



# SHREE MINERALS LTD

## Quarterly Report Period ending 30<sup>th</sup> September 2018

ASX Announcement  
26<sup>th</sup> October 2018

ASX Code SHH

ACN 130 618 683

### COMPANY DIRECTORS

Sanjay Loyalka  
Director and  
Company Secretary

Davide Bosio  
Non-Executive  
Director

Andy Lau  
Non-Executive  
Director

Amu Shah  
Non-Executive  
Director

### CONTACT DETAILS

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## Highlights

- Shree Minerals Limited (“SHH” or the “Company”) to raise \$1,421,842 via a non-renounceable rights issue, fully underwritten by DJ Carmichael Pty Limited (“DJC”); and
- SHH enters into an option to acquire Leonora and Coolgardie leases prospective for gold in WA.
- Nelson Bay River Iron Project (“NBR”) continues on Care and Maintenance. All environmental monitoring being attended.
- Further steps taken to conserve costs at NBR:
  - Mining Lease area rationalised.
  - Application submitted for a new Tasmanian Environmental permit for DSO operations.
  - Application to cancel old Tasmanian Environmental Permit

Shree Minerals Limited reached agreement with DJC to underwrite a 1 for 1 non-renounceable rights issue at \$0.005 per fully paid ordinary share (“Share”) to raise \$1,421,842 (less underwriting costs).

The Company continued sourcing and evaluation of new potential opportunities suited for SHH and its shareholders in the resources sector. As part of that strategy, the Company:

- has entered into an option agreement over two exploration licence applications, known as the Golden Chimney Project and Karamindie Gold Project from Carmichael Prospecting Company Pty Limited, a wholly owned subsidiary of DJC (“Carmichael Prospecting”), via the payment of a non-refundable deposit of \$10,000. Upon exercise of the option up to 13,000,000 Shares will be issued to Carmichael Prospecting (**Tenement Acquisition**). The Tenement Acquisition is conditional upon the granting of the exploration licences as well as the receipt of all necessary regulatory approvals, including shareholder approval, to the issue of the shares for the Tenement Acquisition.
- conducted due diligence and participated in a sale process for the acquisition of a gold project in Western Australia. While the company was shortlisted till final stage, the company maintained its disciplined approach to limit bidding to fair value ascribed by it in the evaluation process.

## Nelson Bay River Iron Project

NBR project continues in care and maintenance. Environment monitoring as per approved plans being attended to. These include regular water sampling and fauna camera monitoring. During the quarter spring fish survey was also carried out.

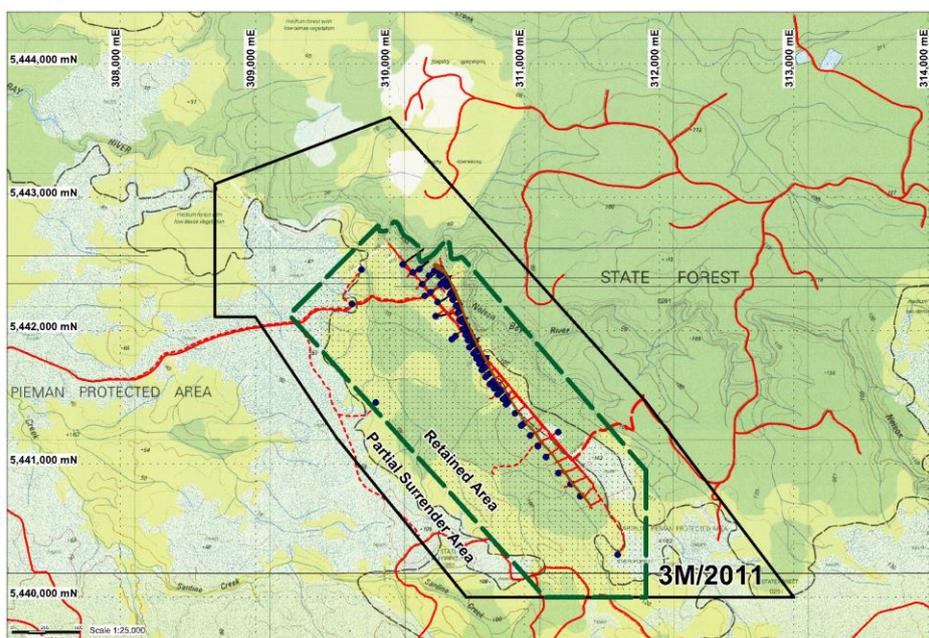
In these very difficult and challenging times, the company has placed emphasis on steps to contain costs and preserve value. The Company made a partial surrender of the mining lease (3M/2011) to conserve costs while the project remains on care and maintenance.

- The retained area after surrender is 366ha.
- The area retained contains all known mineral resources in the lease.
- All our plans (current and future) for mining at the lease and all associated infrastructure (including waste dumps, tailings dam, processing areas, administration areas) are within the retained area.
- The surrendered portion of the land was surplus to its needs and was initially taken within the lease as buffer / contingency.

To conserve cash and reduce annual environmental permit fees, the Company has requested EPA to cancel the old Environmental permit as the Company cannot carry out any mining activity under the old permit following the setting aside of the variation of the permit in November 2013 by EPA Director to allow a temporary PAF rock dump for DSO south pit. The Director was found to be not able to vary the board's original approval. Shree Minerals was not a party to the case.

The variation was taken as Tasmanian EPA approval terms and conditions stipulated that all PAF rock excavated as part of mining, should be stored below permanent ground water level – this is an impossible condition to be achieved for a first stage open pit mine and can be achieved for second open pit at the same location as the void in the first pit below permanent ground level would become available. To our knowledge, to-date such a condition has not been imposed in any open pit mine anywhere in the world for a first stage mine at a given location.

During the quarter, the company has submitted an application for a new Tasmanian Environmental permit for DSO operations due to ongoing inordinate delays in the re-approvals process, onerous requirements and regional sensitivities, it is considered financially prudent to focus on simpler DSO operations at this stage.

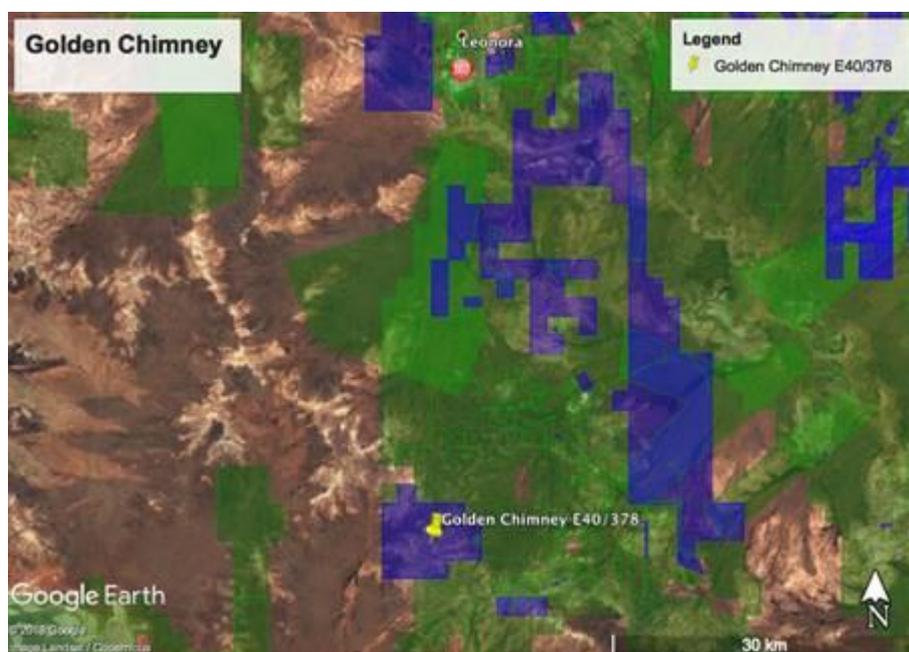


## Golden Chimney Project

The Golden Chimney Exploration license E40/378 is located approximately 180km north of Kalgoorlie, between Menzies and Leonora with the main highway passing through the application area. Previous exploration has included stream sediment sampling, soil sampling and RC drilling with the focus being on two prospects called Golden Chimney and Golden Chimney West.

A major north south trending structure named the Mt George Structural Lineament transects the exploration license and displays a high level of deformation as a shear zone of up to several kilometres wide. The mineralisation consists of pyrite / pyrrhotite and traces of arsenopyrite and chalcopyrite with anomalous gold and arsenic, associated with quartz and carbonate veining.

Previous geological activities have suggested the requirement for additional aeromagnetic and geochemical work to further test the mineralised potential of the prospects. Positive initial exploration initiatives will provide a greater level of certainty to follow up the prospects with a targeted RC and diamond drilling program in the future. Recent success at the Ulysses project, which is in a similar structural corridor to Golden Chimney, should increase the prospectivity of this area.



Source. Money Mining NL Annual Report to 6th June 1993

## Karramindie Gold Project

The project is located in the Coolgardie domain of the Kalgoorlie Terrane. The application area is dominated by the north / northwest trending greenstone belt, with granitic intrusions in the northeast and southwest. Greenstone lithologies include ultramafics, komatiitic basalts, mafic volcanics, dolerite / gabbro intrusions, clastic sediments and felsic volcanics. The belt lies along the interpreted position of the Kunanalling Shear, a major north / north-westerly trending fault zone that can be traced for over 140km.

The tenement covers a conceptually prospective area comprising a southeast-plunging anticline of ultramafic and mafic rocks cored by Granodiorite, adjacent to a splay off the Zuleika shear zone in the east. This is separated from the White-Flag Formation felsic-intermediate volcanoclastic rocks, ultramafic and high Mg basalt by the Kunanalling shear and splay off this in the west. The nearest economic mineralisation is at Freddo, a small oxide pit mined by Newcrest Mining with mineralisation on the sheared contact between mafic porphyry and ultramafic. Approximately 2.9km to the west is Bakers Flat, which is part of South Kalgoorlie Operations and currently owned by Northern Star Resources.



Coolgardie: Karramindie E15/1671

## 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	Nelson Bay River	100% Shree Minerals Ltd

- The mining tenements acquired and disposed of during the quarter and their location.

NIL

- The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.

NIL

- The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

NIL

## About Shree Minerals Limited

Shree Minerals Limited is an exploration and mine development company including being engaged in mining and production of iron ore and dense media magnetite at its Nelson Bay River Iron Project in the north-western Tasmania.