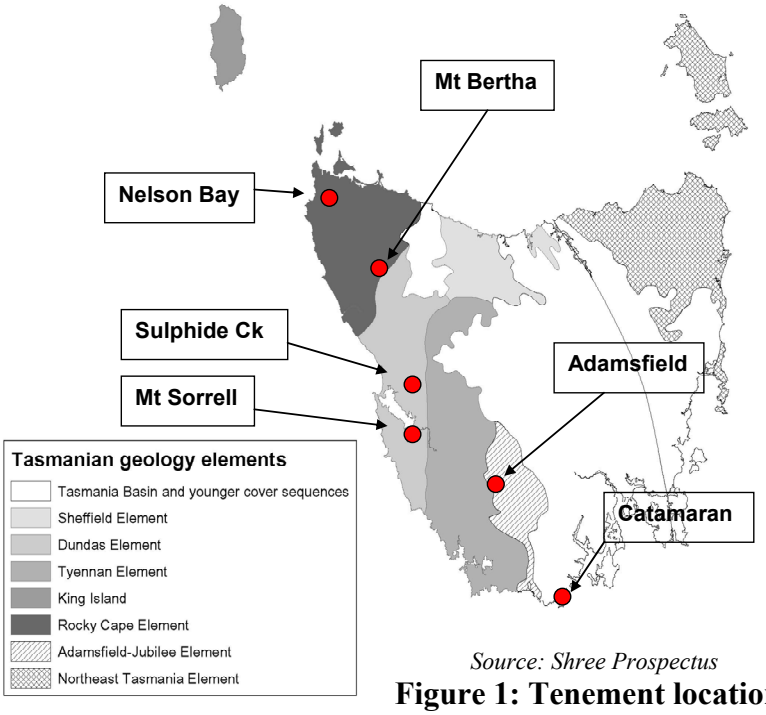
PERIOD ENDING 31 March 2010
ASX Code: SHH

Highlights of March Quarter

- Overall all planned exploration work remains broadly on schedule.
- During the reporting period 751.2m (390.9m at Sulphide Creek and 360.3m at Nelson Bay River) of diamond along five holes was drilled.
- The Company believes the Nelson Bay River (NBR) Project has potential to produce Direct Shipping Ore (DSO) with grades of greater than 60% Fe, and beneficiable material (magnetite) of greater than 38% Fe capable to produce concentrates suitable for coal washeries and high-grade pellets
- The drilling at NBR has intersected iron grade as high as of 67.60 % Fe with 0.68 % SiO_2, 0.628 % Al_2O_3, 0.035% P, 0.010% S, and 2.66 % LOI.
- The company has also initiated Gravity Seperation test work at SGS Laboratory for near surface oxidised material blended with DSO ore & initial results are encouraging where crushing to -1mm size followed by shaking table for gravity separation upgraded the head grade from 51% to 58% Fe . Further testwork on various composites & process optimisation will be done.
- Data review from Nelson Bay River tenement has shown the presence of 4.98g/t of Ag (silver) over an 11.8m drill intersection in drillhole NBR002. The intersection includes 3.6m @13g/t of Ag. This enhances tenements' potential for the discovery of other silver associated minerals.
- Drilling at Sulphide Creek tenement has intersected ferruginous stockwork from surface to depths greater than 165 metres; suggesting presence of gold mineralisation in the drilled area
- Ground magnetic survey along with geological reconnaissance at Mt Bertha (EL42/2004) over a magnetic linear zone potential for the Savage River type iron mineralisation was carried out.
- Upgrading of access tracks and clearance of drill site pads for the 2010 diamond drilling and other studies at Nelson Bay River, Sulphide Creek and Mt Bertha tenements was carried out.
- Shree has appointed Pitt & Sherry Consulting Engineers to conduct the Development Proposal and Environmental Management Plan (DPEMP) for its Nelson Bay River (NBR) Magnetite Project
- The Minserve Group has, in March 2010, completed a review of the conceptual study completed on Nelson Bay River Iron project and the Company has now commissioned Minserve to complete the Feasibility Study.

Nelson Bay River Iron Ore Project

The Nelson Bay Iron Project includes two contiguous licences, EL 41/2004 and EL 54/2008 and cover areas of 50 km^2 and 42 km^2 respectively. The Project areas are located about 5 km east of the town of Temma and about 70 km southwest of Smithton, in North West Tasmania (Figure 1). Access to the tenements is via the Temma and Heemskirk sealed road and thereon via nicely maintained forestry tracks.

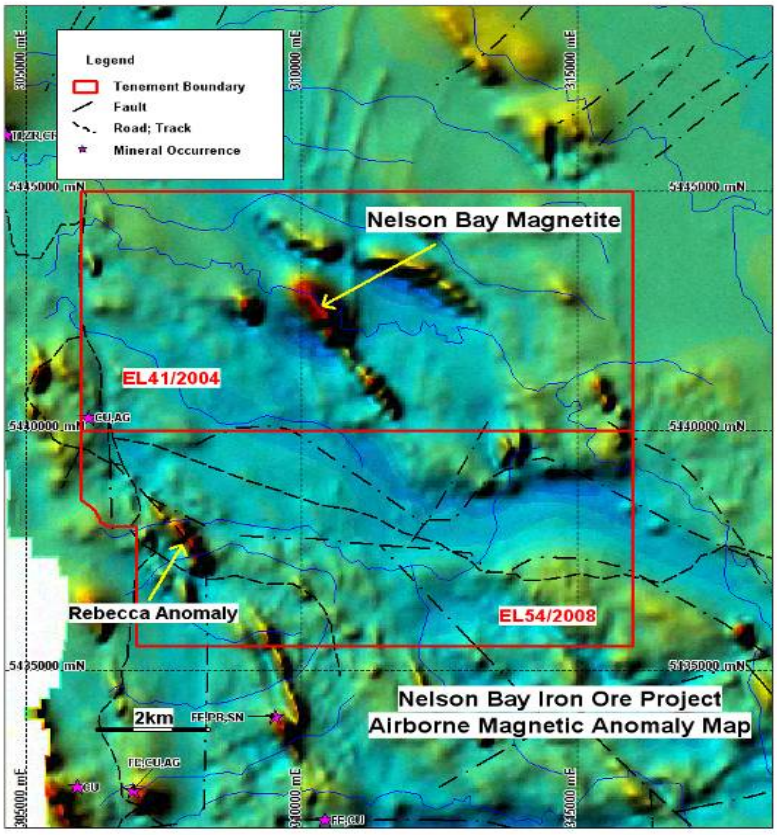


Source: Shree Prospectus

Figure 1: Tenement locations

Geology

The Nelson Bay River (NBR) iron mineralisation is hosted by a 10 to 28 metres wide mafic dyke that cross cuts the country rocks at right angle. Tasmanian Government airborne magnetic survey has mapped a series of NW striking, strong amplitude magnetic features (Figure 2). One of these magnetic features occurs within tenement EL41/2004 and is known as the **Nelson Bay River Iron Prospect** (Figures 2). A second magnetic feature, similar to the NBR iron mineralisation occurs 5 km south at tenement EL54/2008 and is known as the **Rebecca Magnetite Occurrence** (Figure 2).



Source: Shree Prospectus

Figure 2: Magnetic anomalies - Nelson Bay River Project tenements and environs

Work performed

The work carried out during the reporting period included; upgrading of access tracks, examination of Project geology along 100m apart cleared lines, HQ diamond drilling of 360.3m along 3 drillholes (Table 1), geological logging of cores and review of old and new data, and procurement of information etc.

- During January and early February 2010, Shree carried out an access track upgrade and drill site preparation for the upcoming drilling and studies related to Project development.
- Diamond drilling at the tenement commenced on 10th February 2010 with drillhole NBR-17. To the end of the reporting period a total of 360.3 metres along 3 holes was drilled (Table 1).

Table 1: NBR drillhole information

Location MGA 94 - (m)						
Drillhole No	**Easting**	**Northing**	**RL**	**Azimuth (°)**	**Dip (°)**	**Depth (m)**
NBR017	310096.30	5442497	77.0173	50	-45	200
NBR018	310372.55	5442341.9	69.7795	50	-45	110.2
NBR019	310548.85	5442074.04	82.6169	50	-45	50.1
Total meterage drilled						**360.3**

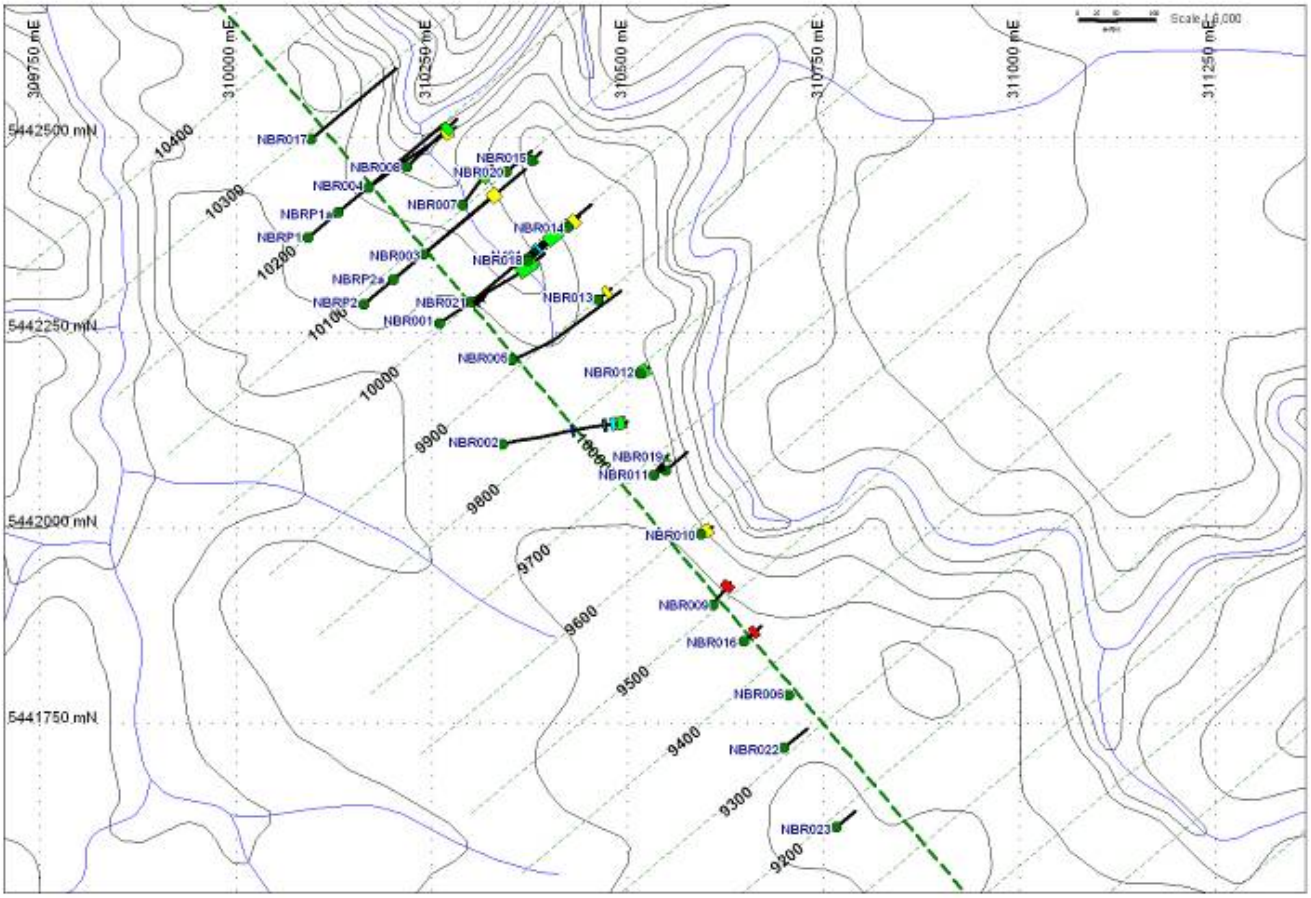


Figure 3: Drillhole location plan - Nelson Bay River Magnetite Project

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The drilling has intersected both DSO (Plate 1) and beneficiable magnetite (Plate 2) materials. Additionally, field reconnaissance suggests that the tenement has potential for secondary (scree/detritals and canga) iron ores (Plate 3).

Plate 1: DSO iron ore core

Plate 2: Core of magnetite iron ore

Plate 3: Iron ore scree and canga

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- Review of recent and earlier explorers' drilling in the area provided the following significant results:

  - Over about 33 years (1967 to 2000) the tenement lands were explored for iron, gold, and basemetals and 3 diamond drillholes in the tenement were drilled. The drillhole NBR002, drilled in 2000, has intersected 4.98g/t of Ag (silver) over an 11.8m (221.2 to 233.0m) intersection. The intersection includes 3.6m @13g/t of Ag. The mineralisation is reported to be associated with pyrite, arsenopyrite, pink garnet-magnetite-tremolite, vein quartz, cream coloured carbonate, chlorite, etc. This association enhances tenements' potential for the discovery of other silver associated minerals.
  - The drilling by ***Shree*** intersected the following significant iron ore intersections (Table 2):

Table 2: Significant high-grade iron ore intersections at EL41/2004

Drillhole	Drillhole Location (m)		Sample Location (m)			Grade %					
No	Easting	Northing	From	To		Fe	SiO_2	Al_2O_3	P	S	LOI
NBR-6	310705	5441787	13.5	17.5	4	62.38	4.42	0.34	0.057	0.016	5.93
NBR-9	310218	5441902	36.5	47.5	11	60.21	7.37	1.08	0.077	0.029	4.89
Includes			*38.5*	*42.5*	*4*	*62.98*	*2.85*	*0.63*	*0.053*	*0.020*	*6.22*
"			***45.5***	***47.5***	***2***	***66.95***	***0.75***	***0.28***	***0.037***	***0.011***	***3.14***
"			***46.5***	***47.5***	***1***	***67.60***	***0.68***	***0.28***	***0.035***	***0.010***	***2.66***
NBR016	310648	5441856	21.5	31.5	10	63.17	2.74	0.776	0.052	0.030	6.14
Includes			**21.5**	**23.5**	**2**	**65.50**	**2.12**	**0.40**	**0.049**	**0.017**	**4.01**
"			**26.5**	**29.5**	**3**	**65.47**	**0.95**	**0.46**	**0.031**	**0.029**	**5.29**

Legend	
	Fe > 65 %
	Fe > 60 < 64.99 %

Note: Coordinates provided are in the Map Grid of Australia 1994 (MGA94). Sampling was conducted at 1m intervals.

- During reconnaissance geological work, goethitic-hematite mineralisation was observed over the major part of the NBR magnetic anomaly, including the Southern Anomaly (Plate 4)

Plate 4: Iron ore at NBR Southern Anomaly

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Based on the work done to date, the Company is of the view that the Nelson Bay River Project has the potential to produce Direct Shipping Ore (DSO), with iron grades greater than 60% Fe, as well as beneficiable material (magnetite) of greater than 38 % Fe capable to produce concentrates suitable for coal washeries and high-grade pellets.

The company has also intiated Gravity Seperation testwork at SGS Laboratory for near surface oxidised material blended with DSO ore & intial results are encouraging as follows :

PRODUCT	Fe	SiO_2	Al_2O_3	CaO	MgO	Mn	K_2O	Na_2O	P	S	TiO_2	LOI
	%	%	%	%	%	%	%	%	%	%	%	%
Concentrate	58.4	8.24	0.98	0.01	<0.01	0.11	<0.01	0.02	0.11	0.06	0.07	2.66
Head	51.0	17.1	2.12	0.01	N/A	0.11	N/A	0.02	0.12	0.07	0.08	3.70

The Minserve Group has, in March 2010, completed a review of the conceptual study completed on Nelson Bay River Iron project and the Company has now commissioned Minserve to complete the Feasibility Study. The results of the conceptual study estimate production of approximately 150,000 tpa of coal washery heavy media magnetite product with following outcomes:

Coal Washery Magnetite		
Annual Product Tonnes	t	150,000
Pit depth	m	225
Ore to Waste Ratio	m^3/t	3
Product Recovery	%	38.2%
Annual Mill Feed	t	392,670
Project Annual Surplus		**$12,293,874**
Project Operating Surplus		**$203,504,600**
Capital Costs		$25,000,000
Project Surplus after Capital		**$178,504,600**
Project Life	Years	16.6

Outlook

With the encouraging exploration results, further drilling program of about 500m diamond is planned to test for deeper extensions of DSO as well as beneficiable magnetite mineralisation.

The Company currently has JORC compliant magnetite resource of 6.9Mt at 38.2% magnetite, using a 20% cut off. On completion of the 2010 drilling, a JORC compliant resource estimate for the DSO and magnetite mineralisation for the drilled part of the Project will be made. This will form part of the Feasibility Study being carried out this year .

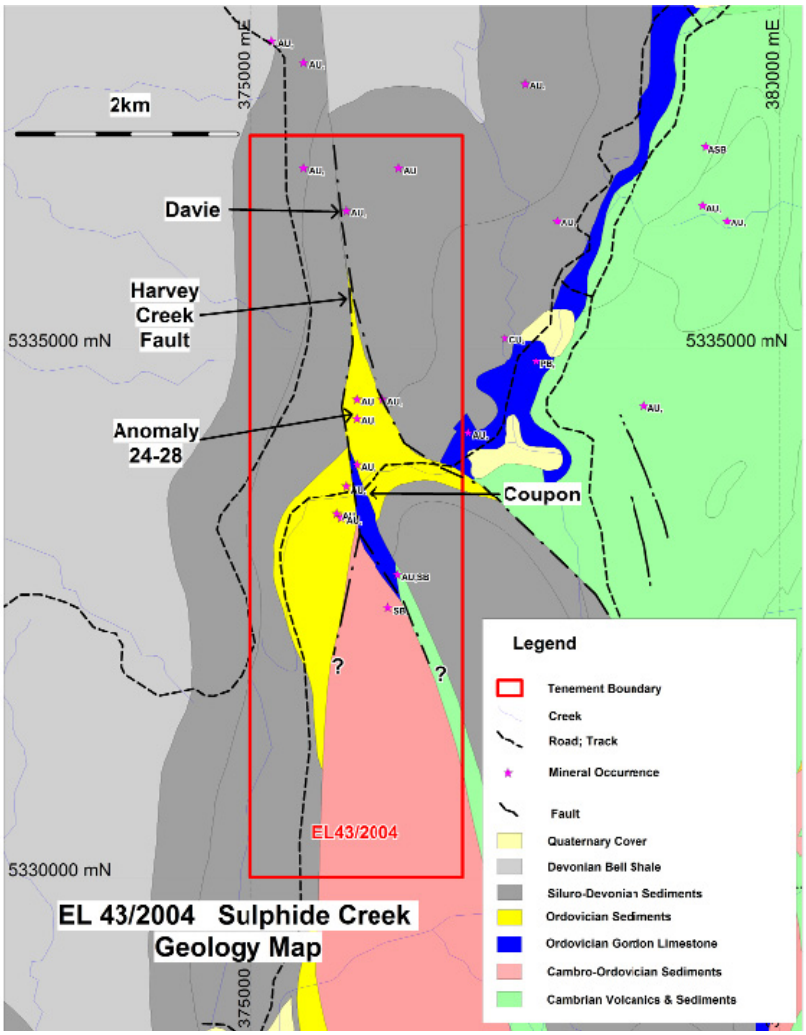
Additionally, the company will seek to pursue mining licence & requisite approvals like environmental to progress the Nelson Bay River project.

Sulphide Creek Gold Prospect (EL23/2004)

The Sulphide Creek Gold tenement is located near Lynchford, 5 km south of Queenstown, Western Tasmania (Figure 1). The Prospect is endowed with good infrastructure and labour supply. The Prospect has several gold occurrences out of which three are strongly anomalous (Davie, Coupon, and Anomaly 24-28) and geologically rated high for their exploration potential for economical gold mineralisation (Figure 4).

Rationale

A major north-south striking fault, informally named the Harvey Creek fault, passes through the middle of the tenement (Figure 4). This fault structure has been considered to act as a conduit for the gold mineralising solutions in the area. The Coupon, Anomaly 24-28, and the Davie gold prospects occur in close proximity to this fault.



Source: MRT

Figure 4: Locations of Sulphide Creek tenement gold prospects

The Davie Prospect has several shafts and adits developed on quartz reefs which recorded 14 g/t gold at surface. During reconnaissance strong iron oxide filled quartz stockwork is noted near one of the safely accessible Davie Adits (Plate 5). Past drilling at the Davie Prospect has intersected extensive stockwork related low grade gold mineralisation; an intercept of 101 metres @ 0.35 g/t gold, including a 1 m intercept @ 1.05 g/t gold.

Low grade gold mineralisation was drilled at the Coupon Prospect to a depth of about 70 m. This drilling tested only 150 m of strike length. From old records it is noted that the Woody Hill Gold Mine, just north of the Sulphide Creek tenement, 4.6 kg of gold @17.6 g/t gold from 265 tonnes of ore was produced.

Presence of anomalous gold values in soil (Figure 5) along with suitable geology of the area suggests that the tenement has good potential for hosting significant gold mineralisation in the lands.

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Work Completed

During the report period the Company has drilled 390.9 metres (diamond) along 2 holes at the Davie Prospect (Table 3).

Table 3: Showing relevant drillhole details

Hole_ID	Location (m AGD 66)		RL (m)	Azimuth (True N)	Dip	Depth (m)
SCDDH4	375689.5	5336335.7	379.9	48	-60	190.9
SCDDH5	375689.4	5336335.6	379.9	48	-85	200
Total meterage drilled						390.9

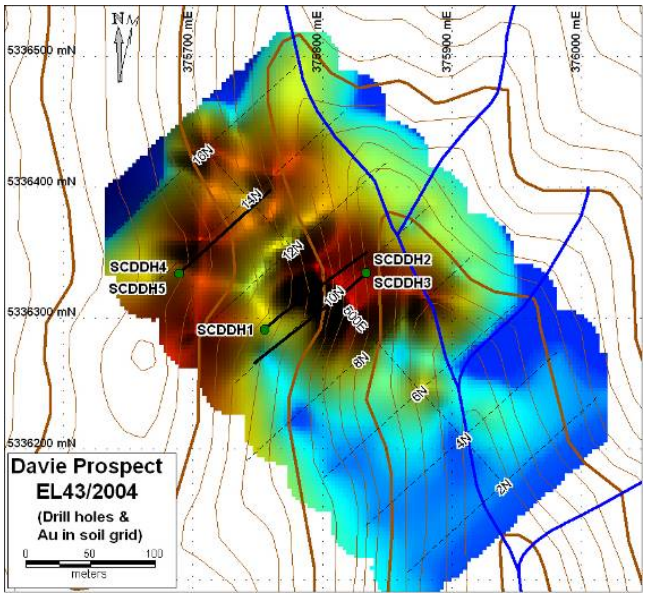


Figure 5: Drill hole location plan with anomalous Au in soil

The drilling was aimed to extent the strike of gold mineralisation by approximately 80m northwest of the drilling carried out by earlier explorers. Extensive iron oxide filled quartz stockwork (Plate 6) within the silicified quartz sandstone was intersected right from surface in both drill holes. The stockwork is highly pronounced between faults (Figure 6) and extends beyond 165 metres. Currently the drill core is being geologically examined and sampled.

Additionally, all tasks (access, drill pad preparation, mobilisation, and demobilisation of drill rig, core transport, etc.) relevant to a drilling operation were attended to.

Plate 5: Iron oxide filled stockwork near an adit at Davie Prospect

Plate 6: Stockwork veining in drillhole SCDDH5

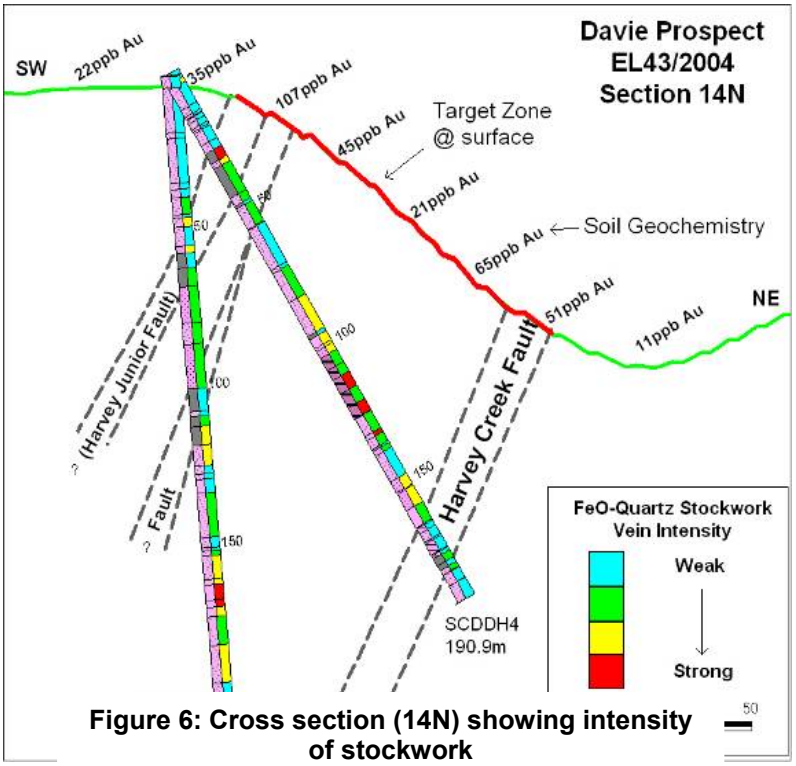


Figure 6: Cross section (14N) showing intensity of stockwork

Outlook

The Company is quite pleased with the drilling results. Depending on the assay results from the current drilling along with further geological studies, further work planning for the tenement during the Second Quarter of 2010 is scheduled.

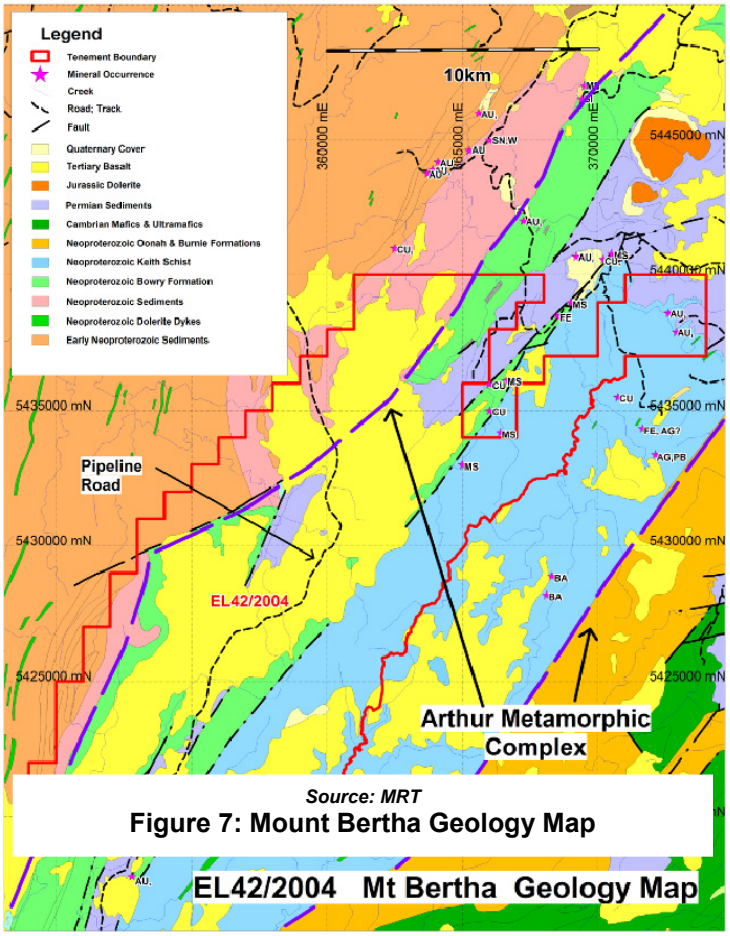
Mt Bertha EL42/2004

The tenement is located 20 km northeast of the Savage River Magnetite Mine and about 50 km southwest of the port of Burnie, North West Tasmania..The Savage River Pipeline to Port Lata traverses through the western part of the tenement (Figure 7). The Company under a Farmin Agreement with IACG Pty Ltd held only 75% of the beneficial interest in the tenement (EL42/2004). Under the terms of the Farmin Agreement, Shree is responsible to fund all exploration expenditure.

Rationale

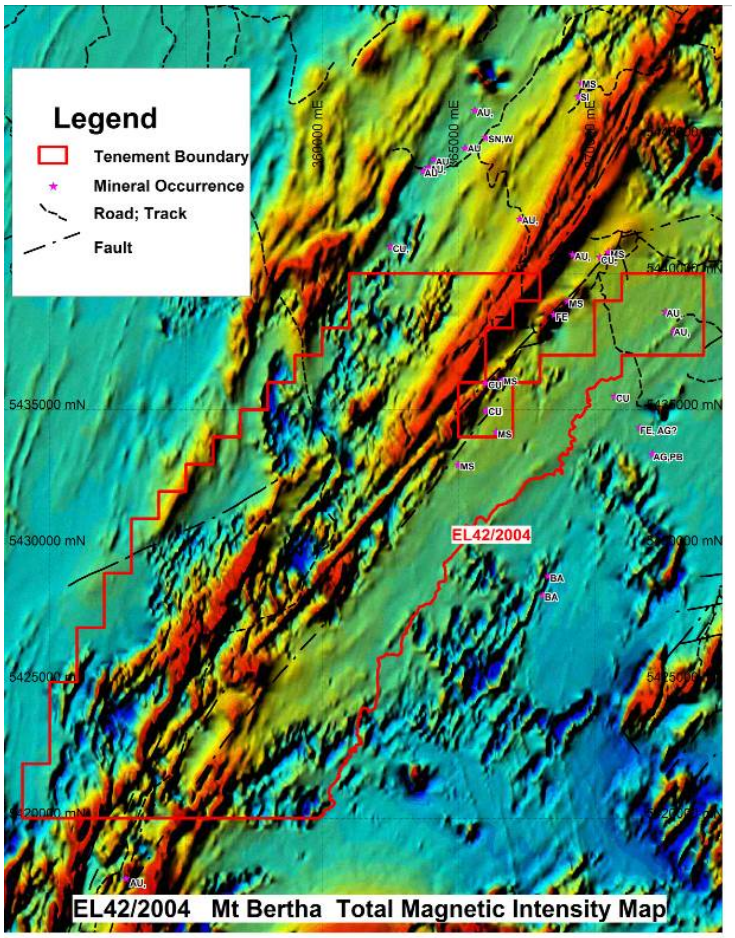
The Arthur Lineament, which trends northeast and hosts major magnetite mineralisation in the area (the Savage River magnetite deposit) passes through the tenement EL42/2004 (Figure 7). The magnetite mineralisation at the Savage River deposit occur as discontinuous lenses of massive to rhythmic- layered magnetite pyrite within a foliated basic volcanic succession. Trace element study of the Savage River magnetite-pyrite ore has been found to contain cobalt (Co; 1000 to 2600 ppm) and nickel (Ni; 760 to 2700 ppm). Weathering in the area has been found to extend to depths of up to 80 m from the surface. In oxidised zone martite (hematite pseudomorph after magnetite) and, limonite are found. Additionally, along fracture planes presence of copper minerals; like bornite, chalcocite, covellite, and native copper are found in the secondary enrichment zone. The airborne magnetic survey by Mineral Resources of Tasmania (MRT) over the tenement area shows a series of magnetic anomalies more or less paralleling to the general stratigraphy in the area (Figure 8). Some geoscientists consider that the Arthur Lineament's geological setting is very similar to the Sambagawa Metamorphic Belt in Japan which hosts the Besshi Style volcanogenic Cu-Zn-Ag-Au deposits in the Country.

In addition to the above favourable geological conditions and mineralisation model for exploration, the current demand for iron ore and prices, (especially for the magnetite due to its superior metallurgical characteristics) are highly encouraging for a systematic investigation of the tenement lands. Accordingly, the Company has planned a comprehensive exploration program. However, due to the thick vegetation cover, lack of good access and rock outcrops, limited information on previous



Source: MRT

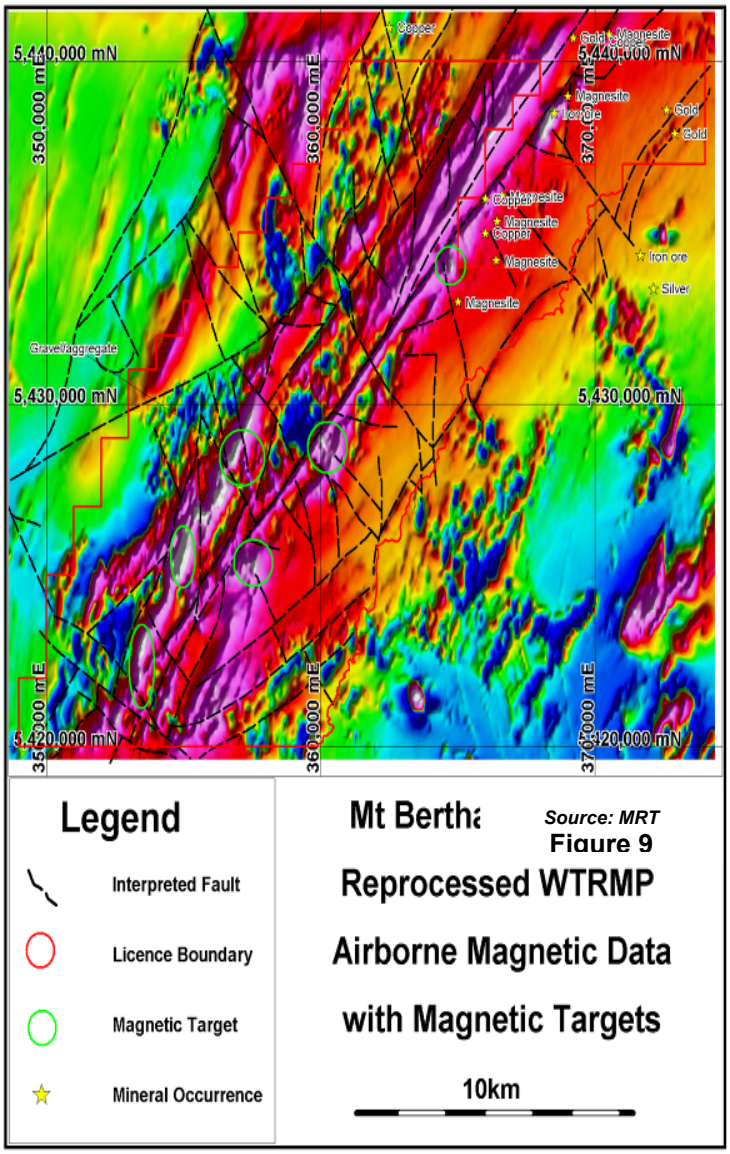
Figure 7: Mount Bertha Geology Map



Source: MRT

Figure 8: Mount Bertha Total Magnetic Intensity Map

exploration over the tenement, the Company has to Stage the exploration efforts. During the quarter the area has been rationalised to aeromagnetic anamoly areas covering a total of 134 km^2 .Access to the property is limited to the Savage River road, but parts of the tenement will be accessed by the Savage River pipeline maintenance road; e.g., access for the current exploration works was via this road (Figure 7). However, due to rugged terrain and thick vegetation cover over the tenement area, initially, the targets may also be accessed by helicopter and where possible via 4WD tracks made by previous explorers. These tracks will require upgrading to access target areas.



Area Prospectivity

Based on the tenement geology and studies, including area magnetic, carried out so far, five exploration targets have been defined (Figure 9) and considered potential for:

- Both DSO and beneficiable magnetite resources;
- Besshi Style volcanogenic Cu-Zn-Ag-Au mineralisation;
- Tennant Creek Style iron oxide associated Cu-gold mineralisation in brecciated zones;
- Avery Style nickel mineralisation; and
- areas containing high-grade magnesite occurrences similar to the deposits found in the region.

Work Completed

Exploration work at MT Bertha was confined to the southernmost target; a magnetic anomaly coinciding with the projection of a faulted contact within the Arthur Metamorphic Complex to the immediate grid south (Figure 9). It also included clearing about 8km of 200 metres spaced grid lines, each about 1km in length, followed by reconnaissance geological mapping and ground magnetic survey using the model G-859 Mining Mag over the grid lines. The magnetic data was collected at 5m intervals, which provided about 1500 data points. The data is currently being assessed.

No outcrop was located over the entirety of the grid lines surveyed. Creek alluvium was investigated in several creeks, which largely comprised basalt, often as cobble to boulder sized sub-angular clasts. A finer sub centimetre fraction comprised dominantly of silicified sediment and milky quartz veining. Most of the basalt floats and sub crop comprised sub angular clasts to boulder (~40 cm max) size pieces.

Outlook

Procurement and detailed study of all geophysical information from the region and further planning of work, which includes access and line clearance for already defined targets (Figure 9) is planned.

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Other Tenements

Shree Minerals' exploration activities for the Quarter in review were confined to those referred to in this report. However, the Company can report that all other tenements remain in good standing and meet statutory requirements.

Proposed Work Program for Q2, 2010

For Q2, 2010 the following activities are planned:

- Geological logging, sampling, assay validation, insitu density determination of core from Sulphide Creek and Nelson Bay River tenements
- Ground magnetic survey at 100 m apart cleared lines at Nelson Bay River Project
- Preparation of geological plans and sections
- Study of available geophysical information by geophysicist experienced in iron exploration
- Review of data from other tenements
- Data entry and validation of all available drilling data
- Reconnaissance field visits

About Shree Minerals

Shree Minerals Limited is a Perth-based multi-commodity exploration company which listed on the ASX on 16th February 2010. The Company has project interests in iron, gold, base metals, and coal.

All tenements are in Tasmania. The Company currently has its core projects in the Nelson Bay River Iron Project in the North West..

Statement of Competent Person

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 (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.

Note

Unless otherwise stated, Company's interest in the tenements referred to in this report is 100 per cent and references to schedules are based on calendar year.