

SHREE SHREE MINERALS LIMITED

15th May 2013

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

Dear Sir

Sub: Nelson Bay River Iron Project (NBR) - Off-take Agreement and Funding.

Shree Minerals Ltd (ASX Code: SHH) (“Shree Minerals” or the “Company”) is pleased to announce that it has entered into an Off-take Agreement for its Nelson Bay River Iron Ore DSO Project with Singapore based, Frost Global Pte Ltd (“Frost Global”).

As a part of the agreement, Frost Global will be providing funding of US\$4 million by way of an advance towards the supply of Iron Ore to be adjusted @ US\$500,000 from each of the first 8 shipments of Iron Ore.

The production schedule for the first stage is to develop two relatively shallow opencut mines to produce direct shipping grade hematite ore. Direct shipping ore (DSO) only requires crushing and sizing to produce the DSO product.

The second stage involves the continuation of mining of the second opencut situated above the main magnetite orebody. The hematite oxide cap consists of the central DSO ore section mined in stage one which is surrounded by lower grade ore considered to have potential to produce a commercial beneficiated oxide product (BFO).

The third stage of the project involves opencut mining of the deep magnetite orebody beneath the oxide cap. Earlier studies have demonstrated that the magnetite ore can provide either a dense media magnetite (DMM) product suitable for coal washery applications or a blast furnace pellet (BFP) magnetite concentrate.

The mine life for the NBR project based on the current mine plan is expected to be 10 years and has potential to increase with further exploration work.

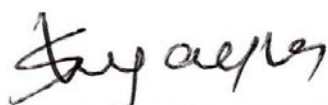
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The DSO project is planned as a contract mining operation based on contractor supplied plant & equipment including processing (Crushing & screening) & transportation. On this basis, FOB Port Burnie costs (C1) are expected to be approximately \$58 per tonne for DSO product which is expected to be produced at a rate of 400,000 tonnes per annum.

Frost Global is a part of Frost International Group. This Billion Dollar Multi commodity trading enterprise has a Global presence right from India, China, Hong Kong, Sri Lanka, Singapore, Switzerland, USA, UAE, Taiwan, and West Indies & UK. Products dealt include Agro commodities, minerals & metals, bullion, petro products etc. for the last two decades. Mr. Sujay U Desai its young dynamic CEO manages this global entity with Key members Mr. Ashish Todi, Mr. Nipun Verma and a large team of experienced professionals across its offices. Mr. Desai said, "This is an exciting development for Frost Group which now commences a strategic partnership with an emerging Iron-ore producer in Australia."

Sincerely,



Sanjay Loyalka

Chairman

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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