

## Shree Minerals Company Update Drilling commencement at Nelson Bay River Project

Shree Minerals Limited (ASX: SHH) ("Shree" or the Company) is a Perth based multi-commodity exploration and development company which was formed on 14<sup>th</sup> April 2008 and was listed on the Australian Stock Exchange on 16<sup>th</sup> February 2010. The Company has exploration interests in iron, gold, coal, and base metals. It currently has two core projects; Nelson Bay River Iron in the North Western Tasmania and Catamaran Coal in the South West Tasmania (Figure 1).

### Highlights

- Diamond drilling at Nelson Bay River commenced on 10<sup>th</sup> February 2010 with drillhole NBR-17. The drilling has intersected magnetic mineralisation from 223 to 234m.
- The Company believes the Nelson Bay River Project has potential to produce Direct Shipping Ore (DSO) with grades of greater than 60% Fe, and beneficiable material (magnetite) of greater than 38% Fe capable to produce concentrates suitable for coal washeries and high-grade pellets
- The Company carried out upgrading of access tracks and clearance of drill site pads for the 2010 diamond drilling and other feasibility study works
- In February 2010, the Company has appointed Pitt & Sherry Consulting Engineers to conduct the Development Proposal and Environmental Management Plan (DPEMP) for its Nelson Bay River (NBR) Magnetite Project



Figure 1: Tenement locations

Source: Shree Prospectus

## Nelson Bay Iron Ore Project (EL 41/2004 & 54/2008)

The Nelson Bay Iron Project includes two contiguous licences, EL 41/2004 and EL 54/2008 and cover areas of 50 km<sup>2</sup> and 42 km<sup>2</sup> respectively. The Project areas are located about 5 km east of the town of Temma and about 70 km southwest of Smithton, in North West Tasmania (Figure 1).

Access to the tenements is via the Temma and Heemskirk sealed road and thereon via nicely maintained forestry tracks.

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. Tasmanian Government airborne magnetic survey has mapped a series of NW striking, strong amplitude magnetic features (Figure 2). One of these magnetic features, a 4 km long structure occurs within the EL41/2004, is known as the **Nelson Bay River Iron Prospect** (Figures 2 & 3), which is the subject of this reporting. A second significant magnetic feature, similar to the Nelson Bay River iron mineralisation occurs 5 km south at EL54/2008 and is known as the **Rebecca Magnetite Occurrence** (Figure 2).

The Company has 100% interest in the Project tenements. The Nelson River Prospect (EL41/2004) has two identified magnetic anomalies (Figure 2); the North and South. Major part of the exploration work has been carried out on the Northern anomaly. Since inception the Company has directed its resources towards the development of the Northern anomaly (Nelson Bay River Iron Project) and has carried out outcrop sampling (Plate 1) (grab and channel sampling), diamond drilling of 535.3 m along 11 holes, ground magnetic survey, etc. The drilling has extended the strike length of the iron mineralisation to almost 1km in the northern anomaly. The drilling has intersected both DSO (Plate 2) and beneficiable magnetite (Plate 3) materials. The outcrop sampling results are given in Table 1 and diamond drilling results in Table 2.

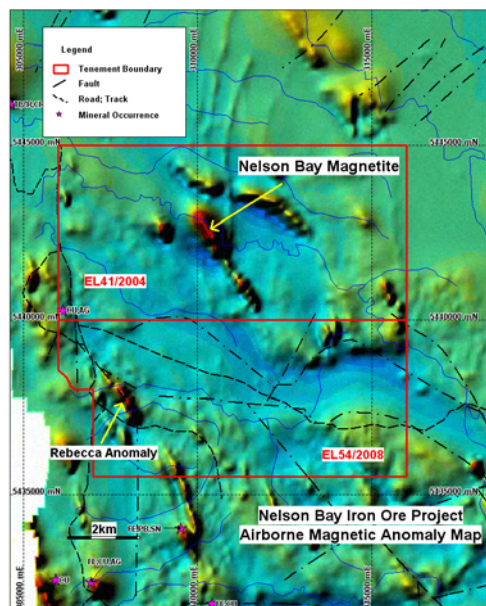
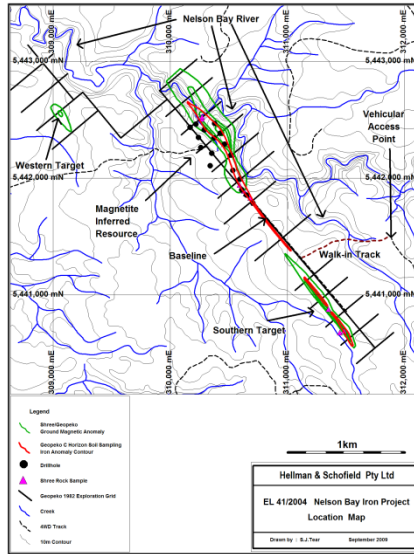


Figure 2: Magnetic signatures of Nelson Bay River iron occurrence and environs

Source: Shree Prospectus



**Figure 3: Location of Nelson Bay River Iron Anomalies**

**Table 1: Rock outcrop sampling results**

Sample No.	Sample Type	Location (m)		Grade (%)							
		Northing	Easting	Fe	SiO <sup>2</sup>	Al <sub>2</sub> O <sub>3</sub>	P	S	CaO	MgO	LOI
21282	Grab	5441787	310710	63.4	1.48	0.73	0.047	0.041	0.02	0.01	6.82
21283	Grab	5441830	310648	65.1	1.50	0.66	0.036	0.051	0.03	0.02	4.90
21284	Grab	5441870	310642	59.6	1.41	1.51	0.110	0.050	0.03	0.10	11.80
21285	Grab	5441893	310625	57.2	4.26	2.17	0.242	0.071	0.03	0.12	11.10
21286	Grab	5441945	310590	22.9	62.40	0.59	0.015	0.035	0.12	0.09	3.37
21287	Grab	5441997	310597	60.0	10.30	0.07	0.019	0.013	0.01	<0.01	3.77
21288	Grab	5441986	310603	46.0	28.10	0.07	0.031	0.010	0.03	0.01	5.91
21289	Grab	5442002	310607	52.1	23.50	0.11	0.026	0.006	0.01	<0.01	1.86
21290	Channel	5442203	310526	50.5	19.00	0.26	0.016	0.039	0.01	0.03	7.28
21291	Channel	5442204	310327	53.4	10.90	0.11	0.009	0.048	0.01	0.02	8.53
21292	Channel	5442204	310532	45.2	28.60	0.14	0.014	0.034	0.02	0.02	6.44
21293	Channel	5442403	310434	54.3	12.70	3.51	0.021	0.085	0.04	0.03	5.60
21294	Channel	5442403	310434	56.9	7.06	3.28	0.018	0.141	0.10	0.06	7.62
21295	Channel	5442397	310431	60.4	4.72	0.51	0.018	0.037	0.14	0.07	1.50
21296	Channel	5442395	310432	64.0	4.71	0.27	0.011	0.049	0.05	0.04	0.44
21297	Channel	5442397	310432	63.9	5.40	0.46	0.017	0.044	0.10	0.05	2.17
21298	Channel	5442396	310433	62.5	9.26	0.36	0.011	0.035	0.19	0.10	0.23
21299	Channel	5442396	310435	63.8	8.01	0.18	0.011	0.035	0.05	0.03	0.67
21300	Channel	5442397	310433	61.6	4.60	3.55	0.013	0.101	0.03	0.02	3.83
21301	Channel	5442398	310437	63.7	6.77	0.99	0.011	0.046	0.06	0.05	1.22
21302	Channel	5442398	310438	61.2	5.46	4.19	0.012	0.065	0.11	0.11	2.52

*(Note: The sample locations are in the Map Grid of Australia 1994 (MGA94).)*

**Plate 1: Goethitic hematite outcrop**



**Plate 2: Goethitic hematite core from drillhole NBR-6**



**Plate 3: Sawn magnetite (coarse grained) core  
from Nelson Bay River Project**





**Table 1: Diamond drillhole sampling results**

Legend		
High-grade	Fe>60%	DSO
Diluent	Fe 50-59.9%	
Beneficiable material	Fe 30-49.9%	
Waste	Fe <30%	

Drillhole	Location (m)				Grade (%)							
	Drillhole		Sample in drillhole		Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	CaO	MgO	LOI
	Easting	Northing										
NBR-6	310705	5441787			48.1	22.30	1.25	0.096	0.045	<0.01	0.04	6.84
					40.4	31.70	1.29	0.122	0.044	0.01	0.05	8.38
					42.1	28.80	1.10	0.174	0.044	0.02	0.07	8.89
					40.7	32.10	0.84	0.143	0.032	0.01	0.06	7.94
					47.0	22.50	1.29	0.173	0.039	<0.01	0.02	7.99
					56.0	9.70	1.16	0.172	0.033	<0.01	0.02	8.35
					49.4	19.80	1.14	0.108	0.039	<0.01	0.02	7.56
					62.0	3.56	0.42	0.059	0.019	<0.01	0.02	7.13
					62.6	3.27	0.34	0.051	0.017	<0.01	0.02	6.72
					63.3	4.39	0.26	0.057	0.012	<0.01	0.03	5.09
					61.6	6.47	0.32	0.060	0.014	<0.01	0.04	4.76
					47.0	14.50	9.46	0.095	0.026	<0.01	0.03	8.04
					40.8	18.20	11.50	0.201	0.026	<0.01	0.01	11.00
					21.0	32.80	19.90	0.114	0.012	<0.01	0.04	9.88
					19.9	44.20	16.40	0.100	0.006	<0.01	0.05	8.11
					17.5	58.20	9.31	0.108	0.007	<0.01	0.06	6.03
					41.1	26.10	5.21	0.102	0.008	<0.01	0.10	8.59
					36.0	34.90	4.99	0.082	0.008	<0.01	0.07	6.57
					19.9	58.60	5.78	0.137	0.007	<0.01	0.12	5.32
					16.0	68.00	3.67	0.184	<0.005	<0.01	0.06	4.12
					22.2	61.50	1.42	0.215	<0.005	<0.01	0.05	4.24
					22.2	52.20	7.24	0.223	0.005	<0.01	0.26	5.74
					34.4	29.90	9.99	0.354	0.005	<0.01	0.22	7.76
NBR-7	310289.1	5442413			19.7	37.40	4.81	0.014	0.213	0.47	4.22	17.70
					36.5	26.20	1.94	0.014	0.193	0.21	3.82	12.60
					41.2	25.10	0.08	<0.005	0.213	0.21	2.58	9.44
					47.8	16.20	0.32	0.030	0.112	0.27	1.32	10.50
					17.7	39.60	6.15	0.460	0.216	1.65	8.17	11.70
					40.5	24.30	1.12	0.083	0.563	0.39	3.09	9.52
					43.0	17.60	0.79	0.033	1.070	0.37	1.62	14.70
					41.5	15.70	0.07	0.024	2.080	0.39	1.11	18.10
					47.4	15.10	0.06	0.011	0.082	0.22	0.69	12.90
					42.8	20.90	0.06	0.007	0.035	0.16	1.77	11.80
					49.1	17.50	0.08	0.009	0.107	0.11	0.75	9.41
					26.8	31.00	13.90	0.022	0.075	0.89	2.94	6.20
					28.9	30.50	16.00	0.044	0.020	0.13	3.96	5.65
					15.6	57.30	9.48	0.019	0.087	0.15	1.80	5.50
					27.6	32.90	9.61	0.020	0.181	0.52	3.27	8.99

# SHREE

					50.8	16.70	0.92	0.008	0.211	0.14	1.70	5.66
					48.5	18.10	0.06	0.010	0.310	0.19	1.25	8.07
					39.2	21.10	0.05	0.015	2.580	0.44	1.67	15.20
					40.9	18.70	0.05	0.013	2.510	0.52	1.95	14.20
					42.6	18.10	0.12	0.014	1.350	0.39	2.09	13.00
					48.7	17.70	0.71	0.006	1.060	0.12	2.29	7.06
					19.2	58.80	0.71	0.007	2.390	0.14	1.09	9.83
NBR-8	310608.8	5442462			20.9	37.50	4.05	0.126	0.488	4.44	6.04	12.70
					36.6	34.90	0.07	<0.005	0.041	0.13	4.51	5.59
					40.2	33.70	0.07	<0.005	0.094	0.12	3.00	3.86
					42.0	23.80	0.05	0.020	0.563	0.32	2.47	9.79
					50.1	14.20	4.39	0.009	0.530	0.16	3.06	4.40
					44.2	22.10	1.50	0.010	1.440	0.21	2.92	7.75
					39.8	26.40	2.58	0.012	0.593	0.23	3.20	7.82
					38.3	27.50	1.34	0.166	0.526	0.70	2.90	8.03
					41.7	26.20	0.85	0.009	2.170	0.14	1.28	10.20
					40.1	29.10	0.11	0.005	0.126	0.20	3.25	6.86
					38.2	30.20	0.20	0.005	1.790	0.22	2.81	9.02
					40.6	22.40	2.54	0.009	3.830	0.23	1.94	12.30
					32.3	29.50	0.96	0.015	2.960	0.28	2.18	17.30
					10.1	61.30	12.60	0.050	0.215	0.68	1.64	3.46
NBR-9	310218	5441902			23.0	45.50	12.70	0.140	0.026	0.02	0.16	6.06
					58.2	8.46	0.35	0.227	0.025	0.01	0.06	6.99
					59.9	6.19	2.73	0.188	0.009	<0.01	0.09	4.58
					64.4	1.55	0.73	0.068	0.010	<0.01	0.02	5.12
					63.6	2.20	0.36	0.052	0.017	<0.01	0.02	6.51
					62.8	1.39	0.36	0.037	0.021	<0.01	0.01	8.27
					61.1	6.27	1.06	0.053	0.031	<0.01	0.04	4.97
					42.0	32.60	2.77	0.036	0.064	0.02	0.14	3.22
					51.9	18.80	2.33	0.055	0.066	0.04	0.08	3.29
					64.5	2.08	0.67	0.062	0.052	<0.01	0.01	4.52
					66.3	0.81	0.28	0.039	0.011	<0.01	0.02	3.62
					67.6	0.68	0.28	0.035	0.010	<0.01	0.02	2.66
					46.7	26.10	1.01	0.089	0.018	<0.01	0.04	5.37
					36.0	41.10	1.72	0.057	0.013	<0.01	0.06	5.07
					15.5	72.70	1.26	0.040	0.012	<0.01	0.06	3.08
NBR-10	310592.9	5441992			54.8	5.41	6.12	0.029	0.202	<0.01	0.01	10.10
					59.5	5.11	2.91	0.060	0.065	<0.01	0.02	6.58
					57.0	10.20	0.62	0.062	0.027	<0.01	0.02	7.42
					60.0	6.19	0.39	0.063	0.016	<0.01	0.03	7.22
					57.8	9.33	0.54	0.039	0.051	<0.01	0.02	7.36
					58.4	8.03	0.47	0.042	0.046	<0.01	0.02	7.96
					55.3	15.30	0.17	0.034	0.008	<0.01	0.01	5.68
					55.9	12.40	0.22	0.056	0.008	<0.01	0.01	7.48
					43.5	27.60	0.68	0.099	0.013	<0.01	0.01	8.96
					45.7	25.50	0.29	0.089	0.012	<0.01	<0.01	8.28
					39.8	35.80	0.25	0.061	0.014	<0.01	<0.01	6.60
					37.1	40.10	0.20	0.062	0.015	<0.01	<0.01	6.36
					46.6	25.10	0.16	0.076	0.010	<0.01	<0.01	7.70

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					38.1	38.60	0.37	0.069	0.028	<0.01	<0.01	6.06
					36.9	40.10	0.56	0.063	0.068	<0.01	<0.01	6.23
					34.4	46.60	0.36	0.044	0.065	<0.01	<0.01	3.76
					39.2	39.20	0.42	0.054	0.020	<0.01	0.01	4.07
NBR-11	310533.5	5442068			35.5	26.50	12.20	0.039	0.081	0.06	0.16	8.43
					47.1	27.40	0.28	0.047	0.010	0.01	0.02	4.67
					44.0	32.00	0.35	0.069	<0.005	<0.01	0.02	4.33
					27.8	51.70	3.93	0.049	0.008	0.02	0.05	3.93
NBR-12	310516.1	5442198			21.8	30.90	23.40	0.008	0.128	<0.01	0.04	13.50
					37.8	16.60	17.20	0.011	0.229	<0.01	0.03	11.30
					25.3	39.00	15.60	0.027	0.079	<0.01	0.05	8.49
					44.5	33.20	0.70	0.015	0.026	<0.01	0.03	2.07
					50.0	24.30	0.63	0.020	0.024	<0.01	0.02	3.50
					41.3	35.70	0.59	0.021	0.039	<0.01	0.03	4.29
					32.9	46.80	0.66	0.021	0.054	0.01	0.03	5.10
					39.0	38.10	0.56	0.019	0.033	<0.01	0.02	5.16
					55.9	12.10	0.64	0.023	0.038	<0.01	0.01	7.04
					57.4	10.60	0.19	0.018	0.020	<0.01	0.01	6.98
					58.6	9.14	0.25	0.021	0.024	0.01	0.02	6.60
					43.6	32.10	0.49	0.016	0.029	<0.01	0.02	4.86
					45.3	30.30	0.26	0.015	0.015	<0.01	0.03	4.30
					16.0	68.80	4.18	0.011	0.045	0.01	0.03	3.35
					20.3	35.40	19.00	0.015	0.072	0.02	0.61	10.90
					22.8	30.70	20.90	0.016	0.028	0.02	1.67	10.10
					8.7	61.80	15.70	0.020	0.017	0.02	0.59	5.11
NBR-13	310462.4	5442292			41.4	34.40	0.15	<0.005	<0.005	0.05	3.61	1.19
					44.8	29.20	0.16	<0.005	0.023	0.03	2.98	2.03
					53.2	16.20	1.91	0.006	0.051	<0.01	0.06	5.52
					33.0	20.40	18.00	0.019	0.045	0.01	3.72	8.76
					56.0	10.30	1.01	0.009	0.073	<0.01	0.25	3.87
					51.0	23.80	0.10	0.007	0.056	0.03	2.45	0.19
					41.9	33.90	0.24	0.006	0.192	0.05	3.75	0.66
					49.2	24.00	0.08	0.006	0.100	0.04	1.88	2.98
					49.5	25.10	0.09	0.006	0.047	0.04	2.65	0.53
					57.1	12.60	0.13	0.007	0.020	<0.01	0.75	2.99
					47.4	24.00	0.63	0.019	0.032	<0.01	0.09	4.91
NBR-14	310423.6	5442384			36.7	19.00	17.40	0.029	0.115	<0.01	0.49	9.48
					29.0	23.30	20.20	0.035	0.024	0.03	2.05	10.50
					56.1	10.70	4.10	0.011	0.036	<0.01	0.19	4.24
					57.6	11.00	0.18	0.008	0.043	<0.01	0.04	5.54
					54.7	16.20	0.22	0.009	0.037	<0.01	0.03	4.50
					54.4	14.70	0.14	0.008	0.043	<0.01	0.03	6.14
					50.9	20.00	0.17	0.013	0.047	<0.01	0.04	5.84
					52.5	15.40	0.17	0.014	0.047	<0.01	0.04	4.52
					59.8	8.28	0.34	0.011	0.063	<0.01	0.05	3.64
					44.3	15.30	11.00	0.017	0.055	<0.01	2.13	5.87
					54.7	11.90	0.66	0.008	0.072	<0.01	0.63	4.65
					42.8	16.60	13.10	0.028	0.095	<0.01	1.13	7.05



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				46.3	19.60	3.43	0.013	0.118	<0.01	0.15	5.69
				16.6	33.70	22.10	0.015	0.041	1.51	0.14	8.12
				15.9	32.60	19.10	0.024	0.036	1.49	0.10	7.80
NBR-15	310377.8	5442470		23.6	36.70	17.60	0.016	0.163	0.03	0.08	10.70
				27.2	46.20	8.45	0.012	0.115	<0.01	0.07	5.67
				21.6	52.80	9.59	0.012	0.120	<0.01	0.09	6.15
				41.9	26.10	7.74	0.017	0.125	<0.01	0.06	5.84
				38.2	27.60	10.80	0.013	0.115	<0.01	0.04	6.07
				15.9	47.70	17.70	0.016	0.097	0.09	0.35	9.07
				13.1	54.70	16.00	0.024	0.091	0.01	0.25	7.48
				9.5	69.10	10.20	0.028	0.049	0.02	0.46	4.11
NBR-16	NA	NA		37.2	23.40	13.30	0.128	0.012	0.01	0.06	8.66
				64.9	2.56	0.33	0.041	0.014	<0.01	0.03	4.46
				66.1	1.68	0.47	0.057	0.020	<0.01	0.04	3.55
				61.3	2.36	1.04	0.106	0.035	<0.01	0.04	8.44
				58.4	4.61	1.34	0.107	0.049	<0.01	0.04	9.84
				63.5	2.11	0.69	0.050	0.047	<0.01	0.04	6.07
				65.9	0.99	0.49	0.034	0.032	<0.01	0.04	4.60
				65.1	0.91	0.47	0.033	0.032	<0.01	0.03	5.89
				65.4	0.95	0.42	0.026	0.023	<0.01	0.02	5.37
				59.5	8.72	1.12	0.035	0.027	<0.01	0.05	5.08
				61.6	2.53	1.39	0.029	0.024	<0.01	0.05	8.14

*Note: Coordinates given are in the Map Grid of Australia 1994 (MGA94). With the exception of drillhole NBR-6 all drillholes at the Project are oriented to -45 degrees to 050 degree. Sampling was conducted at 1 m intervals and analysed at SGS Australia laboratories.*



Based on the work performed to date, the Company is of the view that the Nelson Bay Project area has the potential to produce Direct Shipping Ore (DSO), with iron grades greater than 60% Fe, as well as beneficiable material (magnetite) of greater than 30% Fe capable to produce concentrates suitable for coal washeries and high-grade pellets (Tables 1 & 2).

Additionally, Shree's exploration work has confirmed the presence of iron mineralisation at the southern anomaly as well.

## Outlook

With the encouraging results of 2008-2009 exploration, further drilling program of 500m diamond is planned, to test for deeper extensions of DSO as well as beneficiable magnetite mineralisation. The Company currently has JORC compliant magnetite resource of 6.9Mt at 38.2% magnetite, using a 20% cut off. On completion of the 2010 drilling a JORC compliant resource estimate for the DSO and magnetite for the Northern anomaly will be made followed by work on a bankable feasibility study to determine the project economics.

**The 2010 diamond drilling at the Nelson Bay River Iron Project commenced on 10<sup>th</sup> February with drillhole NBR-17. To date about 260m has been drilled. The drillhole, as anticipated, has intersected magnetite mineralisation between 223 to 234m.**

During January and early February 2010, Shree carried out an access track upgrade and drill site preparation for the upcoming drilling and studies related to Project development.

## 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, coal, gold, and basemetals. All tenements are in Tasmania. The Company currently has two core projects in Tasmania; the Nelson Bay River Iron Project in the North West and the Catamaran Coal Project in the south.

Sanjay Loyalka  
Chairman  
Shree Minerals Limited

*The information reported herein is based on information compiled by Mr Mahendra Pal who is a Member of the Australian Institute of Company Directors, 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 (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.*