

Shree Minerals Company Update

Diamond Drilling at Sulphide Creek Gold Prospect

Key Points

- Drilling aimed to extend strike length of the previously identified gold mineralisation at Davie Prospect
- Drilling has intersected substantial intersections of ferruginous stockwork; positive indication for the presence of gold mineralisation
- Stockwork intersected at depths greater than 165 metres

Shree Minerals Limited (ASX: SHH) (“Shree” or the Company), diversified Australia exploration and development company, is pleased to announce that it has successfully completed diamond drilling program at the Company’s wholly owned **Sulphide Creek Gold Prospect** (EL23/2004) in Tasmania. The drilling has achieved its targeted aims.

Sulphide Creek Gold Prospect (EL23/2004)

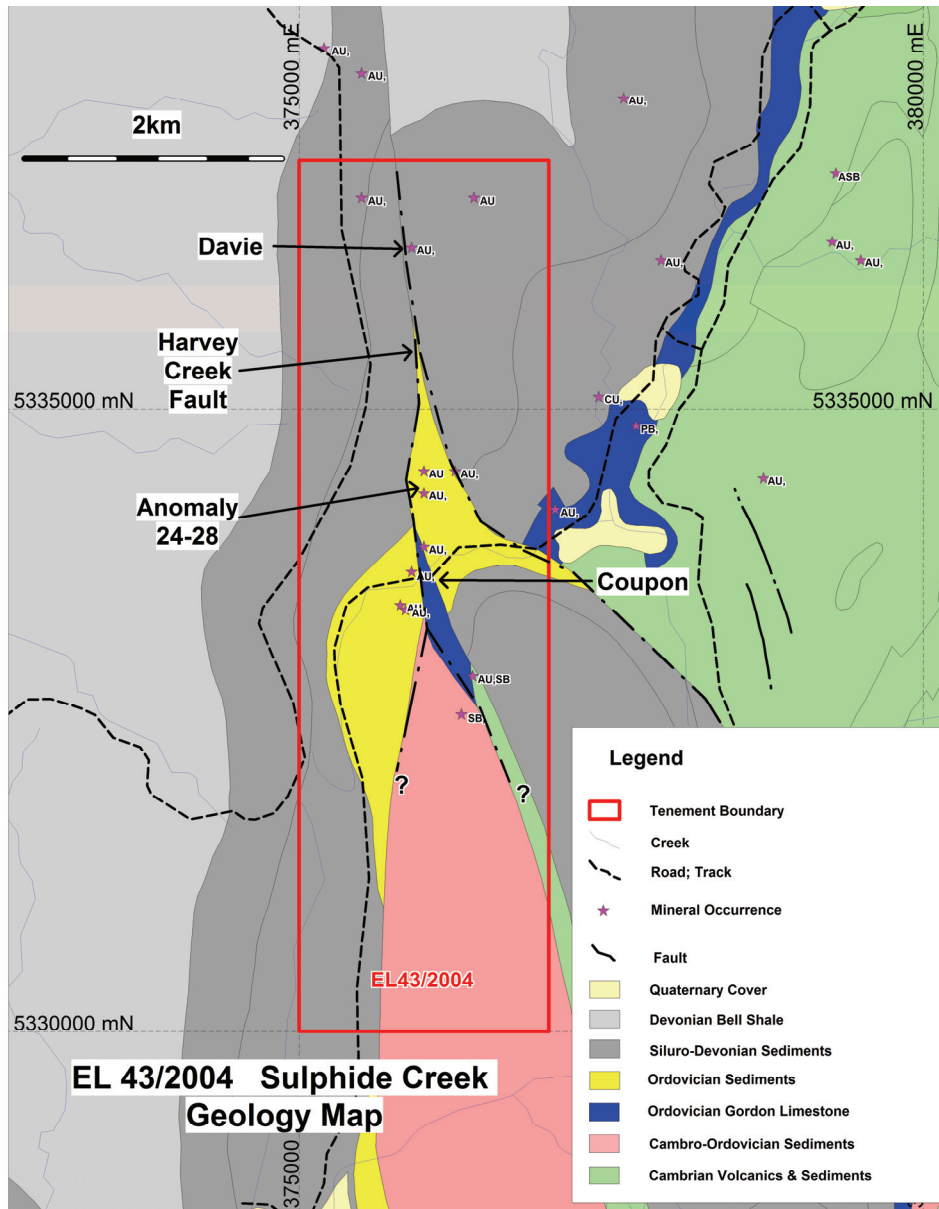
The Sulphide Creek Gold tenement is located near Lynchford, 5 km south of Queenstown, Western Tasmania (Figure 1). The Prospect is endowed with good infrastructure and labour supply. The Prospect has several gold occurrences out of which three are strongly anomalous (Davie, Coupon, and Anomaly 24-28) and geologically rated high for their exploration potential for economical gold mineralisation (Figure 2).



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 Coupon, Anomaly 24-28, and the Davie gold prospects occur in close proximity to this fault.



Source: MRT

Figure 2: Locations of Sulphide Creek tenement gold prospects

The Davie Prospect has several shafts and adits developed on quartz reefs which recorded 14 g/t gold at surface. Strong iron oxide filled quartz stockwork is noted near one of the Davie Adits (Plate 1). **Drilling at the Davie Prospect had intersected extensive low grade stockwork related gold mineralisation**; has an intercept of 101 metres @ 0.35 g/t gold, including a 1 m intercept @ 1.05 g/t gold. Presence of anomalous gold values in soil (Figure 3) along with geological interpretation suggests good potential for defining significant gold mineralisation in the Prospect lands.

Additionally, low grade gold mineralisation was drilled at the Coupon Prospect to a depth of about 70 m. This drilling tested only 150 m of strike length. From the Woody Hill Gold Mine, just north of the Sulphide Creek tenement, 4.6 kg of gold was produced at a grade of 17.6 g/t from 265 tonnes of ore.

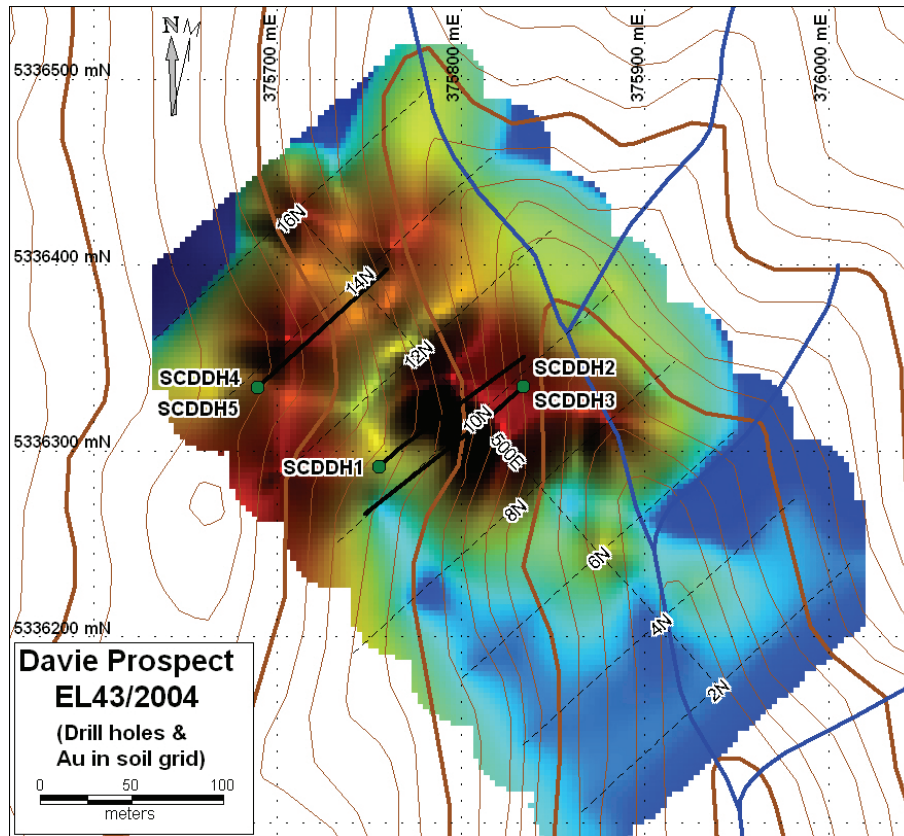


Figure 3: Drill hole location plan with anomalous Au in soil



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

Work Completed

All above work indicates that the Davie Prospect has potential for hosting a sizable gold mineralisation.

Accordingly, from 14 January to 24 February the Company drilled 391 metres (diamond) along 2 holes at the Davie Prospect (Table 1).

The drilling was aimed to extent the strike of gold mineralisation by approximately 80m northwest of the drilling carried out by earlier explorers. Extensive iron oxide filled quartz stockwork (Plate 2) within the silicified quartz sandstone was intersected right from surface in both drill holes. The stockwork is highly pronounced between faults (Figure 4) and extends beyond 165 metres. Currently the drill core is being geologically examined and sampled.

Additionally, all tasks (access, drill pad preparation, mobilisation and demobilisation of drill rig, core transport, etc.) relevant to a drilling operation were attended to.

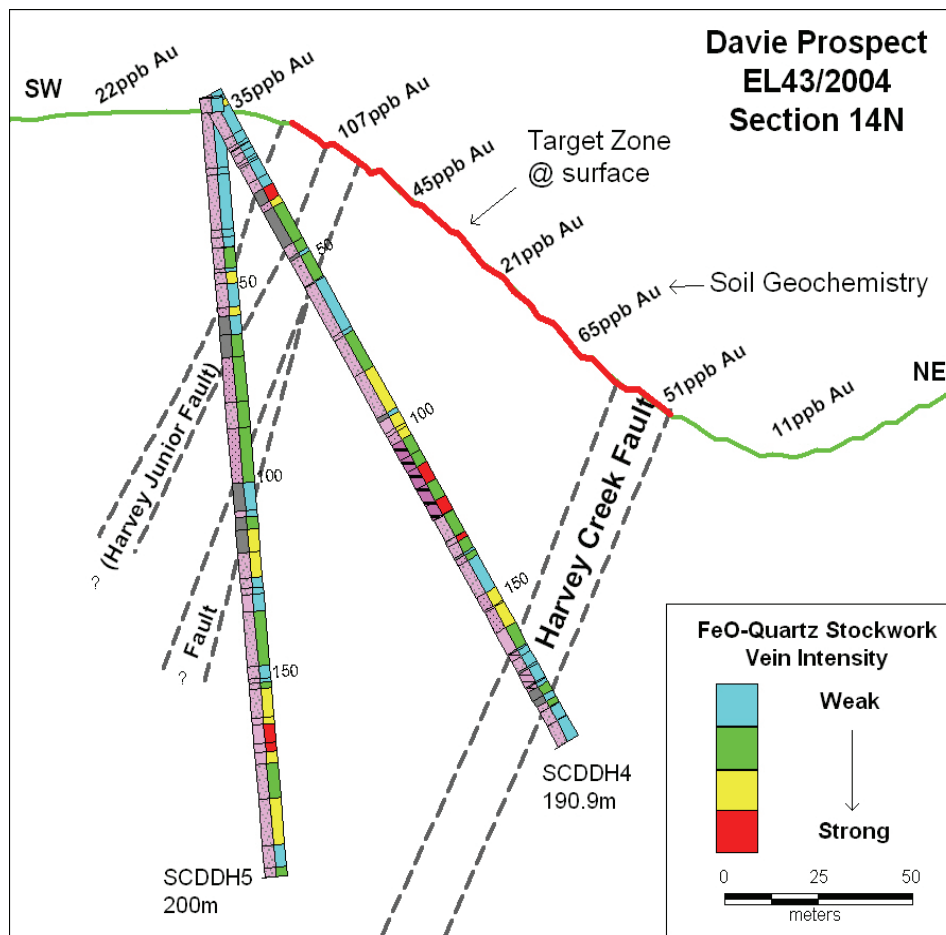


Figure 4: Cross section (14N) showing intensity of stockwork



Plate 2: Typical stockwork veining in drill hole SCDDH5

Table 1: Showing relevant drillhole details

Hole_ID	Location (m AGD 66)		RL (m)	Azimuth (True N)	Dip	Depth (m)	Date Commenced	Date Completed
SCDDH4	375689.5	5336335.7	379.9	48	-60	190.9	14/01/2010	8/02/2010
SCDDH5	375689.4	5336335.6	379.9	48	-85	200	10/02/2010	24/02/2010

Outlook

The Company is quite pleased with the drilling results. Based on assay results and subsequent geological studies of all available data further work planning for the tenement during the Second Quarter of 2010 is scheduled.

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 its flagship project in Tasmania; the Nelson Bay River Iron Project in the North West.

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.