SHREE MINERALS LTD

Shree secures tenements applications for Gold, Nickel & REE in the highly endowed Laverton Province, WA

- **100% interest in seven tenement applications occupying an area of 6,600 ha in the highly endowed Laverton District.**
- **Excellent opportunities for discovery near operating mills.**
- **Compelling under-cover gold and nickel targets identified.**
- **Exploration Licence Application E38/3697 is located only 2 kms to the north of Lynas Rare Earth Ltd.'s (ASX:LYC) Mt Weld Carbonatite REE complex.**

Shree Minerals Ltd (Shree and / or the Company) is pleased to advise that as part of its business development activity pursuing the strategy of building a portfolio of quality assets and advancing them using modern exploration techniques, mine development and process of continuous evaluation and prioritisation of its project portfolio, the Company has been able to secure highly prospective tenements within the Laverton Province. This province is known to contain some 30 million ounces of gold, making it the second highest endowed gold district in Western Australia behind Kalgoorlie. The Laverton gold district is also the highest growth gold district in Australia over the last 25 years. The region hosts several important gold and nickel deposits including Sunrise Dam (>10Moz), Wallaby (> 8Moz), Granny Smith (>2Moz, closed) and Lancefield (>2Moz, closed), Windara Nickel (combined 85K tonnes nickel sulphide). Lynas Rare Earth also operates the Mt Weld Rare Earth Element (REE) operation only 2 kms to the south of Shree's application.

The Laverton Project consists of seven tenements, illustrated in Figure 1. SHH has identified a series of very prospective under-cover gold and nickel mineralisation drill targets within the tenements. The targets have been generated through an integrated approach using detailed interpretation of aeromagnetic and gravity images, historical exploration drilling programs and the mineralisation models developed from the neighbouring world class gold deposits. Details of the prospectivity of the applications is discussed below.

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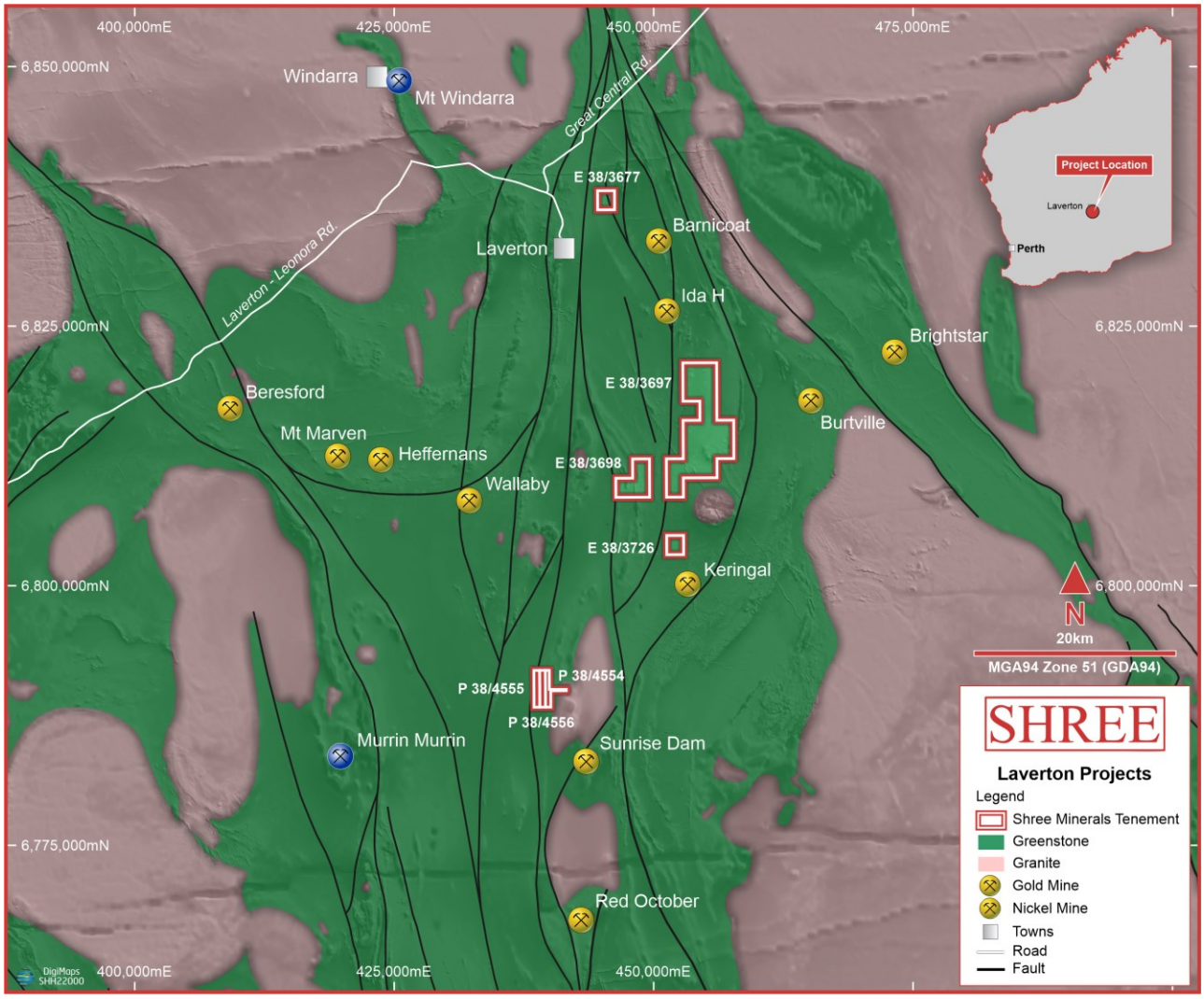
Figure 1. Regional location diagram of Shree's seven tenement applications in the Laverton Goldfield.



1. EL38/3697 – REE Potential

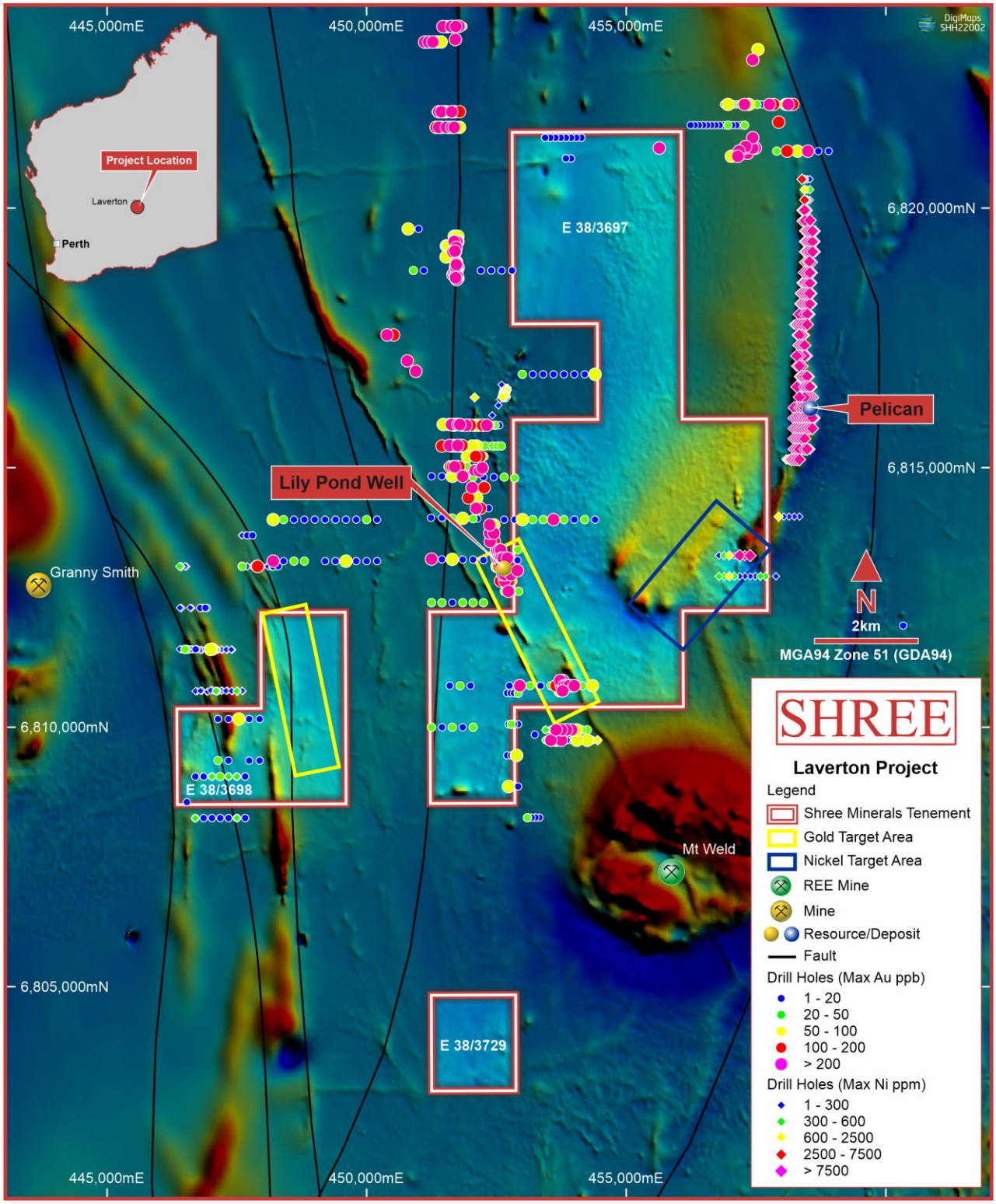
The Mt Weld rare earths mine located just 2 kms south of Shree's EL38/3697 is one of the highest-grade rare-earth mines operating in the world. The project is owned and operated by Lynas.

Rare earths are contained in secondary phosphates and aluminophosphates, presumably derived from weathering of the Proterozoic Mount Weld carbonatite. The primary commercial interest at the site is targeted towards oxides as well as further niobium and tantalum deposits within the magnetic circular pipe of the Mount Weld carbonatite, which is approximately three kilometres in diameter, Figure 2. The mine comprises substantial deposits of rare earth elements (REE) including lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), samarium (Sm), europium (Eu), gadolinium (Gd), terbium (Td), dysprosium (Dy) and yttrium (Y).

Occurring within EL38/3697 are several small diameter aeromagnetic bullseye features seen within the aeromagnetic images. Shree will evaluate these features for MT Weld style mineralisation concurrently with the exploration programs discussed above.

Much of the tenement is blanketed by transported alluvial and colluvial cover sequences rendering soil sampling ineffective. Initial exploration will include air core and RC drilling. Drilling samples will be assayed for not only Au and Ni but also REEs.

Figure 2. Maximum gold (circles) and nickel (triangles) assays in all drilling EL38/3697 and EL3698. Background image is the regional RTP aeromagnetics (Reduced to Pole).



2. EL38/3697 - Lily Pond Well:

Gold Exploration.
A very compelling target comprising undercover and fault-offset gold mineralisation which may be related to the outcropping Lily Pond Well (LPW) mineralisation (not SHH).

The Lily Pond Well Au deposit was identified by Sons of Gwalia in 1999 and contains an inferred resource of 340,000 tonnes @ 1.4 g/t Au for 15,000 ozs Au[1]. Significantly, the LPW deposit closely resembles the geological setting of the world class Wallaby Gold Deposit, located only 25 kms to the west. At LPW, interleaved mafic conglomerates, mafic and graphitic schists, pelitic and psammitic sediments and felsic fragmental rocks are spatially related to a strongly altered felsic intrusive, with diagnostic alteration including chlorite - sericite - albite - pyrite. Narrow zones of quartz-sulphide veining, with albite sericite altered selvedges, average between 1 and 6 g/t Au.

Intersections at LPW include 5m @ 1.7 g/t Au from 49m, 2m @ 2.9 g/t Au from 98m and 5m @ 5.81 g/t Au from 122m in the same hole (LPC645). Other intersections include 7m @ 3.84 g/t Au from 55m, 1m @ 12.1 g/t Au from 66m and 6m @ 2.03 g/t Au[2].

Occurring just 200m to the east of the LPW deposit, and within Shree's application (EL38/3697), historic drillhole LPR577 (Figure 3) intersected 3m @ 1.36 g/t Au from 36m downhole depth, which is part of a broader anomalous intersection that extends to EOH[3]. Anomalous pathfinder geochemistry includes Sb and As. It's relationship to the LPW resource is not known. The area immediately to the south of LPR577 is covered by a blanket of transported cover and is essentially untested by drilling to the air core holes discussed below.

Very significant and mineralised air core holes situated 2 kms to the SE of the LPW resource and LPR577 (figure 2) include[4]:

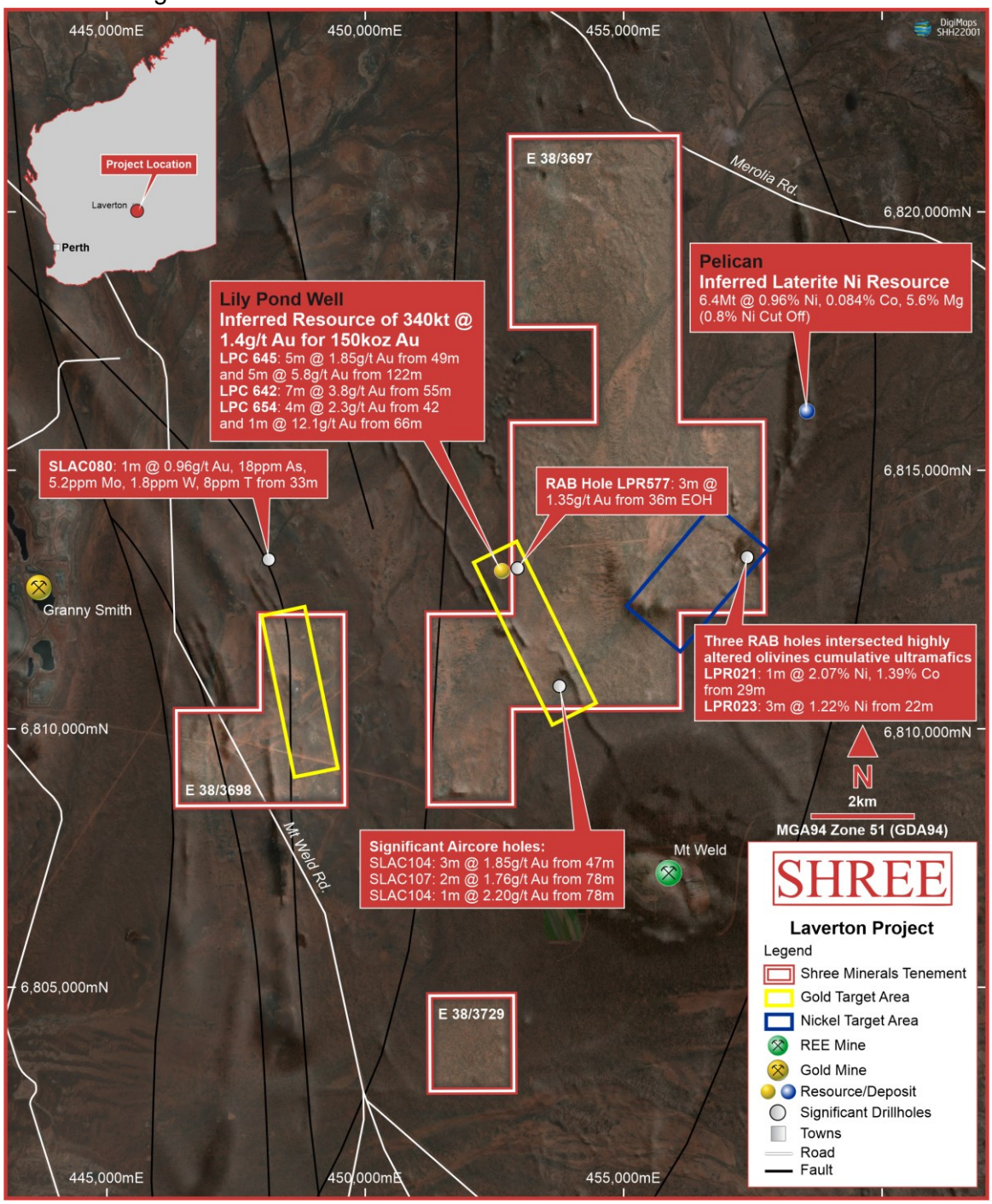
- SLAC104: 3m @ 1.85 g/t Au from 41m.
- SLAC107: 2m @ 1.76 g/t Au from 61m.
- SLAC109: 1m @ 2.2 g/t Au from 78m.

Connecting the LPW deposit and these SLAC aircore holes is a prominent regional, SE-NW orientated aeromagnetic structure, with sinistral off-sets, suggesting the structural controls on the LPW mineralisation may be present.

Further evidence of a mineralised structure is provided in Figure 2. From the WAMEX drill hole data base, maximum gold assays from each drill hole in the district has been imaged. A linear trend of anomalous gold geochemistry is evident extending both north and south from the Lily Pond Resource location.

A very prospective and untested drill target area has been proposed and is illustrated in Figures 2 & 3 by the eastern yellow rectangle.

Figure 3. Summary diagram of the salient features of tenement application EL38/3697 and EL3698. Background image is the regional aeromagnetics (Total Mag Intensity) draped over the aerial image of the area.



The aeromagnetic image and the RAB holes together provide a significant and compelling drill target for nickel sulphide mineralisation, illustrated by the purple rectangle in Figure 2 and 3.

3. EL38/3697 - Pelican Nickel.

The Pelican Laterite Nickel Resource (not SHH) was discovered by Anaconda Nickel in 1999 and contains an Inferred Nickel Resource of 6.4 Mt @ 0.96% Ni, 0.84% Co, 5.6% Mg, at a 0.8% Ni cut-off[5]. Host rocks include a weathered ultramafic known as the Pelican Ultramafic and consists of smectite and saprolitic clays. Their drilling is illustrated by the maximum nickel in drilling, shown in Figure 2. Highly anomalous nickel in laterite geochemistry occurs over a length of 8 kms within the Pelican Ultramafic belt.

Rare, deeper drilling into the weathered profile intersected a serpentinised olivine cumulate komatiite at Pelican, a favourable host rock for nickel sulphide mineralisation at the Mount Keith, Windara, and the Perseverance nickel deposits. Drilling did not extend to depth often enough to test for the presence of nickel sulphide mineralisation at Pelican.

In 2008, Placer Exploration[6] drilled three shallow RAB holes within the Pelican Ultramafic in the area now covered by EL38/3697, Figure 2 and 3. Significantly, Placer geologists identified highly altered olivine cumulate textured komatiites within these holes. The area corresponds to a significant thickening of the Pelican aeromagnetic anomaly. Intersections include 1m @ 2.07% Ni, 1.39% Co and 3m @ 1.22% Ni (Figure 2). Unfortunately, the rocks were not assayed for pathfinder geochemistry associated with nickel mineralisation, including Cu, Cr, and PGE's. There has been no follow up exploration of this target since Placer's work.

4. EL38/3698 - Granny Smith East ('GSE') Prospect:

Fault-bounded sediment-BIF and mafic targets to the east of the now closed Granny Smith Gold mine have been interpreted in and near Shree's EL38/3698[10]. These targets occur under laterite and transported cover and are almost entirely untested by historic drilling.

Drillhole (SLAC080) tested the northern margin of the central target and returned 1m @ 0.96g/t Au from 33m to EOH (Figure 2, 3)[7]. The hole is situated adjacent to a major N-S orientated regional structure, marking the fault-bound sediment-BIF contact. Additionally, anomalous Mo (5.2 ppm), Th (8 ppm) and W (1.8 ppm) in hole SLAC080 suggests a higher temperature style of base metal Au mineralisation may be present. Figure 3 suggests additional drilling in the area has anomalous maximum gold in drilling.

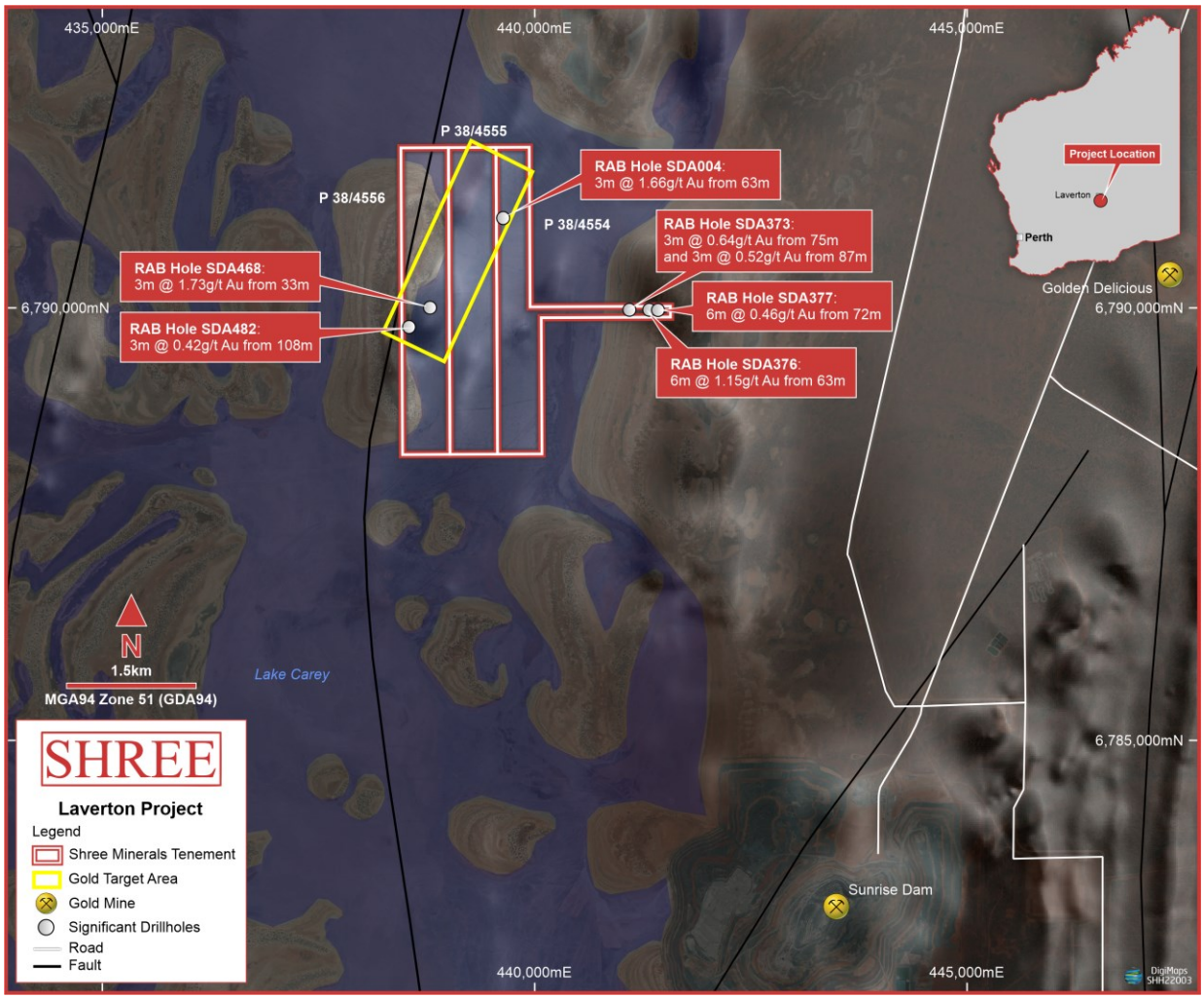
One kilometre to the south of SLAC080, and within Shree's EL38/3698, air core drilling is proposed (western yellow rectangle) to test the fault bounded geology along several east-west orientated drill traverses.

5. P38/4554 – P38/4556 – Sunrise Dam West

Aeromagnetic anomalies represent significant exploration targets in the Laverton district. The world class gold deposits of Sunrise Dam, Wallaby and Granny Smith (to name a few) occur in proximal positions to aeromagnetic highs due to their very distinctive and diagnostic alteration assemblages containing magnetite, along with pyrite, hematite, albite, sericite.

The Sunrise Dam West project is also proximal to a prominent aeromagnetic high, illustrated in Figure 4. Located on the edge of Lake Carey, historical drilling has intersected encouraging intersections, including 3m @ 1.73 g/t Au and 3m @ 1.66 g/t Au, adjacent to another very significant major regional structure[8]. The two features combined have warranted the tenement application.

Figure 4. Location and geological setting of the Sunrise Dam Project, 8 kms to the northwest of the world class Sunrise Dam Gold Mine. Background image is the regional aeromagnetics draped over the aerial image of the area.



Next Steps

1. The Company is actively pursuing the process to enable grant of the tenements which include negotiation of access agreements with concerned parties, heritage agreements with regional native title parties etc. The Company expects the tenements to be granted in 2023.
2. Desk top studies to firm up exploration plans.

Cautionary Statement

- The Exploration Results for the Laverton Project have been reported by former owners.
- The source and date of the Exploration Results reported by the former owners have been referenced in the body of this announcement where Exploration Results have been reported.
- The historical Exploration Results have not been reported in accordance with the JORC Code 2012.
- A Competent Person has not done sufficient work to disclose the historical Exploration Results in accordance with the JORC Code 2012.
- It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012.
- That nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the historical Exploration Results; but
- Shree has not independently validated the historical Exploration Results and therefore is not to be regarded as reporting, adopting, or endorsing those results.
- There are no more recent Exploration Results or data relevant to the understanding of the Exploration Results.
- An assessment of the additional exploration or evaluation work that is required to report the Exploration Results in accordance with JORC Code 2012 will be undertaken following granting of the tenements and will be funded by the Company.

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.

References

[1] Westaway, J.M.,1999. Lily Pond Well Project. Annual report for the period 1 Jan 1999 to 31 Dec 1999. Sons of Gwalia Ltd. WAMEX Report A60870.

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[3] Drillhole LPR577: Lily Pond Well partial Surrender Report for the period 31 December 1996 – 8 May 2000. D P Hammond, Sons of Gwalia. WAMEX report A63665.

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[5] Storey, C., 2001. Technical Report 1167. Third Annual Report Pelican Project. Anaconda Nickel. WAMEX Report. A62927.

[6] Placer (Granny Smith) Pty Ltd. 2002. Mt Lebanon Project. Annual Report on Exploration for the Period 1st January 2001 to 31st December 2001. WAMEX report A64064.

[7] Drillhole SLAC080: Final Surrender Report, South Laverton, for Lease E38/0809. J Robinson, Crescent Gold Limited, June 2009. WAMEX report A82632.

[8] Sons of Gwalia. 2004. E38/449. Jubilee Well Annual Report. WAMEX Report A68341.

[9] Gold occurrences extracted from the MINEDEX database of WA. ID. ANZWA1220000513. Available from the DMIRS.

[10] D.J. Gray, M.J. Lintern and C.M.R. Butt, 2005. Granny Smith Gold Deposits, Western Australia. CRC LEME. Recovered from http://crcleme.org.au/RegExpOre/GrannySmith.pdf.

Forward looking statements

This announcement may contain certain “forward looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward looking statements. Such risks include, but are not limited to exploration risk, mineral resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes.
Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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