

6th June 2014

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

Nelson Bay River operations update

The company provides an operational update for its 100% owned Nelson Bay River iron ore project ("NBR") in Tasmania.

The company advises that the third shipment of NBR Iron Ore has been completed during this week.

Further to the previous updates, mine scheduling has continued to be adjusted to deliver an efficient balance through the company's ore supply chain. Measures are also being targeted towards the objective of conserving resources during the current iron ore price cycle. These measures include changes to certain parts of the production chain including mine development (waste stripping) and ore mining which are being suspended temporarily. The company is also working with various stakeholders to optimise costs in its export chain & in the interim the scheduling of other parts of production chain are being adjusted as per business & operational needs.

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 metres 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.

NBR project has a JORC compliant global Iron resource of 11.3 Mts including goethitic-hematite resource of 1.4 Mts and magnetite resource of 7.8 Mts.

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

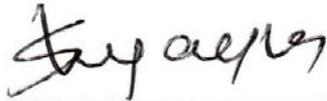
SHREE MINERALS LTD, ACN 130618683
Unit 2, The Pines Business Centre,
88 Forrest Street, Cottesloe, WA6011
Phone: + 61 (08) 92861509, FAX: +61 (08) 93855194
www.shreeminerals.com

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couple of years at low capital expenditure to be followed by the magnetite resource to produce Dense Media Magnetite (DMM) used for Coal Washery.

Studies to-date have reflected a stable market & pricing for DMM as an industrial mineral in Eastern Seaboard of Australia with domestic production not being adequate to meet demand resorting to imports , thereby conforming the long-term value potential of the NBR project.

Yours sincerely



Sanjay Loyalka
Chairman

The data in this report that relates to Exploration Results and Mineral Resource Estimates is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

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