

DRILLING RESULTS AT SULPHIDE CREEK STRENGTHEN SHREE'S EXPLORATION EFFORTS

Highlights

- Drilling results at the Sulphide Creek Prospect suggest strong potential for discovering moderate to high-grade gold mineralisation at depth
- Results confirm gold mineralisation extends to >168m depth with 3m @1.29 g/t from 164 to 167 m depth.
- Gold mineralisation remains open at depth and along strike
- The work carried to date suggests that the Davie Prospect has excellent potential for hosting a sizable gold resource

The Board of diversified Australia exploration and development company, Shree Minerals Limited (ASX: SHH) ("Shree" or the Company) is pleased to report that the recent drilling results at its wholly owned **Sulphide Creek Gold Prospect** (EL23/2004, Figure 1) located near Lynchford, 5 km south of Queenstown, Western Tasmania are highly encouraging and have boosted Company's ambition to become a junior gold producer in the area.

The tenement has several gold occurrences out of which, geologically, the Davie Prospect is rated high for its exploration potential for economical gold mineralisation (Figure 2).

The deepest drill hole completed to date at the tenement confirms presence of gold mineralisation to a depth of >168 metres below the natural surface and remains open; 3m @1.29 g/t from 164 to 167 m depth.



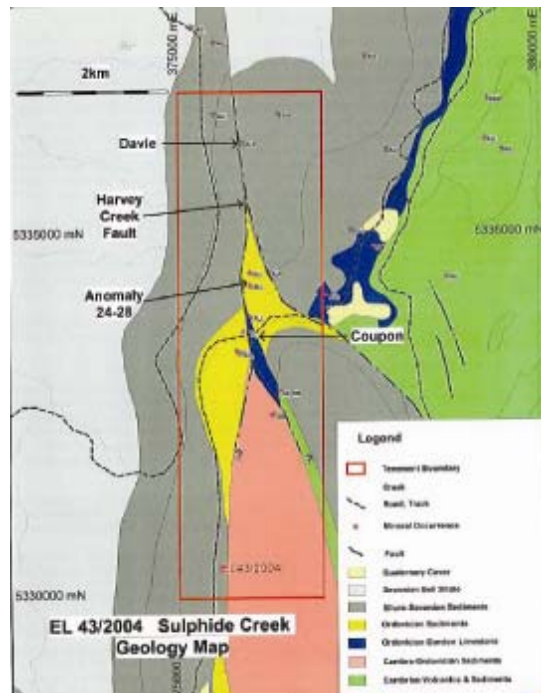
Figure 1: Tenement location plan

Rationale

A major north-south striking fault, informally named the Harvey Creek fault, passes through the middle of the tenement (Figure 2). This fault structure has been considered to act as a conduit for the gold mineralising solutions in the area. The tenement's known prospects (Coupon, Anomaly 24-28, and Davie) occur in close proximity to this fault.

Gold mineralisation at the Davie Prospect is hosted in iron oxide filled quartz stock work (Plates 1 and 2) within the silicified quartz sandstone

The Davie Prospect has several shafts and adits developed on quartz reefs which recorded 14 g/t gold at surface. Previous drilling at the Davie Prospect had intersected extensive low grade stock work related gold mineralisation; 101m @ 0.35 g/t gold, including a 1 m @ 1.05 g/t gold. Additionally, anomalous gold values in soil along with geological interpretation suggest good potential for defining significant gold mineralisation in the tenement lands.



Source: MRT

Figure 2: Locations of Sulphide Creek tenement gold prospects



Plate 1: Iron oxide filled stock work near an adit at Davie Prospect



Plate 2: Typical stock work veining in drill hole SCDDH5

Significant gold intersections

From 14 January to 24 February the Company drilled 391 metres (diamond) along 2 holes at the Davie Prospect. Sampling, depending on mineralisation controlling lithologies was carried out at 1-3 m intervals. Significant results from the drilling are shown in Figures 3 and 4 and given in Table 1.

Table 1: Significant gold intersection along drillhole

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>			31.5	34.5	3	1.26
SCDDH5	375689.4	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

Legend	
	Cut off g/t
	> 0.5
	>1.00
	>0.2

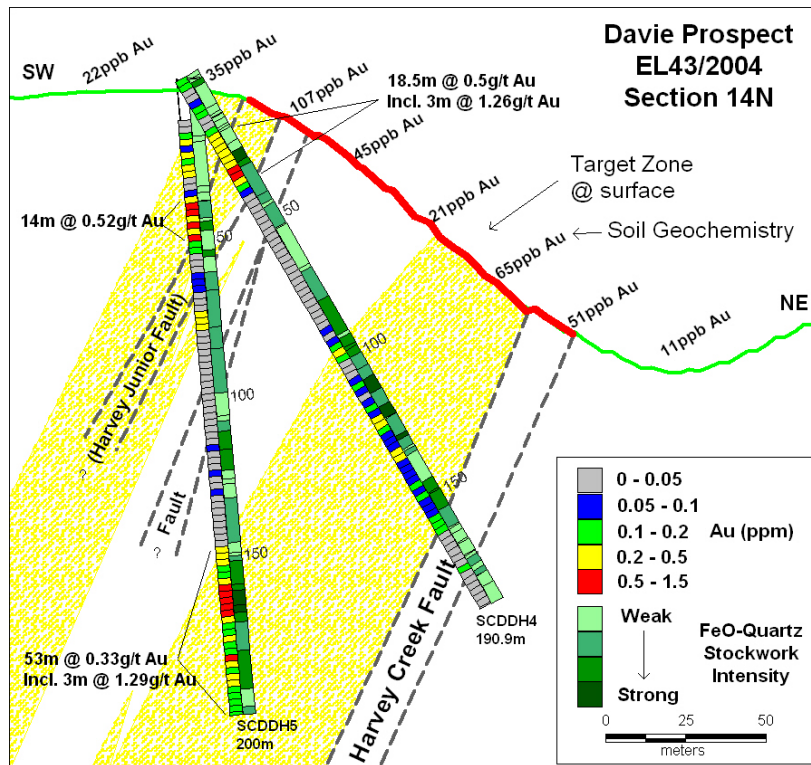


Figure 3: Intensity of stock work and gold intercepts along drill holes

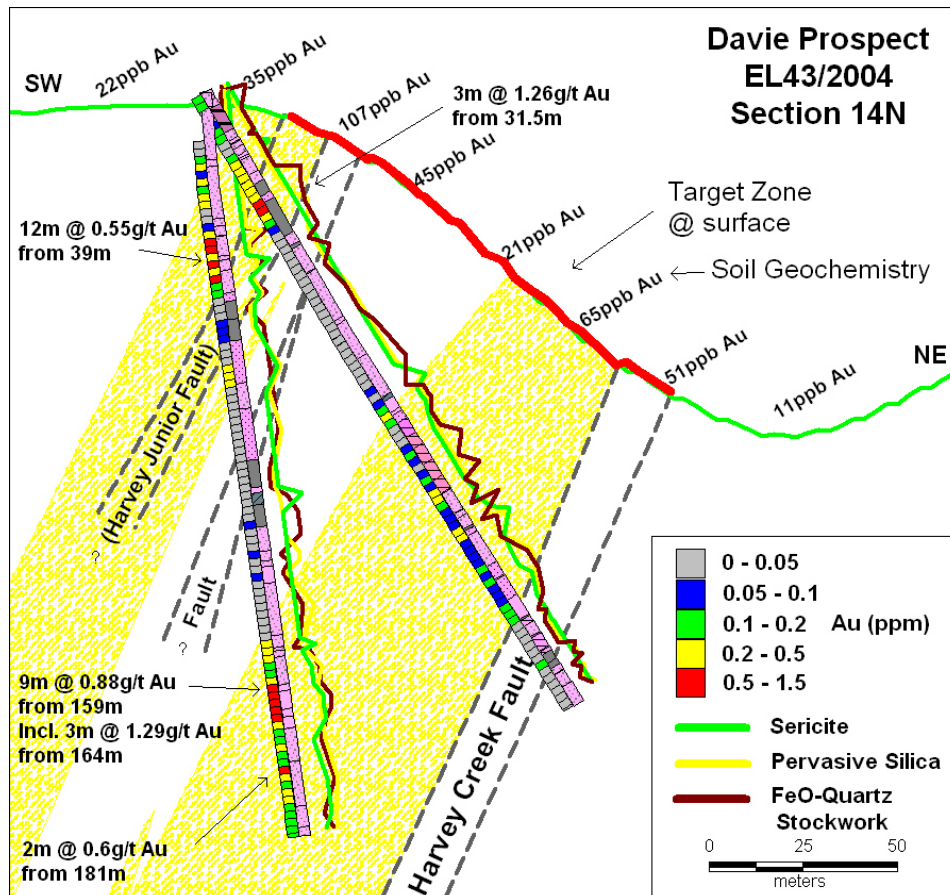


Figure 4: Intensity of alteration halo and gold intercepts along drill holes



Outlook

Based on the work carried out so far at Sulphide Creek tenement the Company believes that the Davie Prospect has potential for hosting a sizable gold resource in the tenement lands; the recent drilling strengthens that belief. The Company is assessing acquisition of other potential lands in the area and will keep stakeholders informed about the outcome.

Based on the recent encouraging assay results and studies carried out so far the company, subject to availability of suitable drill, is planning to drill 500m of RC percussion drilling at Davie Prospect to delineate extent of gold mineralisation on the existing two sections.

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 base metals. 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.