

16th November 2012

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

Nelson Bay River Iron Project Exploration Update

Shree Minerals Ltd (ASX: SHH) ("Shree" or the Company) is pleased to advise that a drilling program of ~3500 meters (~3000m percussion and ~500m of diamond) for upgrading the category and extending the existing resources/reserves, as well as geotechnical studies at its NBR Iron Project has been planned.

Highlights

- 3D Aeromagnetic Inversion Study
- Drilling Objectives
 - Infill to upgrade category of existing DSO Resource
 - Extend DSO Resource / Reserves
 - Geotechnical / Mine engineering studies
- Drilling contract awarded

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3D Aeromagnetic Inversion Study

The 3D Magnetic Inversion study was aimed to assist planning of the 2012 drilling program as well as to get a better understanding of the likely continuity of the main magnetic anomaly from north to south within the NBR tenement. The study is based on aeromagnetic data from Mineral Resources Tasmania (MRT).

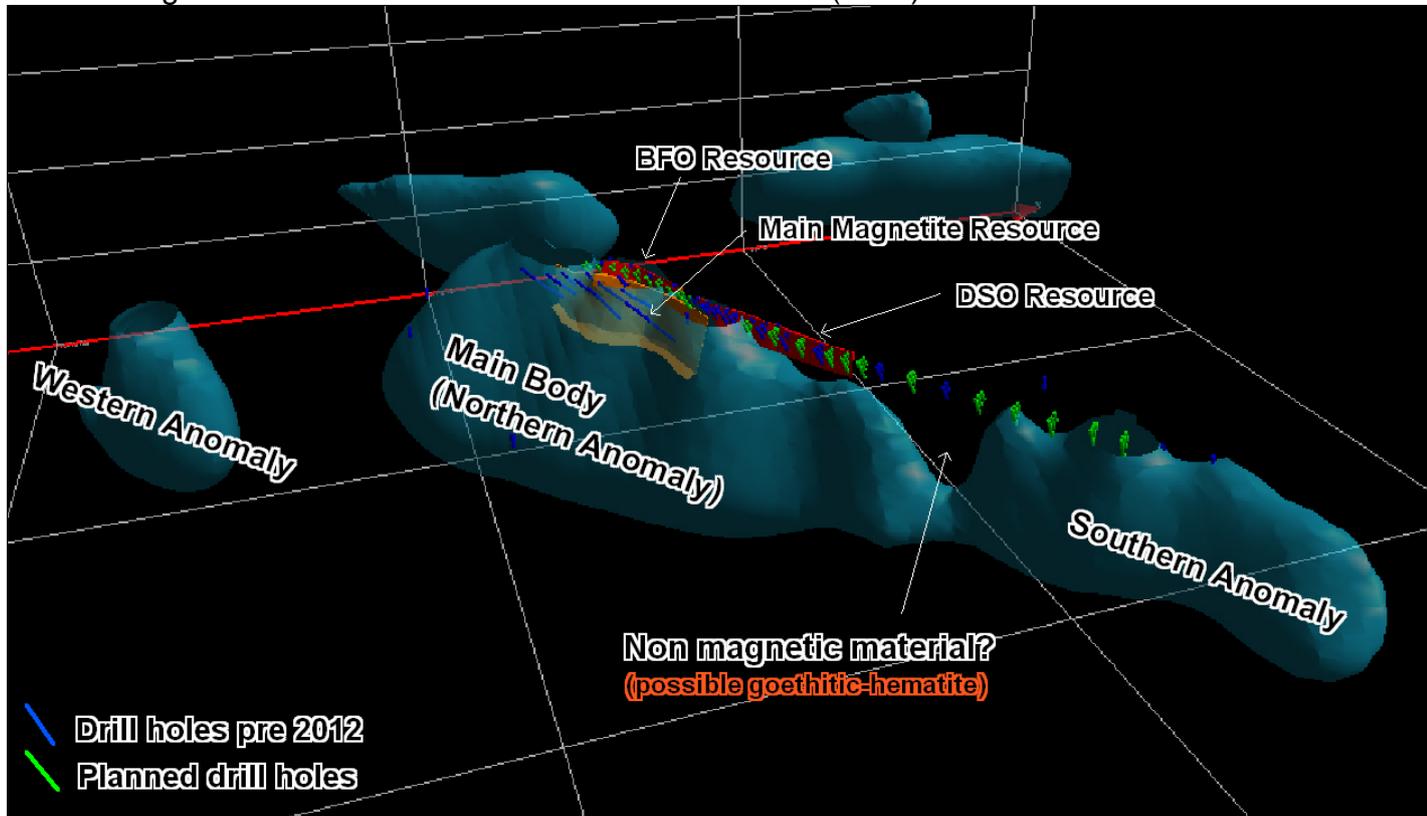


Figure 1: NBR 3D magnetic model with all drill holes - viewed from southwest (Data modified from consultants H & S and Cowan).

The 3D magnetic inversion model (Figure 1) suggests continuity between the Main Body (Northern Anomaly) and the South Anomaly but with in-between areas of non-magnetic material that could be inferred to be oxide mineralization. Scattered detrital gossan fragments were noticed during recent reconnaissance in the Southern Anomaly area.

The modelling indicates substantial continuation at depth of the magnetite-bearing ultramafic dyke.

Shree has concentrated in recent times on work to support statutory approvals besides shallow drilling in the Northern Anomaly area to support a "Project startup" while the potential target for the resource increase along strike to Southern Anomaly & at depth is considered substantial which the company will gradually progress.

Planned drilling

A drilling program of ~3500 meters to upgrade the category and extension of resources/reserves and geotechnical studies of the proposed mine area is planned .

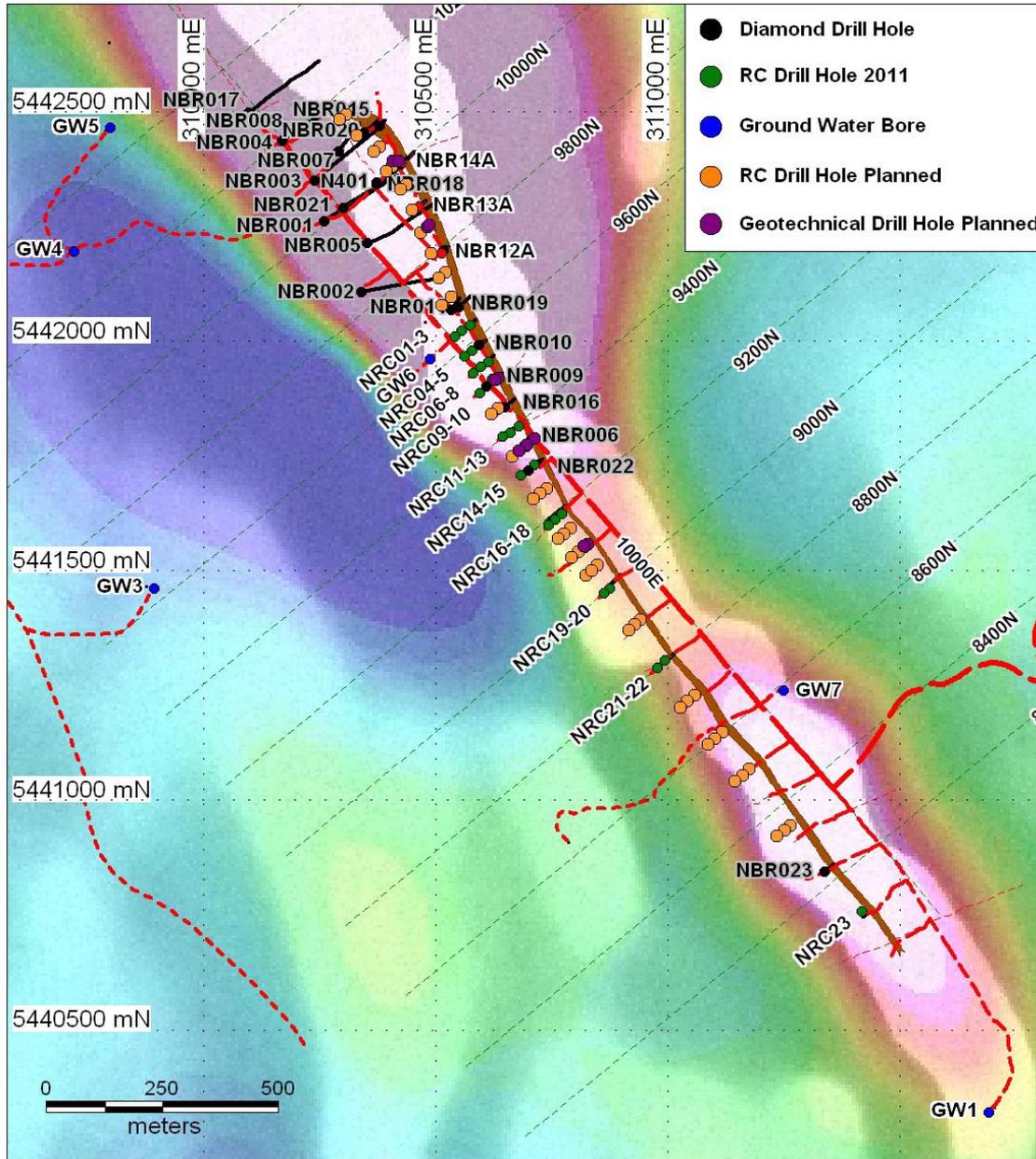


Figure 2: Proposed drilling at NBR Iron Project

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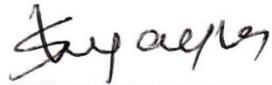
Drilling contract

Due to Contract performance issues, the drilling which was scheduled for mid November 2012 has been delayed & the Company has finalized arrangements with another contractor & the drilling is now scheduled to commence in early December 2012.

About Shree Minerals

Shree Minerals is a Perth-based multi-commodity exploration and development company which was listed on the ASX in February 2010. The Company has interests in iron, gold, and base metals. All tenements are in Tasmania.

Yours Sincerely



Sanjay Loyalka
Chairman
Shree Minerals Limited

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.