



Quarterly Report

PERIOD ENDING 31 March 2011

ASX Code: SHH

Highlights of March Quarter

- Following completion of requisite studies at Nelson Bay River Iron Project (NBR), applications were made during the quarter for various approvals as follows:
 - EPBC Referral : Feb 2011
 - Mining Lease Application : Feb 2011
 - Notice of Intent for State Environmental approval : March 2011
- RC percussion drilling at NBR commenced on 7th March 2011.
- By Quarter end 887m along 16 drill holes were drilled.
- The drilling has intersected Goethitic-hematite in all holes drilled.
- Intersected iron mineralisation true widths are greater than anticipated.
- Study by independent geological consultants has concluded that Sulphide Creek tenement has potential for gold mineralisation of 30-50Mt for approximately between 0.72 to 1.0 million ounces of gold.

This report covers Shree Minerals' (Shree or the Company) exploration related activities for the quarter ended 31 March 2011.

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. Overall all planned exploration work remains broadly on schedule.

Work performed during the Quarter

During the reporting period the following tasks were performed:

- RC drilling at the NBR Project commenced on 7th March and a total of 887 m along 16 holes was drilled and related tasks (geological logging, sampling of ore intervals, drillhole capping, etc.) were attended to.
- Access clearance and base line gravel sheeting to enable access to NBR Project area and clearance of drill sites
- Study of Sulphide Creek (EL43/2004) tenement potential for gold mineralisation by independent geological consultant was carried out.

Nelson Bay River Iron Ore Project

Location and Access

The Nelson Bay Iron Project includes two contiguous licences, EL 41/2004 and EL 54/2008 and cover areas of 50 km² and 43 km² respectively (Figure 1). The 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. Access to the tenements is via the Temma and Heemskirk sealed road and thereon via forestry tracks (Figure 1).

Geology

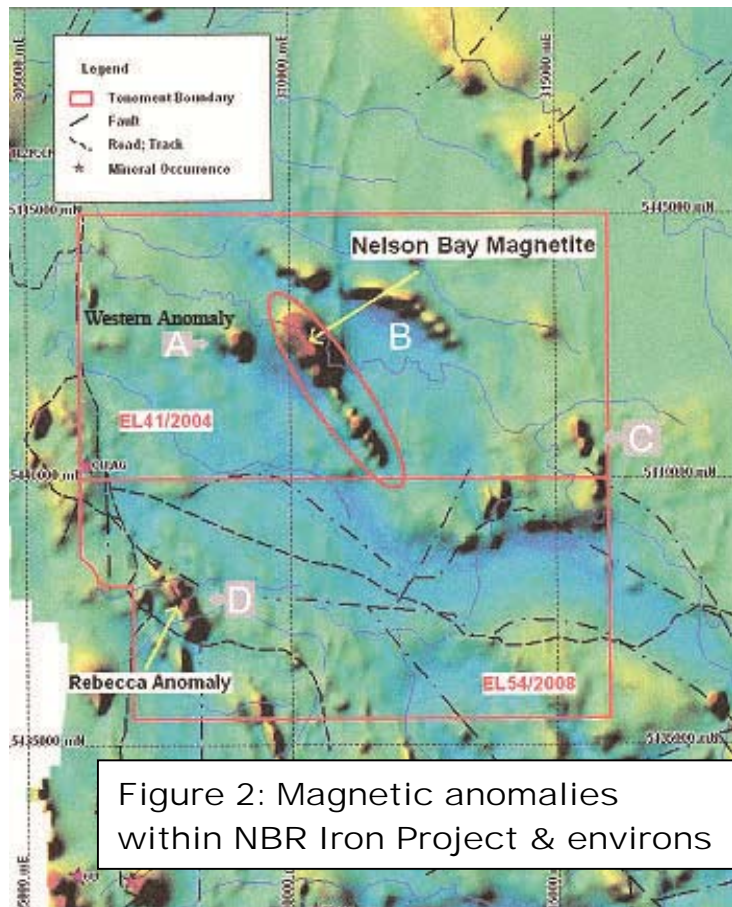
The Nelson Bay River iron mineralisation is hosted by a 10 to 28 metres wide mafic dyke that cross cuts the country rocks at right angle. The tenements contain a series of NW striking, strong amplitude magnetic anomalies (Figure 2). One of these anomalies (~ 4 km long) occurs within the EL41/2004 and is known as the **Nelson Bay River Magnetite** (Figure 2); subject of this reporting. A second, similar to the Nelson Bay River anomaly, occurs 5 km south within EL54/2008 and is



Figure 1: Nelson Bay River Iron Project location and access plan

known as the **Rebecca Magnetite Anomaly** (Figure 2).

The Company has 100% interest in the Project tenements. The Project area and environs has several magnetic anomalies (Figure 2).



Exploration

Major part of the exploration work has been carried out on the Northern anomaly (Nelson Bay River Magnetic Anomaly). Work done to date has extended the strike length, depth of iron mineralisation and has identified and delineated global iron resource of 12.7Mt at 36.1% Fe including magnetite and goethite-hematite resources.

Drilling

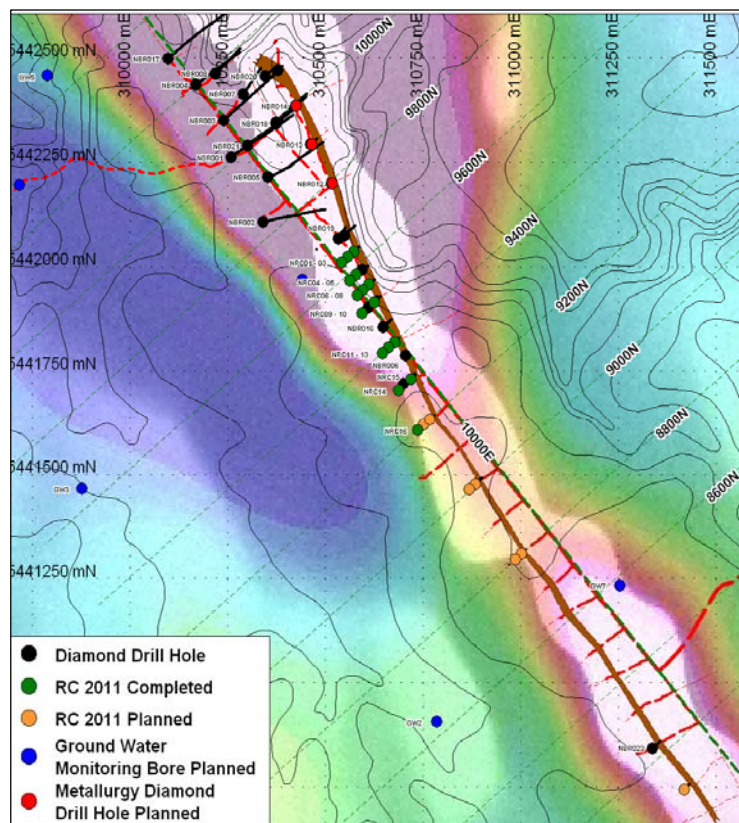
Reverse Circulation (RC) drilling at the Nelson Bay River Iron Project commenced on 7th March, 2011. By Quarter end 16 drill holes (NRC1 to NRC16) totalling 887 m on 7 cross sections were drilled (Figures 3 to 8 and Table 1). The drilling completed and planned is shown in Figure 3.

The drilling is aimed to upgrade DSO resource in category and delineate further south DSO resource in the Project area. Ore intersection varied from 8 to 20 metres (Figures 4 to 8).

Table 1: RC Percussion drilling progress as at 31 March 2011

Hole ID	Location (m) MGA94		RL (m)	Azimuth (°)	Dip (°)	Depth (m)	Section
NRC01	310572.46	5442036.14	81	50	-45	27	9650
NRC02	310557.1	5442023.3	85	50	-45	48	9650
NRC03	310541.73	5442010.47	88	50	-45	69	9650
NRC04	310577.54	5441979.31	88	50	-55	55	9600
NRC05	310562.17	5441966.47	91	50	-55	74	9600
NRC06	310611.64	5441956.91	85	50	-55	33	9550
NRC07	310596.28	5441944.07	89	50	-55	55	9550
NRC08	310580.92	5441931.23	91	50	-55	74	9550
NRC09	310624.13	5441914.59	90	50	-55	40	9500
NRC10	310593.41	5441888.9	93	50	-55	74	9500
NRC11	310676.91	5441818.49	95	50	-55	27	9400
NRC12	310661.55	5441805.66	96	50	-55	52	9400
NRC13	310646.18	5441792.82	96	50	-55	64	9400
NRC14	310686.65	5441703.46	99	50	-55	79	9300
NRC15	310718.3	5441730.03	99	50	-55	34	9300
NRC16	310736.27	5441607.14	100	50	-55	82	9200
Total						887	

Figure 3: NBR drill hole location plan



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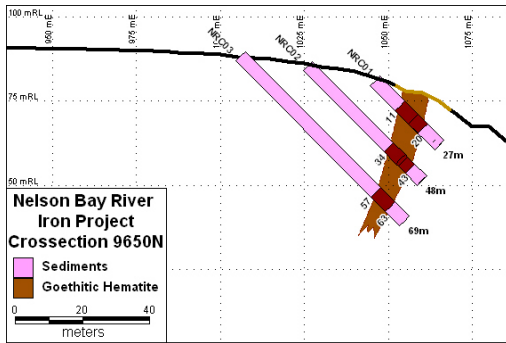


Figure 4: Cross section 9650 mN

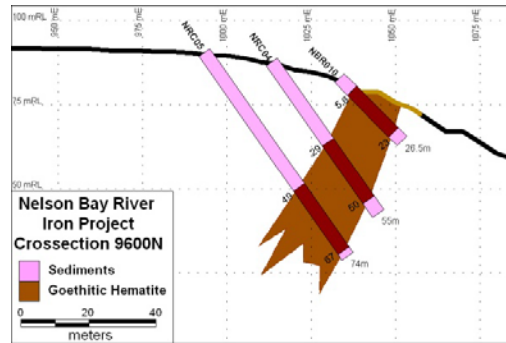


Figure 5: Cross section 9600 mN

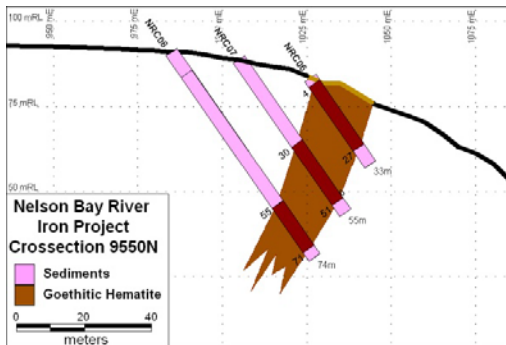


Figure 6: Cross section 9550 mN

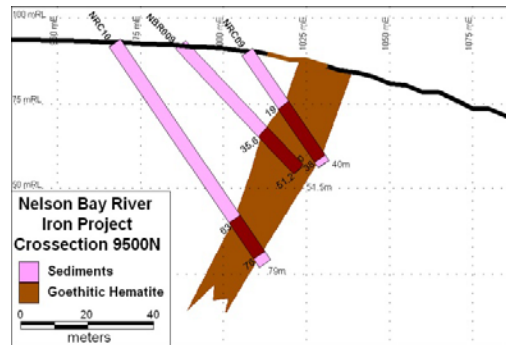


Figure 7: Cross section 9500 mN

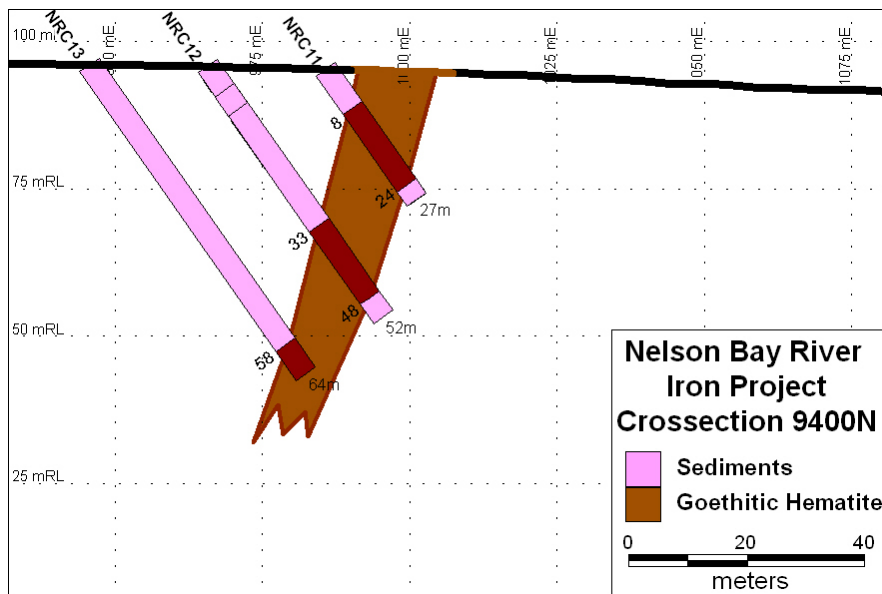


Figure 8: Cross section 9400 mN



Feasibility Studies for NBR Project

Various studies have progressed satisfactorily during the quarter in Geology, Mine engineering, Metallurgy, process plant engineering, infrastructure etc.

Following the discovery & publication of Oxide Resources the company has been focusing on DSO as a phased approach & is planning staged development of the Project as follows:

Stages:

1. Direct Shipping Iron Ore (DSO), with very low deleterious elements (very low Al_2O_3) :Lump & Fines
2. Iron Ore product (Fines & Lump) from Beneficiable goethitic-hematite iron resource.
3. High Grade Magnetite concentrates suitable for :
 - Dense Media separation in coal washery and
 - High-grade Blast Furnace pellets.

Consequently the study on Magnetite resources are now being done to a Preliminary Feasibility Level as a pragmatic approach as the focus is currently on DSO phase being stage 1.

The DSO phase is planned to be mined via a shallow open pit followed by crushing & screening operations for the product to be transported via existing roads to nearby existing ports with ship loading infrastructure. The plan is to do these operations using mobile equipment via local contractors in Tasmania who have the necessary experience as well as resources. The company has obtained budgetary cost estimates which indicate a FOB cash cost of Approx \$45 to \$50 per tonne based on mining 400,000 tpa ore .

The mine plan has currently been designed for an initial mine life of appx 10 years covering above stages as following;

Waste	M3	11,627,562
Oxide Ore	Tonnes	1,013,359
Magnetite Ore	Tonnes	2,902,946
Total Ore	Tonnes	3,916,305
Strip Ratio	M3/t	2.97
Ore per year	Tonnes	400,000
Years of Production		9.9



Regulatory Approvals for NBR Project

Following completion of requisite studies at Nelson Bay River Iron Project (NBR), applications were made during the quarter for various approvals as follows:

- The Mining Lease Application was lodged in Feb 2011 with Mineral Resources Tasmania under the Mineral Resources Development Act 1995.
- Referral under the Environment Protection and Biodiversity Conservation Act 1999 (EPBCA) was lodged in Feb 2011. The company has consequently been advised that the Project will require assessment and approval under the EPBCA and that the project will be assessed using an Environmental Impact Statement under section 101 to 105 of the EPBCA.
- The Notice of Intent for the State Environmental approval under Environmental Management and Pollution Act, 1994 (EMPCA) was Lodged in March 2011. The company has consequently been advised that the Project will be subject to assessment under the EMPCA by the Board of the Environment Protection Authority as a 2C class of assessment.

The approval process is expected to be as follows:

- The mining lease application will be determined by MRT separately to the environmental approvals.
- The Commonwealth EPBCA and State EMPCA environmental assessments will be undertaken separately but in parallel and will include public consultation phase.
- An Environmental Impact Statement will be prepared for the Commonwealth
- A Development Proposal and Environmental Management Plan will be prepared for the State
- The Commonwealth and State will each issue guidelines for the preparation of these documents. The State's assessment will cover the broad range of environmental issues associated with mining. The Commonwealth's assessment will be confined to Commonwealth listed species.

Sulphide Creek -

EL42/2004

The Sulphide Creek tenement (EL43/2004) is located near Lynchford, 5 km South of Queenstown, Western Tasmania (Figure 9).

Following encouraging drilling results in 2010, (Table 2 & Figure 10) added with the equally encouraging historical information, the Company commissioned consultants Hellman & Schofield Pty Ltd to undertake a data compilation and review of all available information on the Sulphide Creek tenement (EL43/2004) and environs for tenement's potential for gold mineralisation.

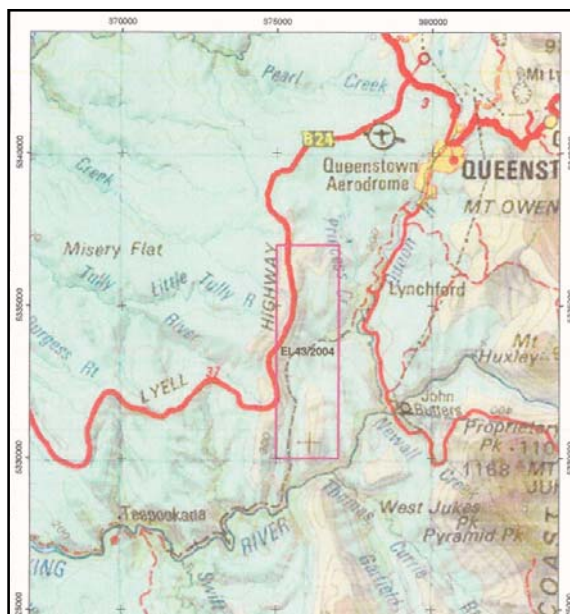


Figure 9: Tenement (EL43/2004) location and access
Study background

Table 2: Significant gold intersection in drillhole (2010 drilling)

Hole ID	Location (m) AGD 66		Location (m)		Intersection (m)	Grade g/t
	Northing	Easting	From	To		
SCDDH4	375690	375689.5	19	37.5	18.5	0.5
<i>Includes</i>			31.5	34.5	3	1.26
SCDDH5	375689	375689.4	37	51	14	0.53
			39	51	12	0.55
			159	168	9	0.88
<i>Includes</i>			164	167	3	1.29
			181	183	2	0.6

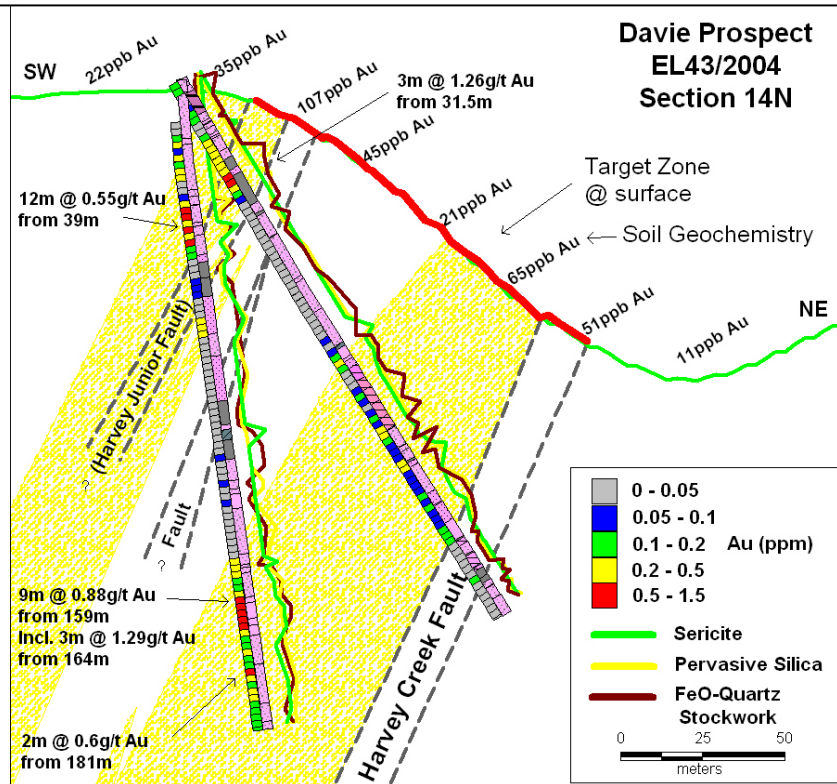
The mineralisation target for the Sulphide Creek licence is large scale, structurally controlled gold mineralisation associated with major lithological contacts juxtaposed with the Harvey Creek Fault (Figure 11).

The Minerals Resources Tasmania (MRT) has divided Tasmania into seven geological regions or “Stratotectonic Elements”, each with a different geological history and economic mineral associations. *The Sulphide Creek tenement (EL43/2004) lies within the Dundas element, which hosts world class deposits, like Rosebery and Hellyer copper, lead & zinc mines, Mt Lyell Copper-Gold Mine, Henty Gold Mine, Renison Tin Mine, Ave-bury Nickel Deposit.*

Figure 10: Section showing alteration and gold mineralisation

Area potential

The work done to date suggests that there is a large zone of diffuse mineralisation including pervasive silica alteration associated with a complex fault pattern (NW, NE and N-S structural interaction) immediately proximal to the Harvey Creek Fault (considered as conduit for gold mineralising solutions) within the the Rinadeena Formation and Lower Silurian clastic sediments (Figure 11).

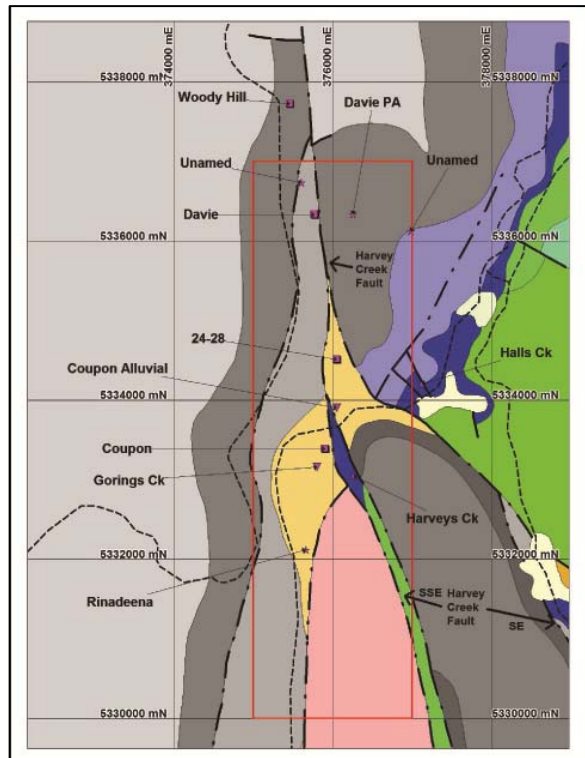


Further, the drilling at Coupon and Davie prospects suggests that there is exploration potential for gold mineralisation within the Sulphide Creek tenement. Similarities in geological age, setting and styles can be made with the South Carolina Slate Belt deposits of the Haile and Ridgeway mines. Therefore, the gross exploration potential for the Sulphide Creek tenement could be of the order of 30-50Mt @ 0.75-1g/t gold for approximately between 0.72 to 1.0 million ounces. (*Note: the potential quantity and grade are conceptual in nature, as there has been insufficient exploration to define a Mineral*

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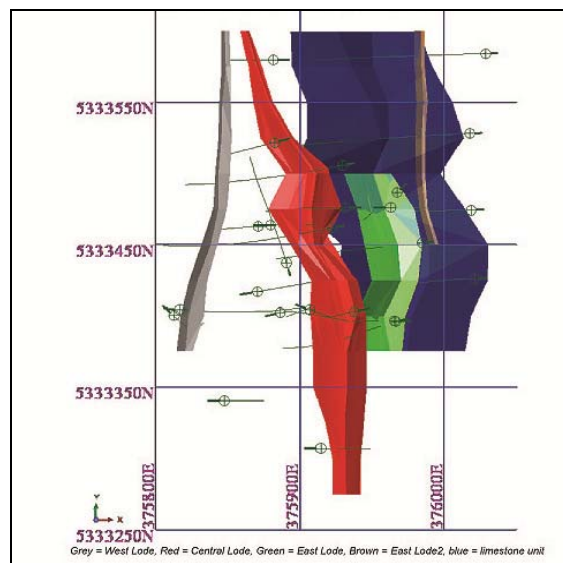
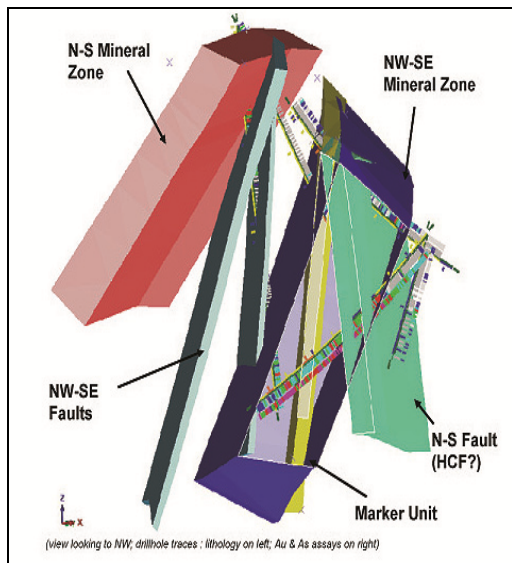
Resource. Moreover, it is uncertain if further exploration will result in the determination of a Mineral Resource.)

Figure 11: Tenement (EL43/2004) geology with prospects



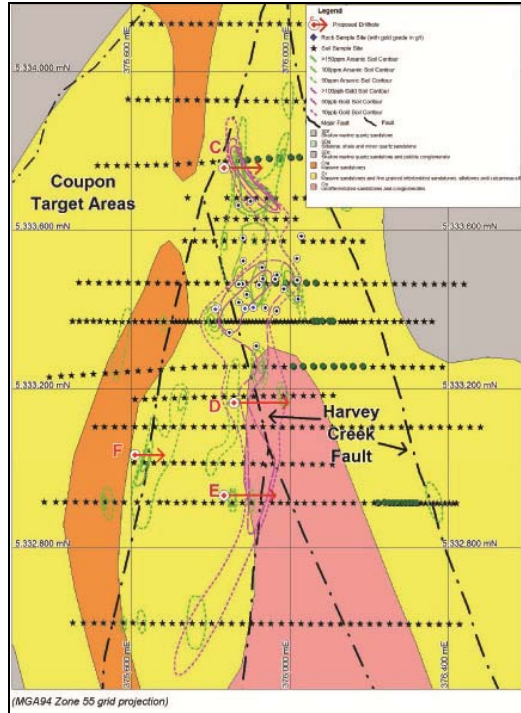
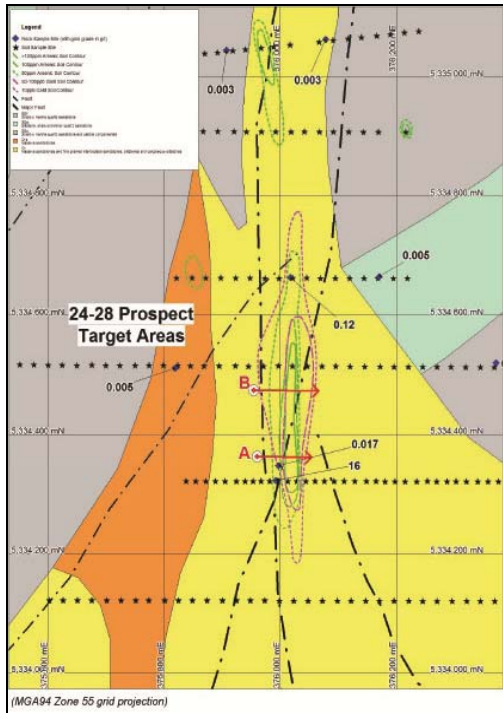
Study Findings

The study involved an exhaustive examination of all available historical information, assessment of Mineral Resources Tasmania (MRT) geophysical data and 3D interpretation of tenement drilling (Figures 12 & 13). From this work several drill targets for the tenement were defined and are shown in Figures 14 – 16).



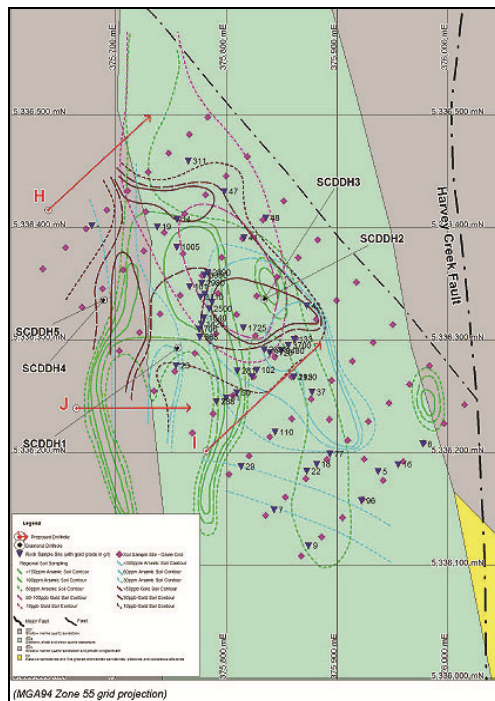
Source: H & S

Figure 12: Davie Prospect 3D Interpretation Figure 13: Coupon Prospect 3D Interpretation Plan



Source: H & S

Figure 14: Prospect 24-28 Target Map Figure 15: Coupon Prospect Target Map



Source: H & S

Figure 16: Davie Prospect Target Map



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 - 2011

For Q2, 2011 the following activities are planned:

- Continue RC drilling to delineate more DSO resources in the Project area;
- Drilling of three PQ diamond drill holes to procure material for metallurgical testing ;
- Work on data base including; data entry and validation of drilling data;
- Estimation of resources;
- Review of data from other tenements;
- Pursuing Approval process for NBR Project; and
- Reconnaissance field visits.

About Shree Minerals

Shree Minerals Limited is a multi-commodity exploration company which listed on the ASX. The Company has project interests in iron, gold, and base metals. All tenements are in Tasmania. The Company currently has one core project in Tasmania; the Nelson Bay River Iron Project in the North West

The information reported herein is based on information compiled by Mr Mahendra Pal who is a Fellow of the Australasian Institution of Mining and Metallurgy 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.