

16th February, 2011

Sulphide Creek potential for gold mineralisation of 30-50Mt for approximately between 0.72 to 1.0 million ounces gold.

Following encouraging drilling results in 2010 (Table 1) 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 area's potential for gold mineralisation.

Structurally controlled gold mineralisation within the licence area is intersected at the Coupon and Davie prospects. 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.

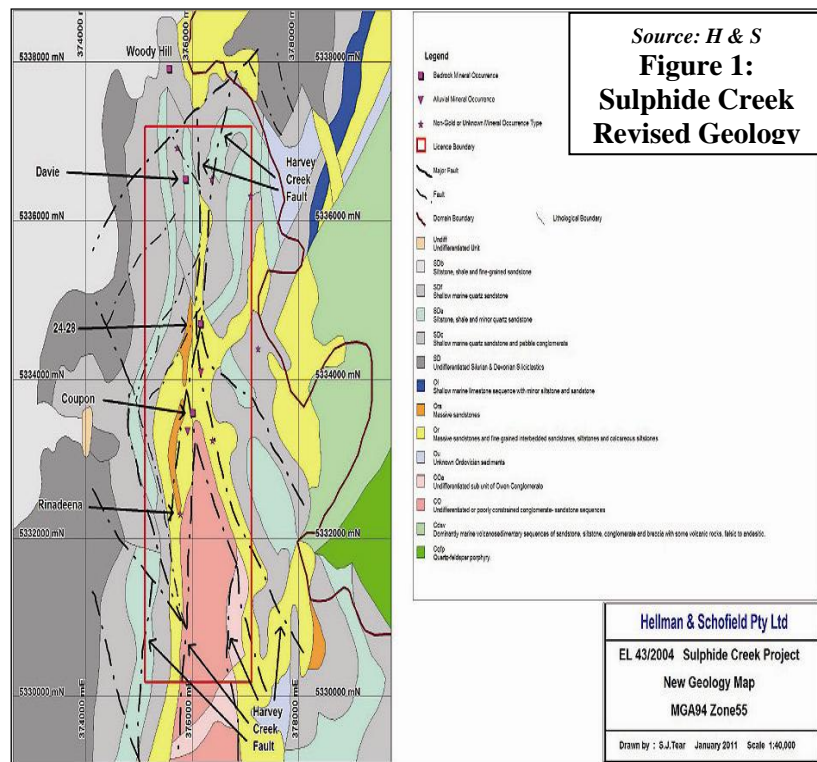
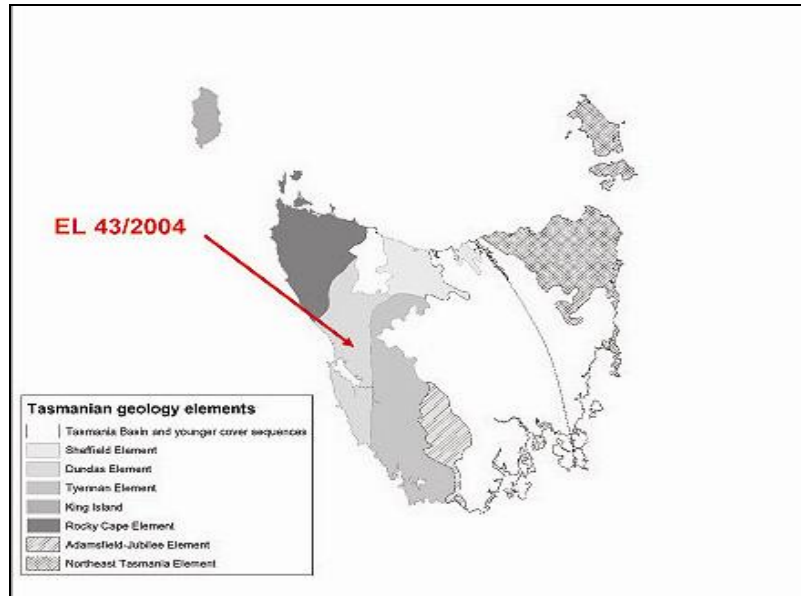


Table 1: Significant gold intersection along drillhole (2010 drilling)

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

The Sulphide Creek Gold tenement (EL43/2004) of Shree Minerals Limited is located near Lynchford, 5 km south of Queenstown, Western Tasmania.

The Minerals Resources Tasmania (MRT) has divided Tasmania into seven geological regions or “Stratotectonic Elements” (Figure 2), each with a different geological history and economic mineral associations. *The Shree’s 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.*



Source: H & S (Modified from MRT Map)

Figure 2: Sulphide Creek tenement and Stratotectonic Elements

Historical Gold Production

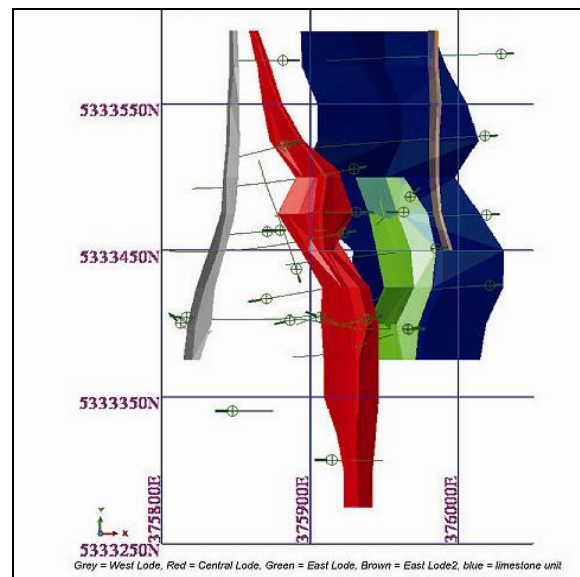
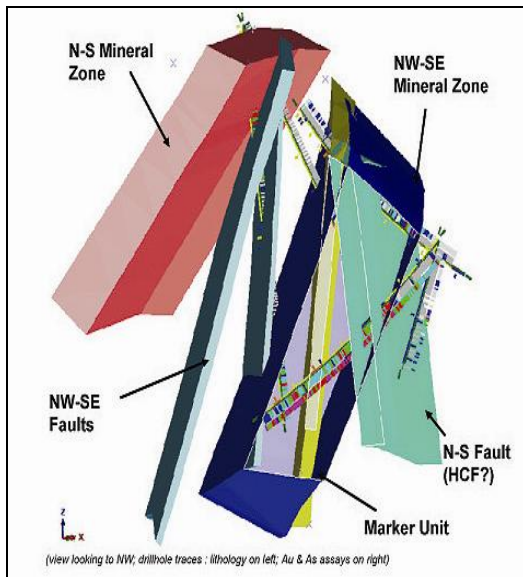
According to available records alluvial gold was panned in many streams of the Sulphide Creek area and traced back to source. This resulted in the excavation of several shallow shafts and adits. The Woody Hill Gold Mine (Figure 1, just north of the current licence) is reported as producing 4.6 kg of gold from 265 tonnes of ore at a grade of 17.6 g/t gold. The tenement has 3 known prospects; the Davie, Coupon and Anomaly 24-28. The Davie workings reported to consist of several shafts and adits developed on quartz reefs which recorded 14 g/t gold at surface. In 1913 from the Coupon underground workings, 32 tonnes of ore at an average grade of 12 g/t. gold was mined. However, modern exploration of the area began later and initially comprised surface geochemical sampling and some minor ground magnetic surveying. The mineralisation at Davie/Coupon/24-28 prospects consists of a gold-arsenic-iron association with quartz vein stockwork systems within fractured sandstones (Plate 1).



Plate 1: Stockwork with ferruginous veins in drill core – Davie Prospect

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 3 & 4). Subsequently, drill targets for the Sulphide Creek tenement (Figures 5 - 7) were defined.



Source: H & S

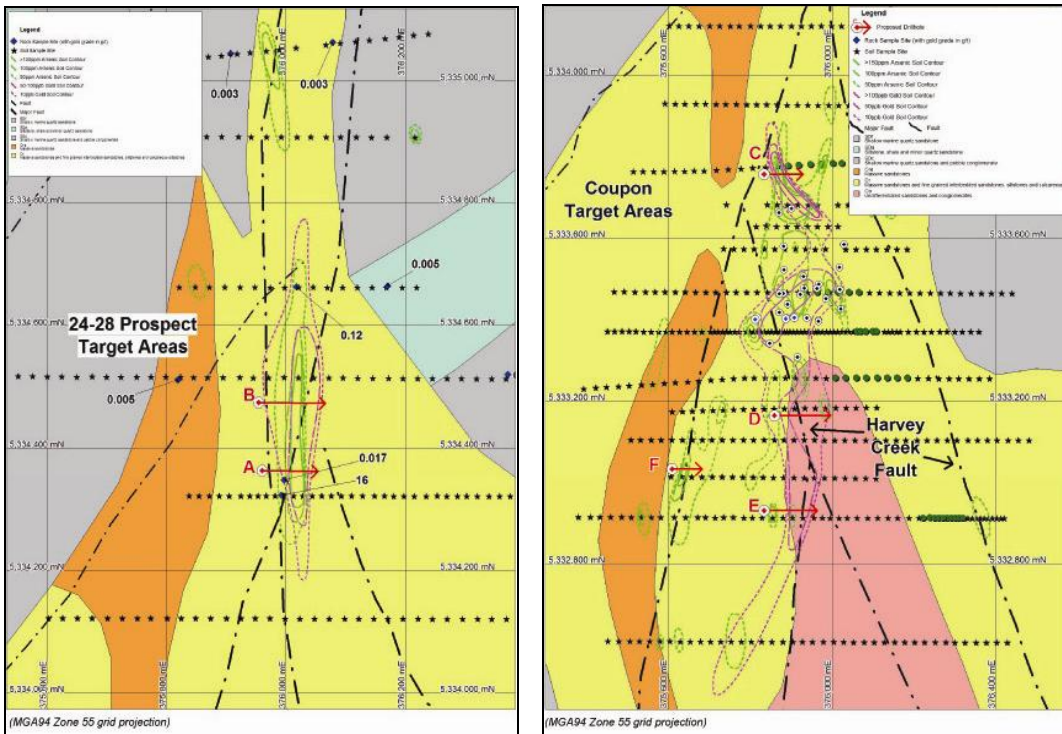
Figure 3: Davie Prospect 3D Interpretation Figure 4: Coupon Prospect 3D Interpretation Plan

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 within the Rinadeena Formation and Lower Silurian clastic sediments (Figure 1).

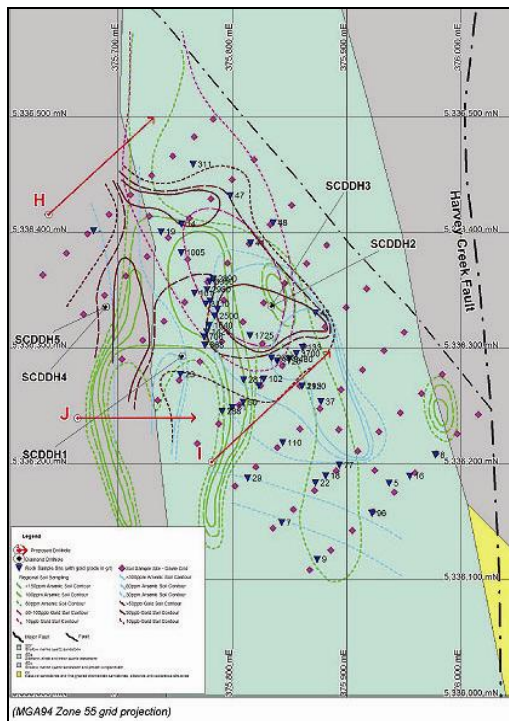
The lack of tightly controlled high grade gold mineralisation and the broad low grade consistent mineralisation intersected in the drilling at Coupon and Davie prospects suggest that there is exploration potential for a series of low grade gold deposits within the Sulphide Creek area. Similarities in geological age, setting and styles can be made with the South Carolina Slate Belt deposits of the Haile and Ridgeway mines. **Thus the gross exploration potential for the Sulphide Creek area could be of the order of 30-50Mt @ 0.75-1g/t gold for approximately between 0.72 to 1.0 million ounces.** (Note however, that the potential quantity and grade is conceptual in nature, and that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource).

The suggested exploration strategy is to continue drilling on the Coupon and Davie prospects, generally following up either significant previous drill intercepts or untested surface geochemical anomalies. The suggested drill targets are aimed to intersect higher grade gold mineralisation of substantial widths. Target coordinates and their plan positions are given in Figures 5-7 respectively.



Source: H & S

Figure 5: Prospect 24-28 Target Map Figure 6: Coupon Prospect Target Map



Source: H & S

Figure 7: Davie Prospect Target Map

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 two core projects; the Nelson Bay River Iron Project and Sulphide Creek Gold Prospect in the North West, Tasmania.

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.