



# SHREE MINERALS LTD

**ASX Announcement**  
28<sup>th</sup> April 2022

## Quarterly Activity Report

Period ending 31<sup>st</sup> March 2022

ASX Code SHH

ACN 130 618 683

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- Re-permitting for the Direct Shipping Ore project at Nelson Bay River Iron Project advances. EPA notified Shree that the period for public consultation has ended. EPA has:
  - advised that one representation and comments from several State Government agencies and bodies received.
  - issued a request for additional information regarding Flora & Fauna
  - advised that an additional request for information will follow on the other issues once all information has been processed.
  - advised that Shree should seek advice as to whether the current proposal should be referred to DAWE under the EPBC Act, specifically in relation to the potential for water discharge to impact the Giant Freshwater Crayfish.
- RC drilling commenced during the quarter at Rock Lodge at Lachlan Fold Belt Project in NSW.
  - RC drilling targeting coincident IP chargeability anomalies and gold arsenic bismuth soil anomalies.
  - Diamond holes and Down Hole Electro Magnetic (DHEM) surveys planned for targeting depth extensions to extensive base metal sulphide mineralisation discovered in historical drilling, post statutory clearances.
- New Exploration Licence (EL9346) granted in the Lachlan Fold Belt.
  - The tenement covers the southwestern extension of a mineralised trend that contains two gold resources.
  - Previous soil geochemistry identified several gold anomalies within the tenement area one of which coincides with the mineralised trend
- Heritage Protection Agreement executed with Ngadju Native Title Aboriginal Corporation during the quarter at Dundas Project.
  - Following heritage surveys expected in June 2022, RAB drilling planned to test the identified Lithium pegmatite potential.
  - Previous drilling intersected pegmatites that have not been assayed for lithium. Dundas Project is interpreted to be along strike from the Anna Lithium Resource.
- Sale and Purchase Agreement signed with MetalsGrove Mining Ltd over Arunta Joint Venture
- Oversubscribed Placement Raises \$2.95 million.
  - Tranche 1 for \$2.54 million completed this quarter
  - Tranche 2 for \$0.41 million for Directors' participation to be completed in coming quarter subject to shareholder approval.

## Nelson Bay River Iron Project

Shree Minerals Ltd (“Shree” or the “Company”) is pleased to advise that the re-permitting process has advanced significantly. Permit application DA 18/059 along with Development Proposal & Environment Management Plan (“DPEMP”) for the Direct Shipping Ore (“DSO”) project at Nelson Bay River Iron Project (“NBR”) was advertised for public consultation in Dec 2021 by Circular Head Council & EPA Tasmania. The period for public consultation on this proposal ended on 8<sup>th</sup> February 2022. EPA has notified Shree that one representation was received and comments on the project have also been received from several State Government agencies and bodies.

In late March 2022, EPA has issued a request for additional information regarding Flora & Fauna and advised that an additional request for information will follow on the other issues once all information has been processed.

Shree is working with its technical consultants to respond to these requests to enable the assessment process to be completed over coming months to facilitate a decision for grant of Permit.

EPA has also advised that having considered the comments raised by the public representation and agency submissions, Shree should refer the current development proposal as described under DA 18/059 to the Commonwealth Government’s Department of Agriculture, Water and the Environment (DAWE) for determination under the EPBC Act in relation to the Giant Freshwater Crayfish (*Astacopsis gouldi*). The Company has since contacted DAWE to initiate discussions in this regard.

The Direct Shipping Ore (DSO) project at NBR is an all-contract mining, processing and haulage operation using local contractors in the region. It requires no major processing beyond crushing and screening after which the ore is then trucked to the port and shipped. It was developed in 2013 with the first shipment of ore leaving the Port of Burnie in January 2014. NBR project was placed on care and maintenance in June 2014 following sharp iron ore price falls.

Historical production from the previous mining campaign totalled 181,000 tonnes shipped with average grades of Fe 57.5%, SiO<sub>2</sub> 7.7%, Al<sub>2</sub>O<sub>3</sub> 1.3%, P 0.07% and S 0.04%. Demand from historic customers was driven by positive metallurgy, specifically low impurities like alumina (Al<sub>2</sub>O<sub>3</sub>) and phosphorus (P).

The historic price received for NBR ore was enhanced with premiums (in line with market benchmarks) for

- low Alumina; and
- Lump. (About 40% of the DSO Iron ore at NBR is Lumps with Iron ore Fines being approx. 60%)

Historic costs during FY 2014 when the mine was last in production was approximately AUD \$ 72 per ton FOB Burnie Port (as derived from 2014 Annual Report to Shareholders).

The DSO pit is some 25% complete, with waste rock materials deposited in two dumps designated as the Non-Acid Forming (“NAF”) waste rock dump and the Potentially Acid Forming (“PAF”) waste rock dump.

Figure 1 shows the existing mine development on site. The main features are the SDSA pit and waste dumps. Other elements are the mine water treatment dams, ROM stockpile area and the facilities area. Figure 2 shows a Google Image.

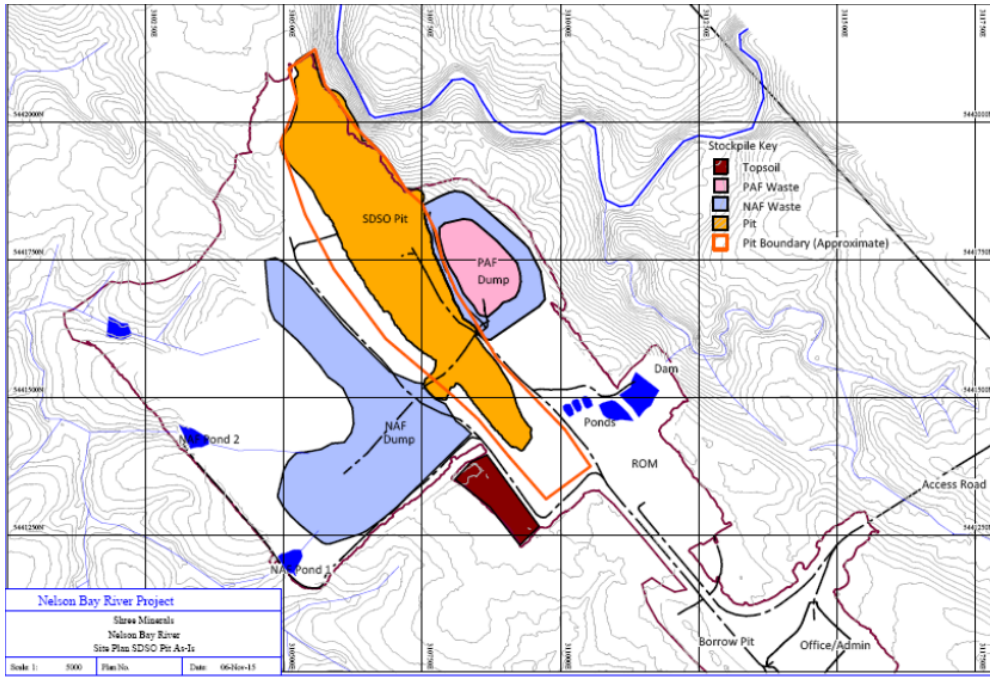


Figure 1: Existing site plan

Source: SHH



Figure 2

Source: Google Images

The next stage after completion of SDSO pit will be the north pit that targets the main magnetite ore body. At the top of this pit, there is an approximate 20 metre section of higher-grade ore - the beneficial oxide resource ("BFO"). This will require only dry magnetic separation in addition to crushing and screening before shipping. The BFO operation is a transition between the DSO operation and the magnetite production stage. The BFO circuit will require only a nominal capital expenditure of circa A\$1 million. The BFO section is fed by a -3mm size ore stream, which is upgraded by dry Low Intensity Magnetic Separation ("LIMS"). Test work by crushing and passing the ore over a coarse LIMS unit at 600 gauss pass produced an upgraded product with grades Fe 57.5%, SiO<sub>2</sub> 11.5% and Al<sub>2</sub>O<sub>3</sub> 1.55% at 82.3% mass recovery.

For the magnetite project, completed studies have mine planning for an open pit that will extract ore for processing through a local plant that will include circuits to grind, mill, magnetically separate to produce high grade magnetite concentrate for Blast Furnace Pellets ("BFP") and Dense Media Magnetite ("DMM"). Magnetite for BFP fetch a premium to hematite iron ore as they are higher grade and allow for less energy consumption in blast furnace.

## **Resources**

NBR has a JORC compliant global iron Resource of 11.3Mt, including goethitic-hematite Resource of 1.4Mt and magnetite Resource of 7.8Mt.

## **Exploration**

The current Resource at NBR covers approximately 1km in strike length of goethite-hematite mineralisation including approximately 400 metres of magnetite. It is based on drilling at the northern end of the strike line, where magnetic survey work indicated that the main strike line of mineralisation extends for at least 2,300 metres and is open along strike and at depth. The mineralisation in some cases is deeper than 300 metres.

A study of ground magnetics by Shree and the Tasmanian Government's airborne magnetic survey data suggests that the strike length of iron mineralisation at NBR extends to in excess of 2.3km. Mineralisation remains open along strike and down dip and in some parts extends to greater than 300 metres in depth.

The 3D Magnetic Inversion study based on aeromagnetic data from Mineral Resources Tasmania ("MRT") suggests continuity between the Main Body (Northern Anomaly) and the South Anomaly, but with in-between areas of non-magnetic material that could be inferred to be oxide mineralisation. Scattered detrital gossan fragments were noticed during reconnaissance in the Southern Anomaly area. The modelling indicates substantial continuation at depth of the magnetite-bearing ultramafic dyke.

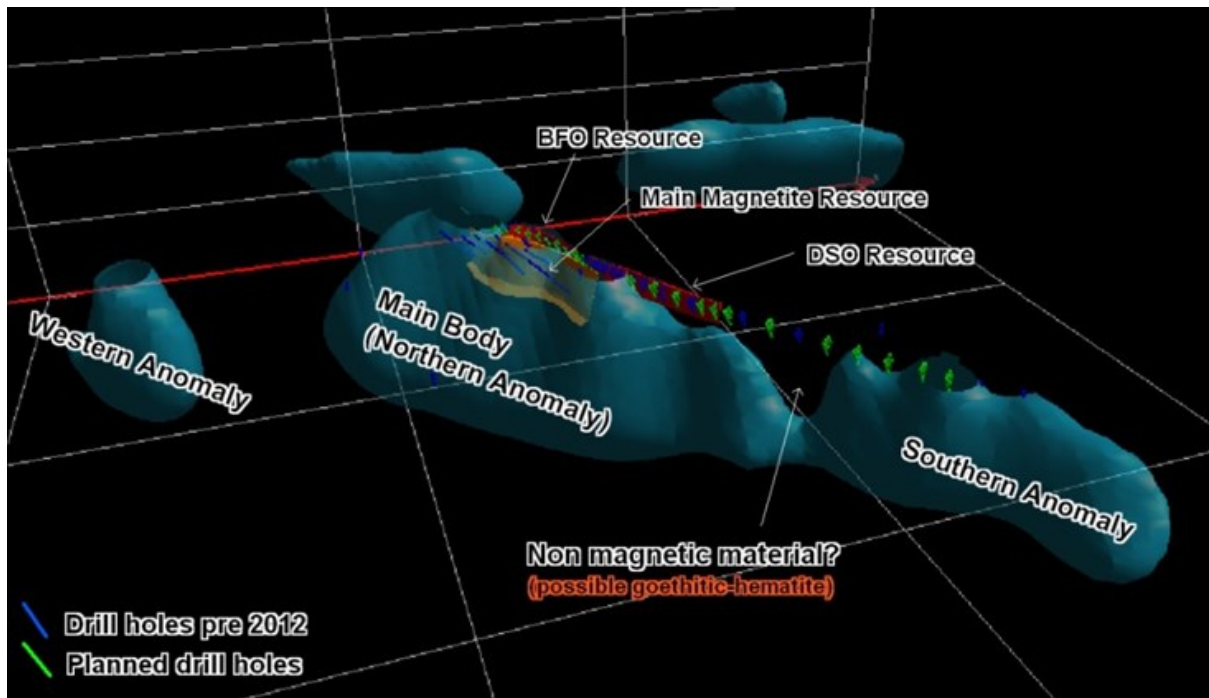


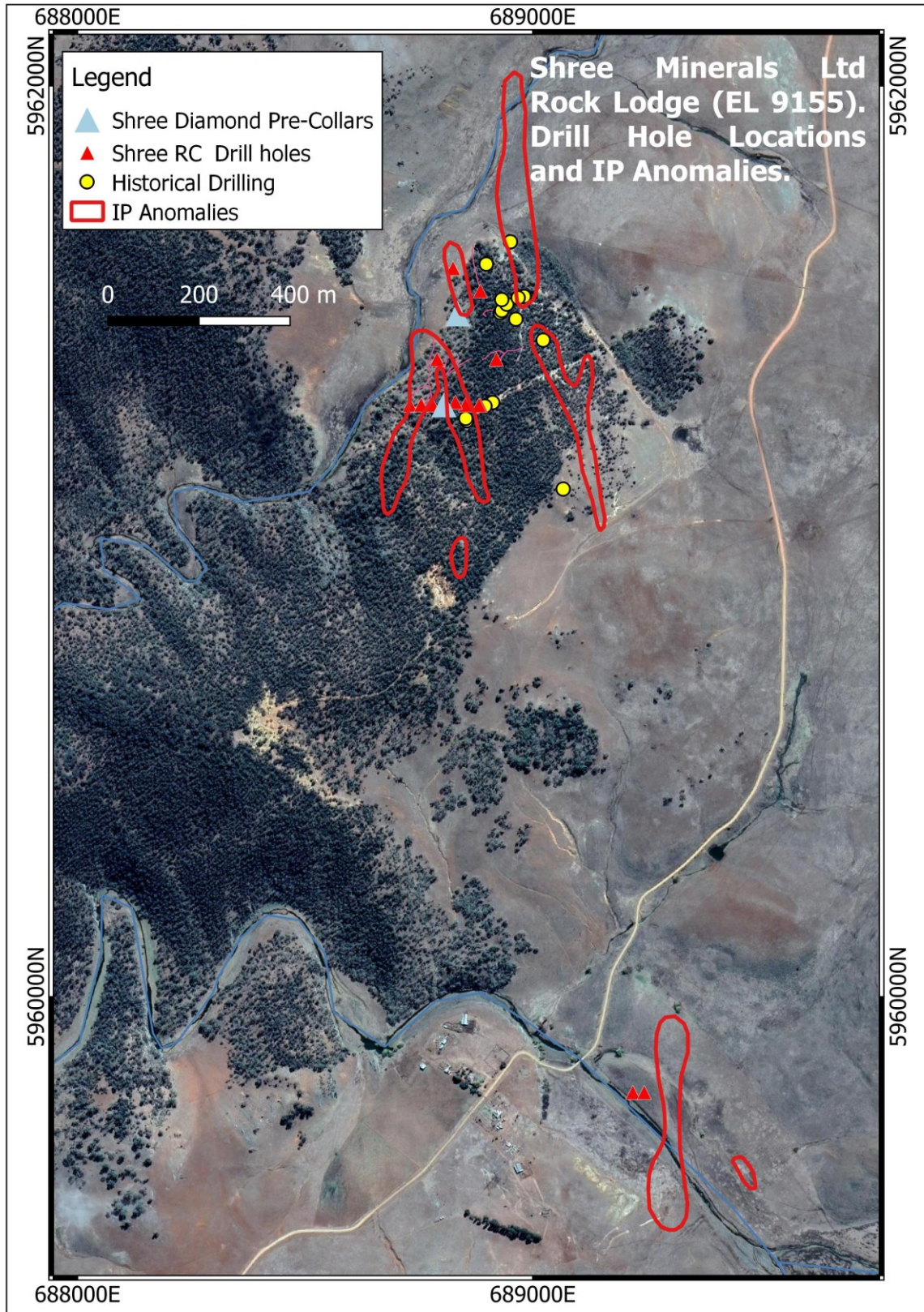
Figure 3: 3D Magnetic Inversion Study (Source: SHH)

### Lachlan Fold Belt Project - Rock Lodge EL9155

During the quarter RC drilling at the Rock Lodge prospect in Lachlan Fold Belt Project, NSW has commenced.

Since the close of Quarter, on 26<sup>th</sup> April the Company has announced that RC drilling has been completed. Samples have been despatched to the laboratory in Orange and results will be compiled once the assays have been received.

15 RC Drill holes have been completed in this campaign for a total of 869 metres including two holes as pre-collars for planned deeper diamond drilling. Figure 4 shows the drill hole locations. Assays from the laboratory are expected over coming weeks. Details of Shree's completed RC drill holes and diamond hole pre-collars are tabulated in Table 1.



**Figure 4.** Summary plan showing locations of previous drilling completed Shree RC and pre-collars for planned deeper diamond holes and IP anomalies

Hole_Id	East	North	Azi <sup>o</sup>	Dip <sup>o</sup>	Total_Depth m	Elevation	Type
SRLRC004	688825	5961600	90	-60	41	400	RC
SRLRC010	688885	5961550	90	-60	60	400	RC
SRLRC006	688790	5961400	90	-60	50	400	RC
SRLRC011	688920	5961400	90	-60	50	400	RC
SRLRC009	688730	5961300	90	-60	50	400	RC
SRLRC008	688755	5961300	90	-60	50	400	RC
SRLRC007	688780	5961300	90	-60	48	400	RC
SRLRC005	688885	5961300	90	-60	102	400	RC
SRLRC012	689220	5959790	90	-60	65	400	RC
SRLRC013	689245	5959790	90	-60	65	400	RC
SRLRC001	688882	5961299	90	-60	35	400	RC
SRLRC002	688852	5961300	90	-60	35	400	RC
SRLRC003	688830	5961306	76	-60	11	400	RC
SRLRCD001	688835	5961500	90	-77	117	400	RC precollar
SRLRCD002	688805	5961300	90	-75	90	400	RC precollar

Table 1:

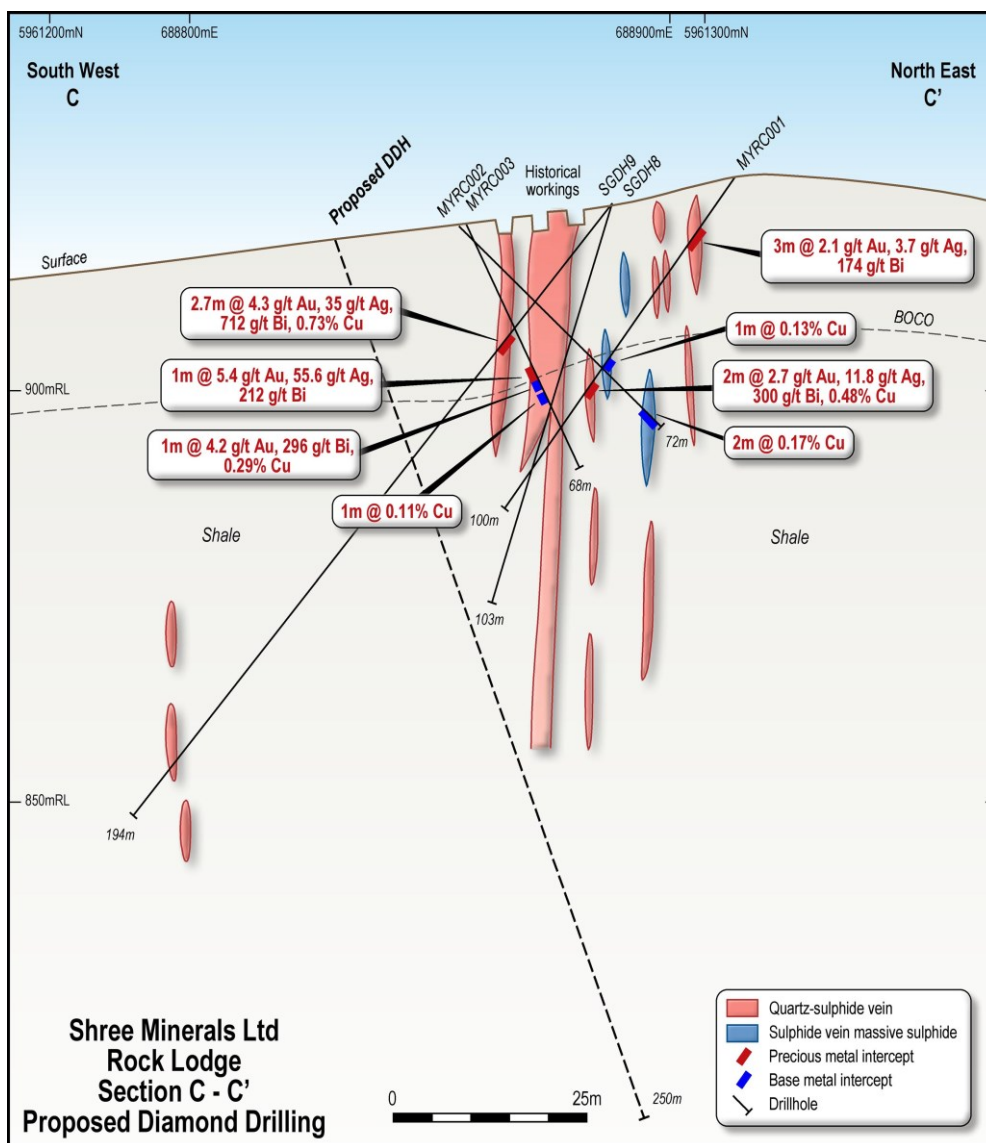
Geological mapping observations undertaken in April identified a significant alteration halo in both the footwall and hangingwall to the historical base metal intersections illustrated in figure 5. The alteration comprises pervasive silicification with accompanying euhedral fine-grained pyrite that increases in intensity closer to the base metal sulphide veins. A significant foliation in the local area also increases in intensity towards the mineralisation, with shear fabrics common.

Drilling at Rock Lodge has been impacted by continuing unprecedented rainfall on the east coast of Australia causing significant interruptions and lost time. Supply chains were also impacted due to COVID-19 and significant breaks in drilling were due to a lack of replacement personnel. The impact of these events also led to drilling rig maintenance and downtime issues. The cumulative impact was that commencement of drilling this year planned for end January was initially delayed by approximately a month and drilling progress has been very slow.

The Company has received notification from the Resources Regulator, within the Department of Regional NSW (the Department) following an inspection of EL 9155 to monitor compliance with the approval conditions. The Department referred to the approval made by it in October 2021 to the application made by the Company in September 2021 to drill up to 25 reverse circulation drillholes on EL 9155. The approval stated, "The licence holder must carry out the Activity in accordance with the Application". The notification from the Department included an investigation commencement letter in relation to a number of breaches Under section 23A (7) of the Mining Act 1992 and potential breaches of the National Parks & Wildlife Act 1974, the Regulator is alleging regarding access works to the drill sites conducted and furthermore, a direction under s.240 of the NSW Mining Act 1992 to cease all works until the Company has been notified that the direction has been revoked. Accordingly, drilling operations have been suspended. The Company takes its statutory compliance obligations very seriously. On behalf of the Company, the access works as well as the drilling activities were being carried out under supervision and management of a local Consulting Geological & Exploration services company who were fully aware of all approval conditions. The Company will work diligently with the Department & the Company's consultants and contractors involved in the activity to resolve the issues.

Once the statutory issues are resolved, the Company plans to commence the planned two deeper diamond drill holes and Down Hole Electro Magnetic Surveys (DHEM) to search for off-hole conductors, possibly representing wider massive sulphide mineralisation than has already been found. Diamond drilling by Shree will focus upon the projected down-dip extensions to the extensive sulphide mineralisation discussed above, illustrated in Figure 5.

**Figure 5.** Historical drilling cross section and the *proposed diamond drilling along section C – C’.*





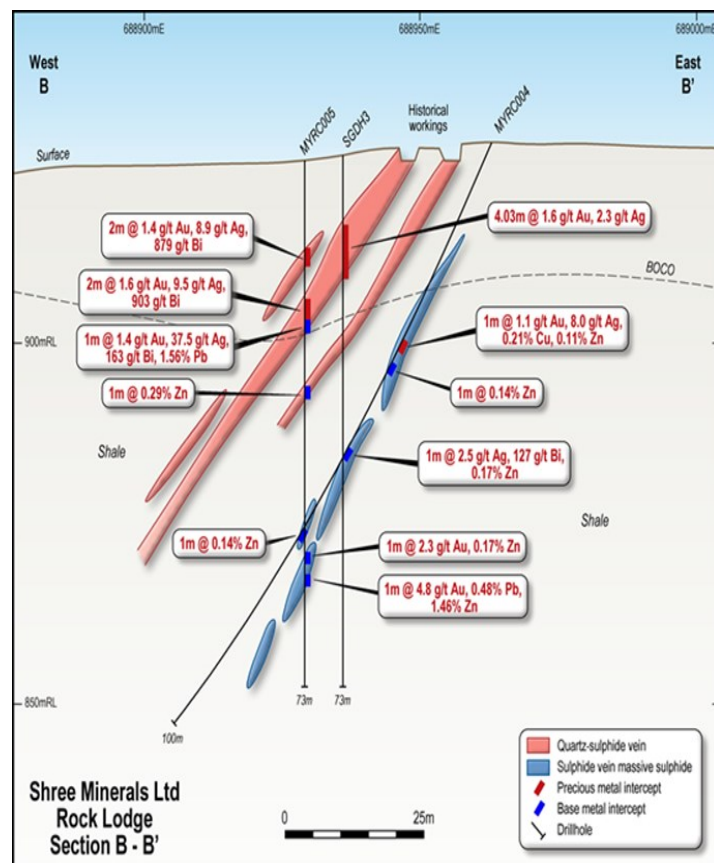
## Background

The Rock Lodge prospect exhibits high-grade polymetallic mineralisation associated with structurally controlled epigenetic massive sulphide veins, figure 5 & 6. Diamond holes drilled in 1985 intersected up to 8m of massive sulphide with recorded grades up to 4.28g/t Au, 35g/t Ag, 0.79% Cu and 13.5% Zinc. Diamond hole SGDH08 intersected 12m @ 1.2 g/t Au, 9.8 g/t Ag and 0.2% Cu. The mineralisation is associated with massive and disseminated pyrite-arsenopyrite-chalcopyrite-sphalerite sulphides and quartz, within host phyllites and sandstone. This is exposed on the surface as a distinct gossan and ironstone.

The grades intercepted during historical drilling show the area to be highly mineralised and the mineral assemblages are synonymous with other major mineral deposits within the Canberra to Cooma region of the Ordovician Lachlan Fold Belt.

Areas of old workings coincide with an IP chargeability anomaly sourced by the pyrite halo. Rock chip samples of gossanous material and quartz veins collected by Shree returned a best result of 7.3g/t Au with 6049ppm As and 446ppm Bi. RC drilling tested those extensive and continuous IP anomalies that are also coincident with very anomalous soil and rock chip geochemistry.

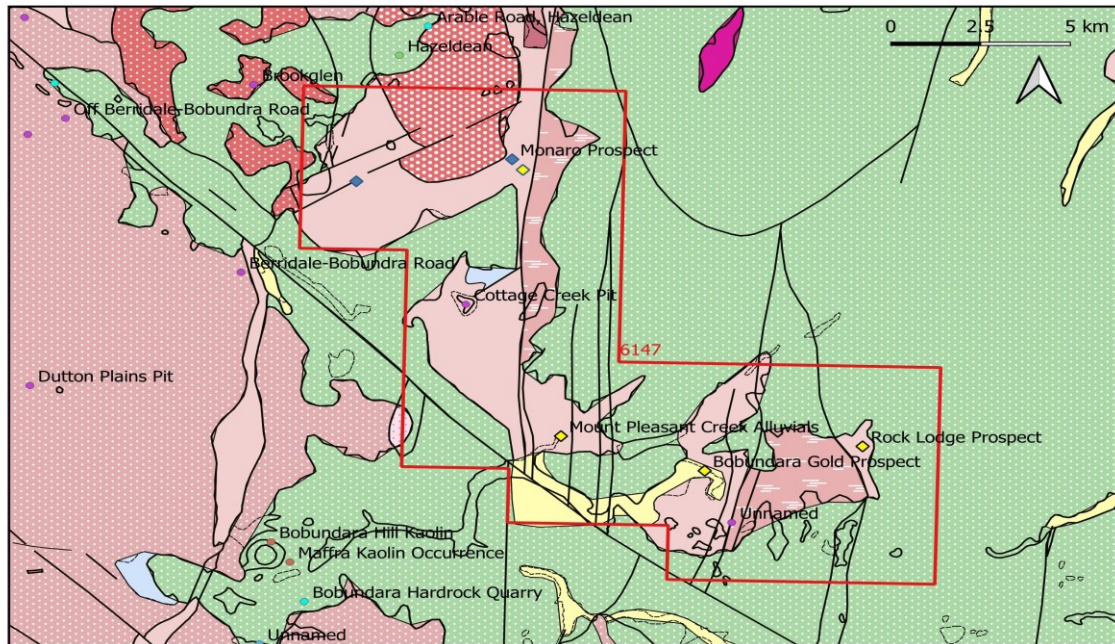
Figure 6. Cross section B-B' at Rock Lodge, illustrating the significant polymetallic mineralisation intersected in historical drilling.



## Other Target Areas within Rock Lodge EL 9155

The Rock Lodge Project (EL 9155) covers a folded sequence of Ordovician aged Adaminaby Group shales/siltstones and Gungoandra Siltstones (Figure 7). **The historical workings at Bobundara have a recorded production of 575g Au with an average grade of 21 g/t Au (Herzberger and Barnes, 1978). Mining occurred during two periods from 1928-30 and 1948-49.** The mineralisation occurs as disseminated sulphide minerals in a narrow, discontinuous quartz-chlorite lode parallel to the host slates' cleavage. The workings consist of 3 or 4 shafts, an adit and shallow pits. There has been no recorded drilling at Bobundara.

Shree intends to undertake additional sampling and mapping at Bobundara, including soil and rock chip sampling along strike of the main workings. This work should lead to the identification of new drill targets, in preparation for a RC drilling program later in 2022.

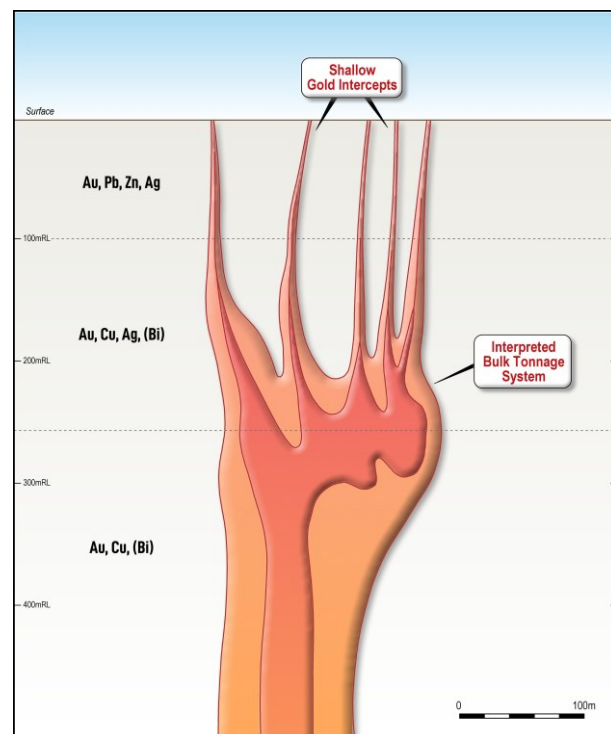


**Figure 7.** Regional geology and mineral occurrences within Rock Lodge EL 9155.

#### IRGS Models.

The gold, bismuth and copper mineralisation at Rock Lodge is interpreted to have affinity with the Intrusion Related Gold System (IRGS) style of mineralisation. There is potential at depth for bulk tonnage gold mineralisation associated with an intrusion. Characteristic features of IRGS mineralisation include sheeted veins containing gold with elevated bismuth, arsenic, silver, copper, lead and zinc. The systems are commonly geochemically zoned around a central intrusion. They can also have elevated sulphide which can be detected with induced polarisation (resistivity lows). Many of these features are present at Rock Lodge.

The multiple veins at Rock Lodge may represent the upper zone of a mineralised system above an intrusion at depth, with bulk tonnage potential (Figure 8). Planned drilling will initially target the shallow veins but pending results deeper drilling is planned to test for an interpreted source intrusion at depth. Several Silurian and Devonian aged intrusions have been mapped in the Rock Lodge area by the NSW Geological Survey



**Figure 8:** Diagrammatic figure of the Intrusion Related Gold System model at Rock Lodge

**Exploration Licence 9346 “Oak Hill”** in the Southern Lachlan Fold Belt that is prospective for gold was granted during the quarter (Figure 9). The Oak Hill (EL 9346) tenement is located 20km northwest of the town of Albury in southern New South Wales. The new tenement covers an area of approximately 25 km sq.

### Regional Geology

The East Lachlan Fold Belt has a long history of mineral production including gold (80 Mozs), copper (13 Mt), lead, zinc, silver and tin. It contains several large operating copper and gold mines including Evolution Mining’s Lake Cowal Gold Mine, Newcrest Mining Ltd.’s giant Cadia Mine. Also located within the East Lachlan Fold Belt is Alkane Resources’ 2019 Boda discovery (502 metres at 0.2% copper and 0.48 g/t gold from 211 metres).



**Figure 9.** Regional location of Shree’s tenements within the East Lachlan Fold Belt.

Within the East Lachlan region, a chemical rock sequence has been intruded by various magmas, that create a highly prospective environment for mineralisation. These deposits display a range of different gold mineralisation styles, including orogenic, porphyry, skarn and volcanogenic massive sulphide. While there are similar mineralisation types across northern Australia, Indonesia, Papua New Guinea, the East Lachlan region is different in age and chemistry, making it globally unique and very prospective.

The tenement abuts EL7544 on its eastern side that is held by Aureus Mining Ltd. The Aureus web site<sup>1</sup> describes the Albury Gold Project as containing the Stoney Park and Elm Park gold prospects that have a combined JORC Mineral Resource of 154koz Au:

Stoney Park - 0.86Mt, Au 2.75g/t, 72,000oz Au, 2.32g/t Ag, 61,000oz Ag  
 Elm Park - 2.31Mt, 1.43g/t, 82,000oz Au, 1.01g/t Ag, 63,000oz Ag

EL 9346 (Oak Hill) covers Ordovician metasediments and phyllites that are intruded to the east by the Devonian Jindera Granite. Gold mineralisation at Elm Park and Stoney Park is hosted by a northeast trending fault that is clearly visible in aeromagnetic images (figure 10). The fault is possibly related to displacement on the contact between the granite and the sediments.

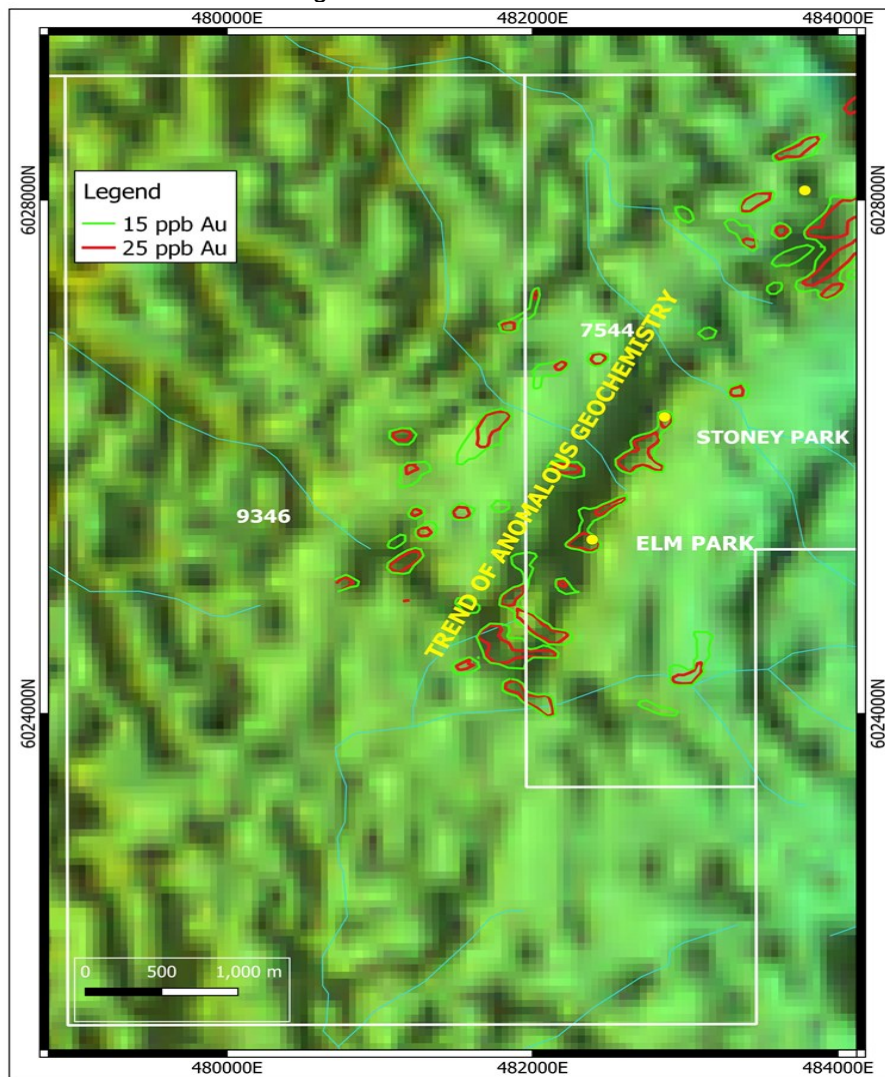


Figure 10. The northeast trending magnetic lineament extends on to Shree's EL 9346. A line of workings on EL7544 are aligned along the fault and drilling has identified thin steeply dipping quartz veins with a strike length of 2.24 km. The northeast trending magnetic lineament extends on to Shree's application area EL 9346, as illustrated in Figure 10.

Soil sample data available on the NSW Minview web site<sup>2</sup> reveals that the fault has a coincident gold soil anomaly on ELA9346 (Figure 11). Soil geochemistry is clearly applicable to the area, with both the Elm Park and Stoney Park deposits highlighted by the contours.

Based on the 15ppb Au contour the anomaly extends 400m by 200m into Shree's tenement and is centred on a peak value of 180ppb Au (0.18g/t Au). Also, another trend of anomalous geochemistry may exist 500m to the north of the ELM Park trend in Figure 11.

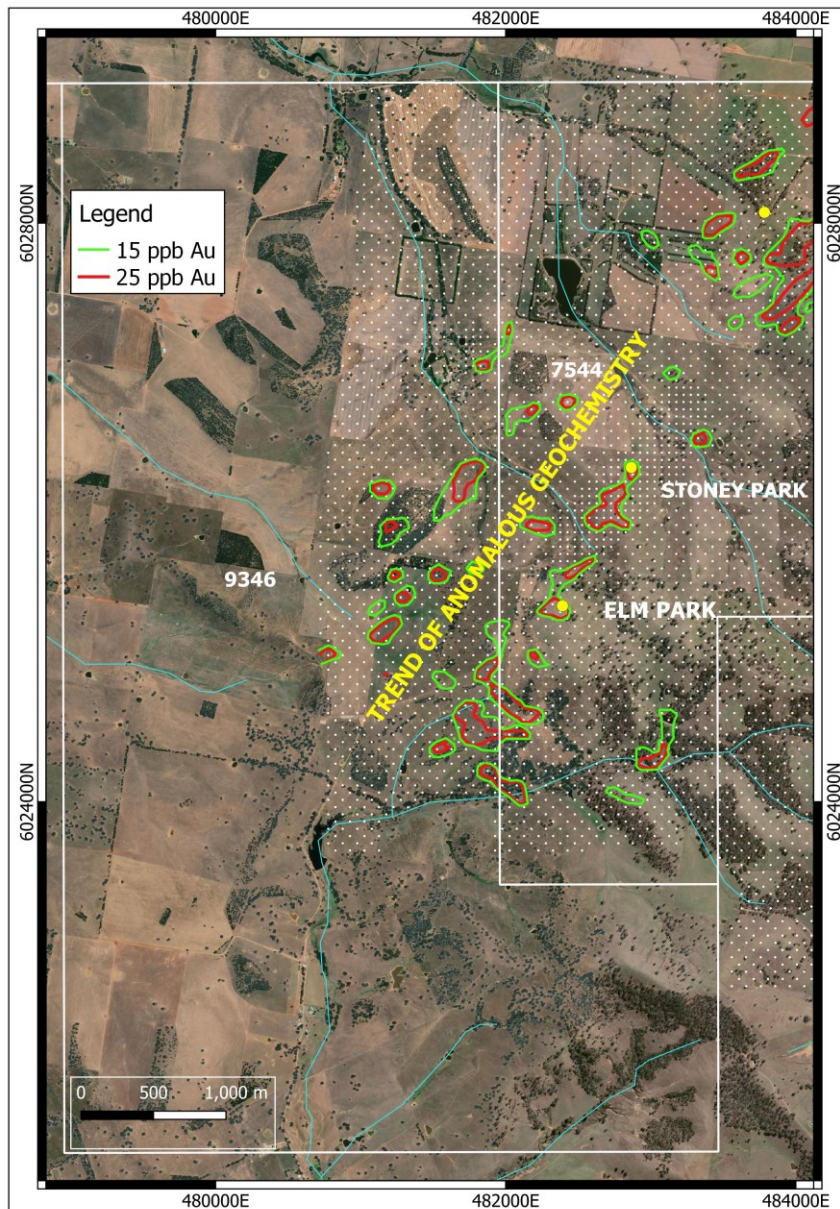


Figure 11. Historical soil geochemistry contours showing a distinctive north-easterly south westerly trend of the contours. Also shown is the aerial extent of the soil sampling survey (white stippling), with 70% of EL9346 remaining unsampled.

### Exploration Plans & Next Steps

Shree considers the extension of the anomalous soil geochemistry into EL9346 as a significant opportunity to discover economic gold mineralisation.

Shree plans to initiate Exploration by in-fill soil sampling and geological mapping of the target area along strike of the structure hosting the Stoney Park and Elm Park deposits. Additional soil sampling surveys and mapping are planned to test other geochemical anomalies on the tenement. Only 30% of the tenement has been soil sampled (shown by stippling in figure 11).

## Dundas Project

The Dundas Project comprise two Exploration Licences (E63/2046, E63/2048) and one Exploration Licence Application( E63/2136) located 44km east of Norseman in the Albany-Fraser Province that hosts the Tropicana gold deposit 330km east of Kalgoorlie. Heritage Protection Agreement executed with Ngadju Native Title Aboriginal Corporation during the quarter at Dundas Project. Following heritage surveys expected in June 2022, RAB drilling planned to test the identified Lithium pegmatite potential.

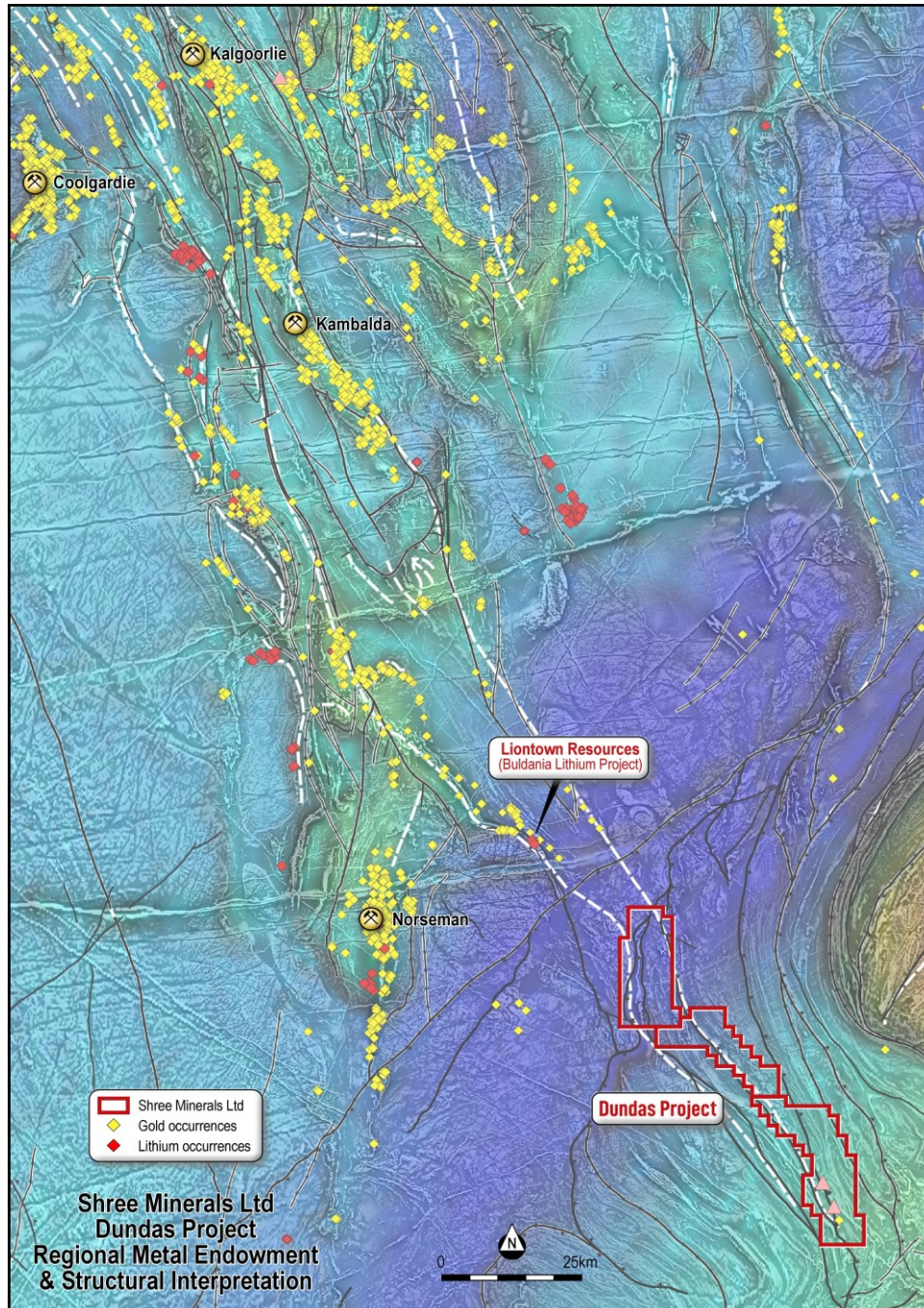


Figure 12

A major northwest trending fault system transects the tenements and may represent south-east extensions of the prolifically mineralised and regionally continuous Zuleika and Boulder-Lefroy Fault systems, illustrated in Figure 12. Gold mines and deposits and gold and lithium occurrences are also

shown. As summarised in Figure 13, several metallogenic models exist that can be structurally related to the two fault systems. These include lithium-tantalum bearing pegmatites, magmatic mafic ultramafic intrusions and stratabound sedimentary Ag Cu Pb Zn Au, in addition to the structurally controlled orogenic gold mineralisation already identified within Shree's tenure eg T4RC drill holes. Due to the widespread but thin, transported cover seen within the tenements, Shree's exploration strategy is built upon the geophysical and geochemical characteristics of these targets

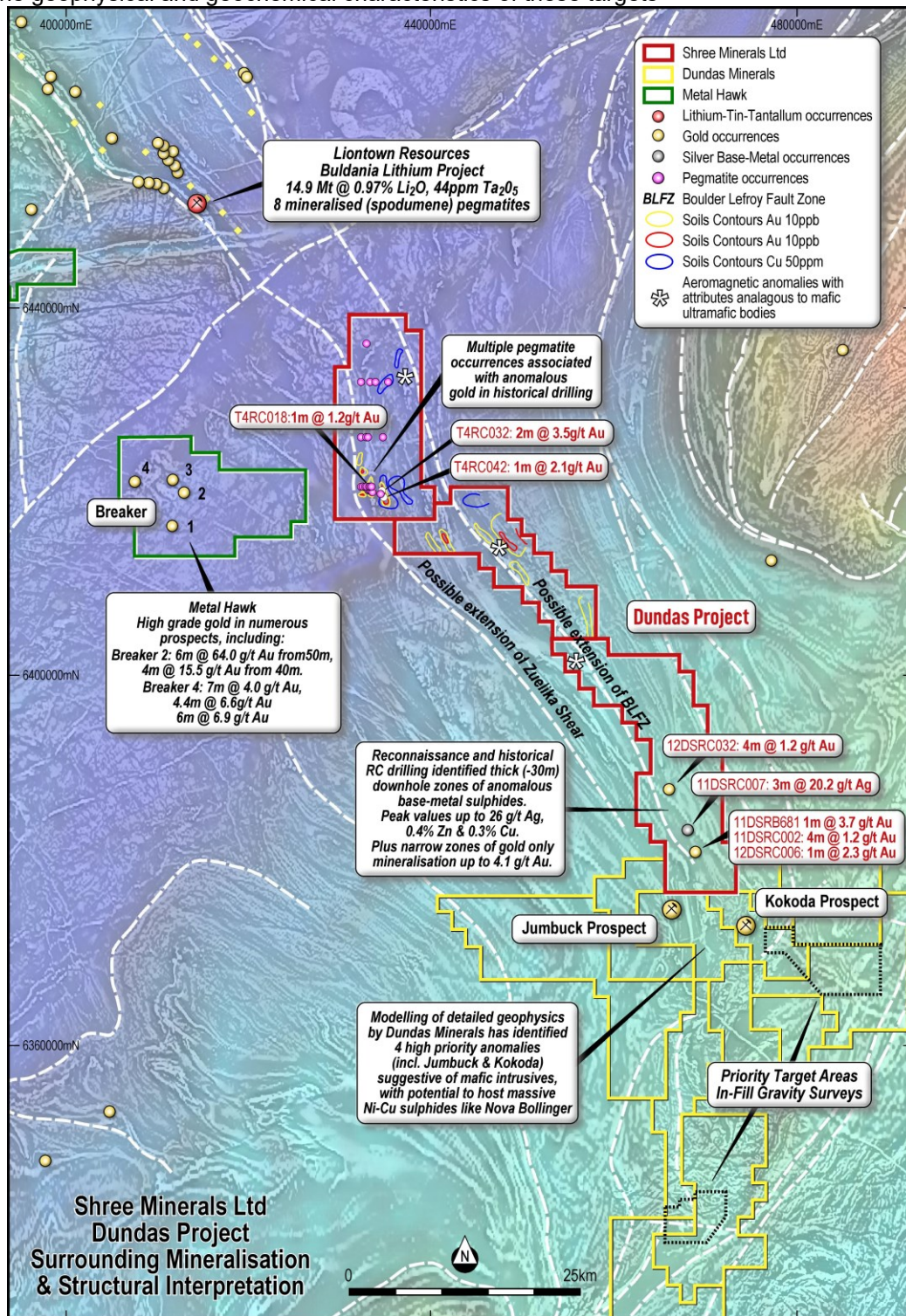


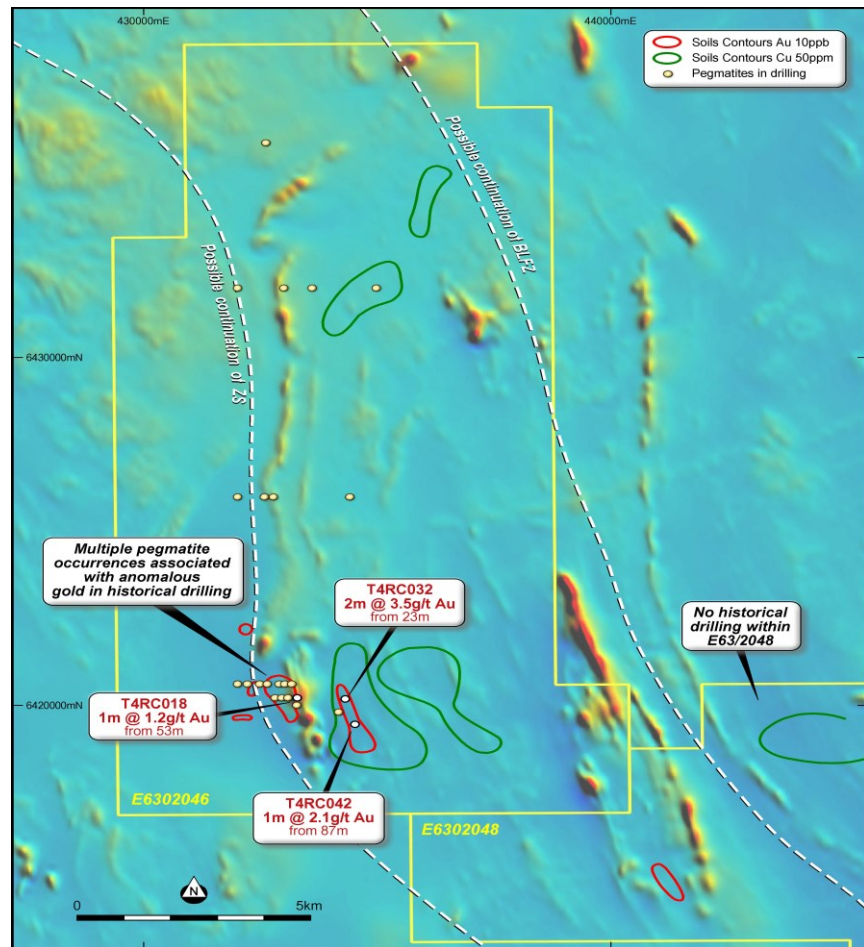
Figure 13

## 1. Lithium occurrences within the Dundas Project.

Shree has compiled a geological database of the structural controls and lithological characteristics of lithium occurrences within the Dundas Goldfield. The largest is the Buldania Lithium Project, Figure 2. It contains a Mineral Resource of 14.9 Mt @ 0.97% Li<sub>2</sub>O and 44 ppm Ta<sub>2</sub>O<sub>5</sub> and occurs in a greenstone belt within the Zuleika Shear. The shear is interpreted to continue through Shree's tenements.

Greenstone belts are commonly hosts to rare-element pegmatites because they are both products of collisional tectonic processes. Rare-element pegmatites form in orogenic hinterlands related to plate convergence<sup>9</sup>. The pegmatites are products of extreme fractional crystallization of some granites, derived from melting of metasedimentary rocks in continental collision zones<sup>10</sup>.

Within Shree's tenement areas, aeromagnetic images display linear features suggestive of Archaean greenstone stratigraphy – mafic, ultramafic or Banded Iron Formation rock types, illustrated in Figure 2 and 3. Pegmatitic intrusions are often associated with Archaean greenstone stratigraphy and their presence has been recorded in the historical drilling, illustrated in Figures 14, 15 and 16. Reconnaissance traverses of RAC and RC drilling by Pan Australian Exploration Pty Ltd (PanAust) in the 1990's intersected gold mineralisation associated with the remnant greenstone belts. Many of the holes drilled also intersected pegmatites but these were not the target of the exploration at the time and were not assayed for lithium or lithium pathfinder elements.



An interpretation of the historical RC and RAB drilling logs in two areas, is illustrated in figures 15 and 16. This drilling, undertaken in 2014, was not focussed upon the lithium potential of pegmatite, but pegmatite occurrences, nonetheless, were recorded. Several RC holes recorded anomalous gold geochemistry coincident with pegmatite intervals, illustrated in Figure 15. **Their presence has very significant implications for the lithium potential of the region.**



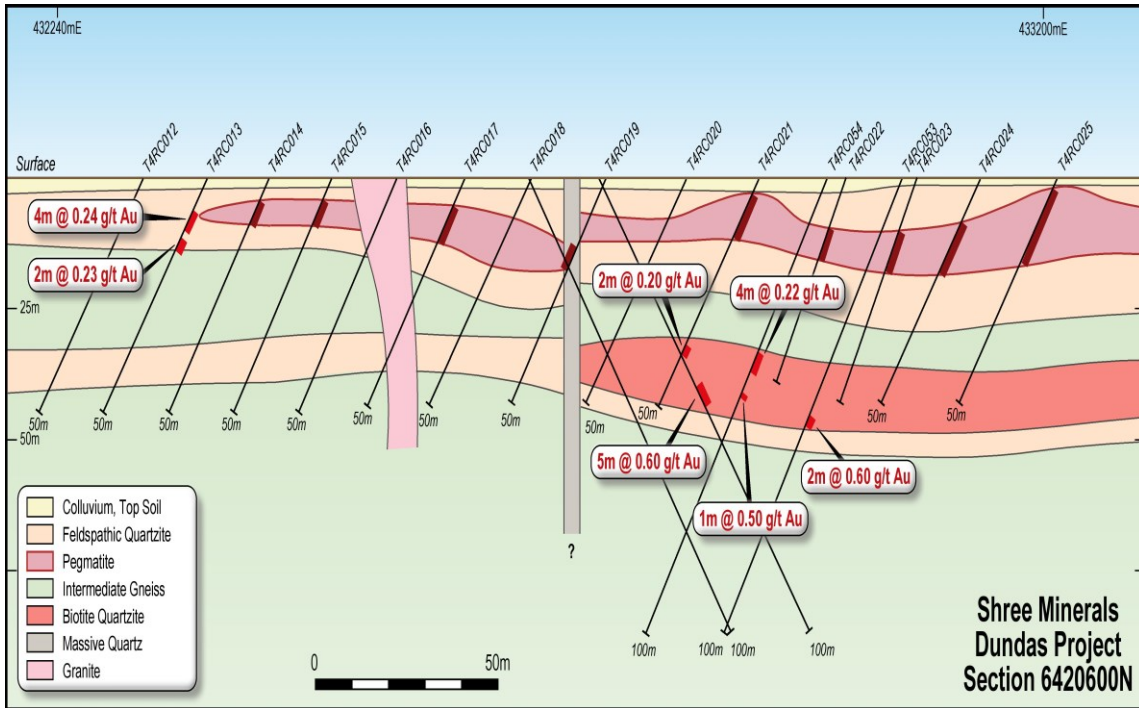


Figure 15. Historical RC drilling in Shree tenement E63/2046. A mixed pegmatite-gneiss horizon is interpreted to exist stratigraphically above anomalous gold in a biotite quartzite.

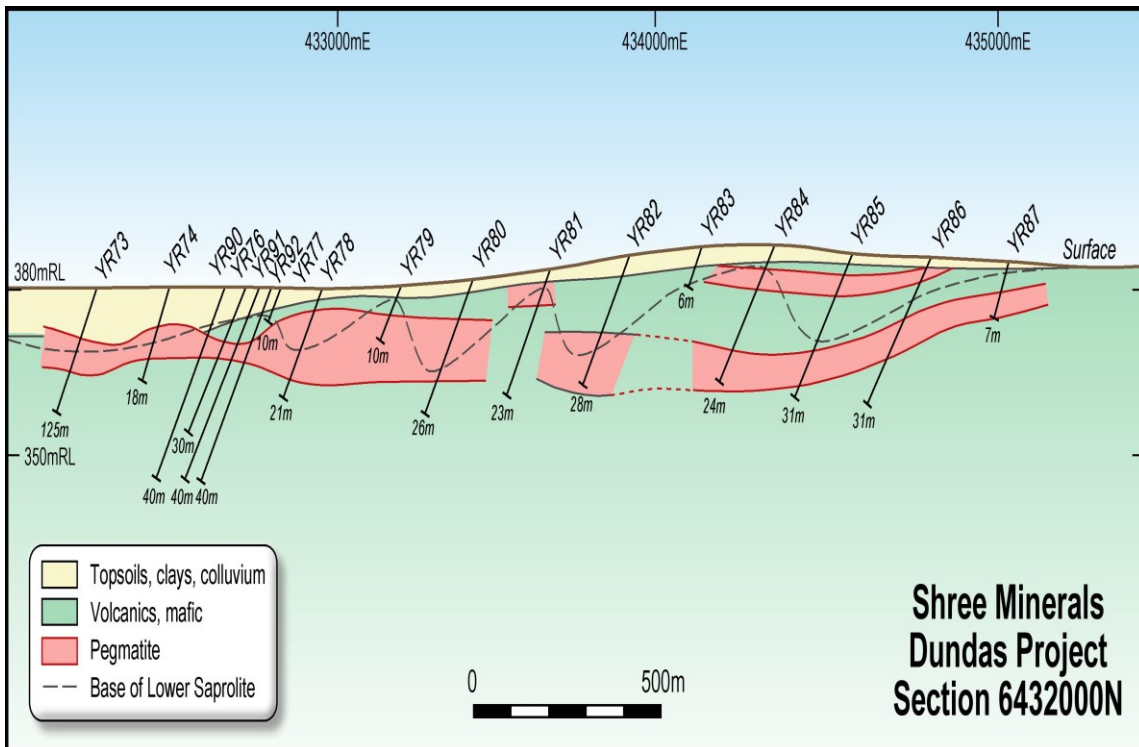


Figure 16. Historical RAB drilling in Shree tenement E63/2046. Downhole pegmatite intervals up to 19m wide have been recorded from historical drilling traverses

## 2. Gold mineralisation

Only very limited historical exploration has been carried out in the area due to the thin blanket (usually 0.5m – 10m) of transported cover<sup>3</sup>. One km spaced auger soil traverses undertaken by AngloGold Ashanti Australia<sup>2</sup> (AngloGold) and a localised RAB/RC drilling program by Pan Australian Resources<sup>3</sup> during the 1990's has identified the presence of gold mineralisation hosted by mafic rocks in E63/2046. Reported intersections include:

<b>T4RC032</b>	<b>2m @ 3.5g/t Au from 23m</b>
<b>T4RC042</b>	<b>1m @ 2.1g/t Au from 87m</b>
<b>T4RC0018</b>	<b>1m @ 1.2g/t Au from 53m</b>

Only selected gold in soil anomalies outlined by previous explorers in E63/2046 were drill tested by RC drilling. Within E63/2048, an auger gold in soil anomaly (10 ppb gold contour) extends for over 4 kms and remains untested, illustrated in Figure 14.

Shree's Dundas Project is 16 km east of **Metal Hawk Limited's Breaker Prospect**, shown in Figure 13. From 2014 - 2017, shallow dipping high-grade gold was discovered in saprolite at four prospects known as Breaker 1 to Breaker 4. Best intersections include 6m @ 64.0 g/t Au from 50m in 16VKAC044, 4m @ 15.4 g/t Au from 40m in 17VKAC075 and 3m @ 15.3 g/t Au from 28m in 14VKRC015. In fresh rock, gold was also discovered in quartz sulphide veining. Best intersections were 4.4m @ 6.6 g/t Au and 6m @ 6.0 g/t Au. The Beaker prospect is located within the Albany Fraser Province illustrating the prospectivity of the Dundas area that is a poorly exposed and lightly explored greenfield area. Chalice Gold Mines (ASX:CHN) is funding an aggressive exploration program and can earn 70% by spending \$2.75M over 4.5 years<sup>11</sup>.

### 3. Base metal, silver and gold occurrences at Dundas 1, 2 & 3.

In 2011-2012, Ausquest Ltd conducted wide spaced (>800m) reconnaissance RAB and RC drilling in the southern areas of Shree's tenements, illustrated in figure 2. Drilling depths varied from 80m to 100m. Ausquest focussed their work on noticeable flexures in the structural fabric of the region, observed in the aeromagnetic images.

The drilling reported anomalous Au (up to 4.1 g/t) with associated Cu (up to 0.26%), Zn (0.42%) and Ag (up to 26 g/t). Some intersections are associated with thick downhole (~30m) intervals of anomalous base metal sulphides. Better intersections are listed below and shown in Figure 13:

**12DSRC032, 4m @ 1.2 g/t Au from 51m, followed by 1m @ 1.6 g/t Au from 89m (EOH).**

**11DSRB681, 1m @ 3.7 g/t Au from 29m, 1m @ 13 g/t Ag from 30m.**

**11DSRC006, 1m @ 2.3 g/t Au from 46m.**

The base metal results are considered highly encouraging given the thickness of the intersections, the metal associations and that only limited drill testing was completed on the targets which extend for at least 1km in length based on early RAB drilling.

### 4. Nickel associated with magmatic intrusive bodies.

In December 2021, Dundas Minerals completed two close-spaced infill gravity surveys (250m spaced lines with 100m spaced gravity stations) across priority Ni and Cu targets illustrated in Figure 2. The objective of the survey was to infill the previously completed wider spaced gravity survey that concluded in October 2021, to enable more precise modelling. The exploration model for the 2 prospects is magmatic sulphide mineralisation associated with mafic-ultramafic intrusions, similar to the Nova-Bollinger deposit which is located approximately 150km to the north-north-east.

At Jumbuck, a series of RAB holes drilled by Ausquest Ltd in 2011 intersected up to 0.5% Ni in ultramafic rocks and have highlighted a discrete target area, which is also earmarked for gravity surveys by Dundas Minerals.

The prospects discussed above may be spatially related to extensions of the regionally significant Zuleika Shear and the Boulder Lefroy Fault Zone, that may strike through the Dundas Minerals' tenure.

Figure 13 illustrates several aeromagnetic anomalies proximal to these structures within Shree's tenure, with attributes analogous to magmatic mafic ultramafic bodies.

## Arunta Joint Venture

During the quarter, the Company has executed a Sale and Purchase Agreement (SPA) with MetalsGrove Mining Ltd (MGM) for the divestment of its rights, title and interest in the farm-in and joint venture and shareholder agreement (JV Agreement) (Arunta Joint Venture) with Territory Lithium Pty Ltd.

In consideration for the acquisition of SHH's rights, title and interest in the Arunta Joint Venture, MGM will make a cash payment of \$50,000 to SHH and issue to SHH 4,750,000 fully paid ordinary shares (MGM Shares) in the capital of MGM at a deemed issue price of \$0.20 each.

The SPA is subject to conditions precedent, including MGM being satisfied with its due diligence investigations, conditional approval being obtained from the Australian Securities Exchange (ASX) to admit the securities of MGM to trading on the official list of the ASX and necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 or any other law to allow the Parties to lawfully complete the matters set out in the SPA.

At present, SHH does not intend to conduct an in-specie distribution of the MGM shares but notes that SHH shareholders will retain exposure to MGM while SHH holds the MGM Shares, which may be subject to ASX escrow upon the listing of MGM.

The sale of the Company's interest in the Arunta Joint Venture allows the Company to focus its efforts on its existing high priority exploration projects in NSW and Western Australia and the re-commencement of production and shipping of iron ore from its wholly owned Nelson Bay River Iron Ore Project in Tasmania.

## Tenements

- The mining tenements held at the end of quarter and their location.

<u>Mine Lease/ Exploration License</u>		<u>Locality</u>	<u>Remarks</u>
3M/2011	ML	Nelson Bay River	100% Shree Minerals Ltd
E40/378	EL	Golden Chimney	100% Shree Minerals Ltd
E40/384	EL	Ulysses South	100% Shree Minerals Ltd
E63/2046	EL	Dundas	100% Shree Minerals Ltd
E63/2048	EL	Dundas	100% Shree Minerals Ltd.
E63/2136	ELA	Dundas	100% Shree Minerals Ltd.
EL9017	EL	Turondale	100% Shree Minerals Ltd.
EL9155	EL	Rock Lodge	100% Shree Minerals Ltd.
EL31225	EL	Bruce Project	Part of Arunta Joint Venture
EL 32420	EL	Edwards Creek	Part of Arunta Joint Venture
EL 32419	EL	Box Hole	Part of Arunta Joint Venture
EL 9310	EL	Prince of Wales	100% Shree Minerals Ltd
EL9346	EL	Oak Hill	100% Shree Minerals Ltd
E38/3677	ELA	Laverton	100% Shree Minerals Ltd
E38/3679	ELA	Laverton	100% Shree Minerals Ltd
E38/3697	ELA	Laverton Sth	100% Shree Minerals Ltd
E38/3698	ELA	Laverton Sth	100% Shree Minerals Ltd
E38/3726	ELA	Laverton Sth	100% Shree Minerals Ltd
E38/3727	ELA	Laverton Sth	100% Shree Minerals Ltd

ELA: Exploration Licence Application

- **The mining tenement interests relinquished during the quarter and their location**
  - NIL
- **The mining tenements interests acquired and disposed of during the quarter and their location**
  - 2 new Exploration Licence applications, being E38/3726, E38/3727
- **The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**
  - 80.2% in the Arunta Joint Venture
- **The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**
  - NIL. Shree entered into a Sale agreement over its interest in the Arunta Joint Venture which is subject to conditions.

## **Corporate**

During the Quarter, a total sum of \$ 100,500 was paid to related parties and their associates. The Company advises that this relates to executive directors' salaries, non-executive director's fees and superannuation.

Exploration and Evaluation Expenditure during the Quarter was \$ 120,000. Details of exploration activity as included in this Quarterly Activities Report.

Mining Development activities during the Quarter was \$26,000 as per details of permitting efforts for NBR project as included in this Quarterly Activities Report. There were no substantive mining production activities during the Quarter.

During the quarter, the Company received firm placement commitments have been received from professional and sophisticated investors to raise \$2,954,000 at \$0.016 per share before costs ("Placement").

The Placement was heavily subscribed for the Company as it continues to advance several of its key projects.

Funds raised will be applied toward funding its exploration initiatives across its highly prospective lithium and gold prospects at the Dundas Project in WA and Lachlan Fold Belt Project in NSW besides continuing to pursue the re-permitting of the Nelson Bay River direct shipping iron ore project towards a restart strategy.

The Placement was priced at a 12.8% discount to the 20- day VWAP of (A\$0.01834) at 21<sup>st</sup> March 2022.

Settlement of an initial placement of \$2.54mil was completed on 30 March 2022 under the existing Listing Rule 7.1 capacity. Additional to this, Directors are seeking to participate in the placement for an amount of \$410,000 (25,625,000 shares) which will be subject to shareholder approval. SHH will seek approval for the placement of these 25,625,000 shares at a general meeting of shareholders. The date of the proposed shareholder meeting will be advised, and a notice of meeting provided in due course.

Following completion of the placement (including the proposed placement to directors), Shree will have the following capital on issue:

<b>Issued Capital</b>	<b>Fully Paid Ordinary Shares "FPO"</b>	<b>Unlisted Options</b>
<b>Current</b>	<b>1,063,236,892</b>	<b>62,500,000</b>
Share placement – pursuant to capacity under Rule 7.1	159,000,000	
Share placement – Directors	25,625,000	
<b>Issued Capital Post Placement</b>	<b>1,247,861,892</b>	<b>62,500,000</b>

### **Competent Person Statement**

The review of historical exploration activities and results contained in this report is based on information compiled by Michael Busbridge, a Member of the Australian Institute of Geoscientists and a Member of the Society of Economic Geologists. He is a consultant to Shree Minerals Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Michael Busbridge has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed.

The release of this document to the market has been authorised by the Board.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Shree Minerals Limited

ABN

74 130 618 683

Quarter ended ("current quarter")

31/03/2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development	(26)	(162)
(c) production (Care & Maintenance)	(10)	(60)
(d) staff costs	(96)	(294)
21 (e) administration and corporate costs	(60)	(170)
1.3 Dividends received (see note 3)		
1.4 Interest received		4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Sale Agreement with MGM)	50	50
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(142)</b>	<b>(632)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(120)	(396)
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(120)</b>	<b>(396)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2544	2544
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(141)	(141)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2403</b>	<b>2403</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3157	3923
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(142)	(632)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(120)	(396)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2403	2403

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5298</b>	<b>5298</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5298	3157
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5298</b>	<b>3157</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	85.5
6.2	Aggregate amount of payments to related parties and their associates included in item 2	15
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(142)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(120)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(262)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5298
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	5298
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	20.22
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: *N/A*

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28/04/2022 .....

Authorised by: The Board .....  
(Name of body or officer authorising release – see note 4)