



SHREE MINERALS LTD

ASX Announcement
30th January 2020

Quarterly Report Period ending 31st December
2019

Highlights

ASX Code SHH

ACN 130 618 683

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- **Actively pursuing re-permitting as part of the development process of the DSO project at Nelson Bay River Iron Project (“NBR”)**
 - **Substantial progress during the quarter towards finalising DPEMP - Follow up technical modelling & finalisation of various management strategies in discussions with EPA have been done on basis of the working Draft DPEMP**
 - **Mine in ready state to recommence production at short notice with existing development in place.**
 - **Favourable Iron Ore markets**
- **RC Drilling successfully completed at the Golden Chimney Project**
 - **Drilling evaluated the potential for lateral and down dip extensions to the mineralisation at the Golden Chimney prospect, as well as soil anomalies at Golden Chimney East and West.**
 - **Assays from drill hole 19GCRC01 suggest the mineralisation at Golden Chimney is open along strike to the south west.**
 - **Down dip extensions to the mineralisation are evident from drill hole 19GCRC03.**
- **Business Development efforts continue to identify further opportunities**

Nelson Bay River Iron Project

Shree's wholly owned Nelson Bay River Project ("NBR" or the "Project") including Mining Lease 3M/2011 is engaged in the mining and shipment of iron ore. The location of the Mining Lease 3M/2011 is shown in Figure 1.



Figure 1: Location Plan – NW Tasmania

NBR was previously producing direct shipping Iron Ore (Fines & Lump) products until being placed on care and maintenance since June 2014 following sharp iron ore price falls.

Following the recent improvement in Iron Ore Prices, the Company has commenced actively pursuing re-permitting activities forming part of development process of DSO project at NBR.

The DSO requires no major processing beyond crushing and screening. It is then trucked to the port and shipped. The south DSO pit ("SDSO") was developed in 2013 with production commencement in November 2013 and first shipment in January 2014. The operation has been developed as an all contract mining, processing and haulage operation with local contractors in the region. The iron ore shipments totalled 181,000 tonnes historically. The NBR product (DSO Lump and Fines) has been very well received and is in demand by customers due to its low impurities like alumina (Al_2O_3) at only 1.3%.

Follow up technical modelling & finalisation of various management strategies in discussions with EPA have been done on basis of the working Draft DPEMP (Development Proposal & Environment Management Plan). The Company is targeting to finalise the draft shortly with a view to progress for next stage of approval process.



Figure 2: Mine Site (Google Image 2015)

The SDSO pit is proposed to be deepened to mine the remains of the near-surface oxidised ore body, comprising DSO hematite, to a depth of approximately 80 m. Figure 3 shows proposed development

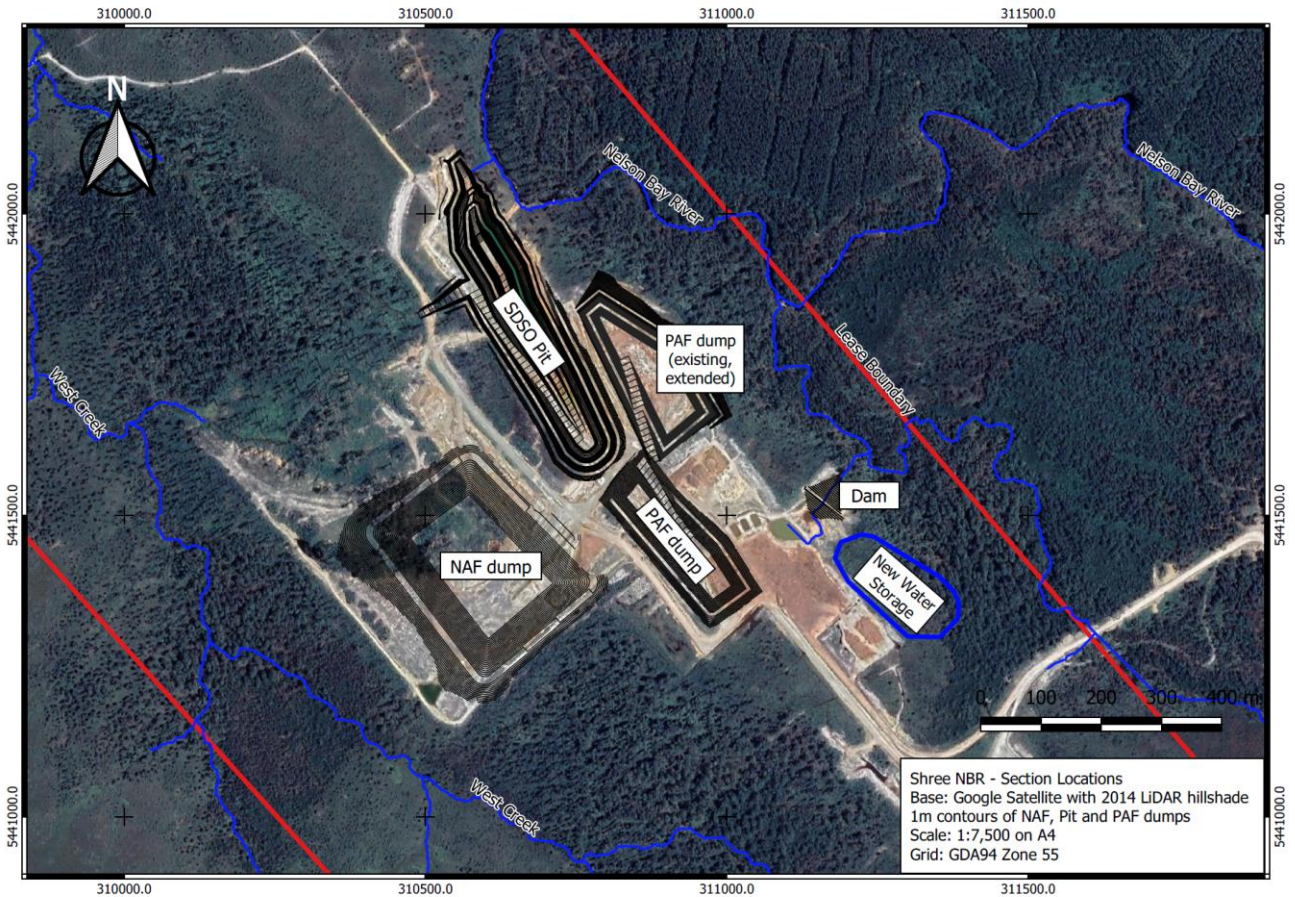


Figure 3 : Proposed Development of DSO operations

GOLDEN CHIMNEY PROJECT

The project is located 40km south of Leonora (Figure 4). The world class deposit known as the Sons of Gwalia Gold mine occurs within this geological terrain (1.9 Moz Au in reserve at a grade of 7.5 g/t Au and past production of 4 Moz Au). Other significant and economic deposits include King of the Hills Mine (resources of 380,000oz Au), Tower Hill (625,000oz Au in resources), and Kallis– Trump and Ulysses (760,000oz Au in resources).

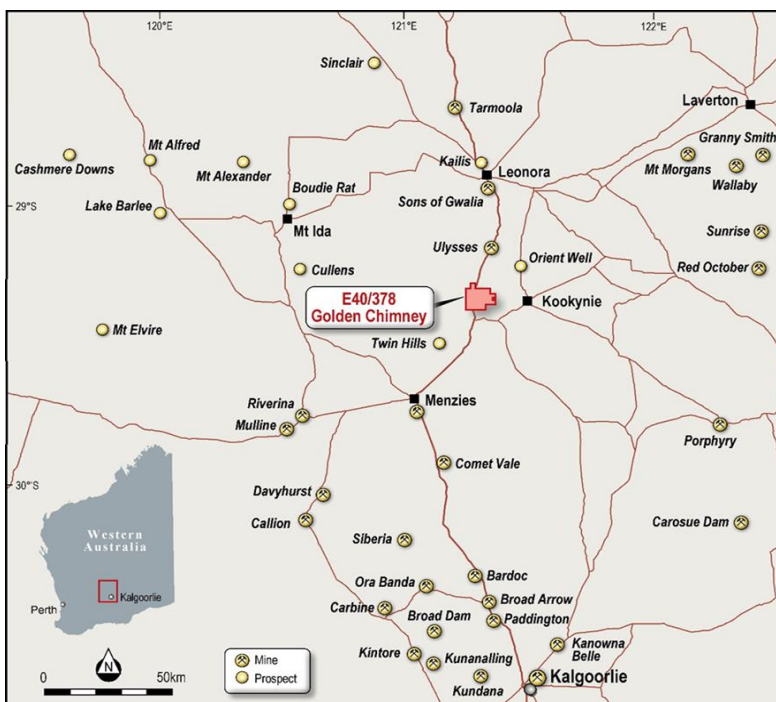


Figure 4. Regional location of the Golden Chimney Project, E40/378.

Figure 5 illustrates the geochemical soil contours derived from the auger traverses completed in July 2019. Coherent near - surface gold anomalism is located over mostly mafic and felsic rocks as interpreted from aeromagnetic images and geological mapping. Three prospects were RC drilled (Figure 2): The Golden Chimney prospect, the Golden Chimney East and Golden Chimney West prospects. Only the Golden Chimney prospect, has been drilled by previous workers. Table 1 below illustrates the specifications of the drilling program.

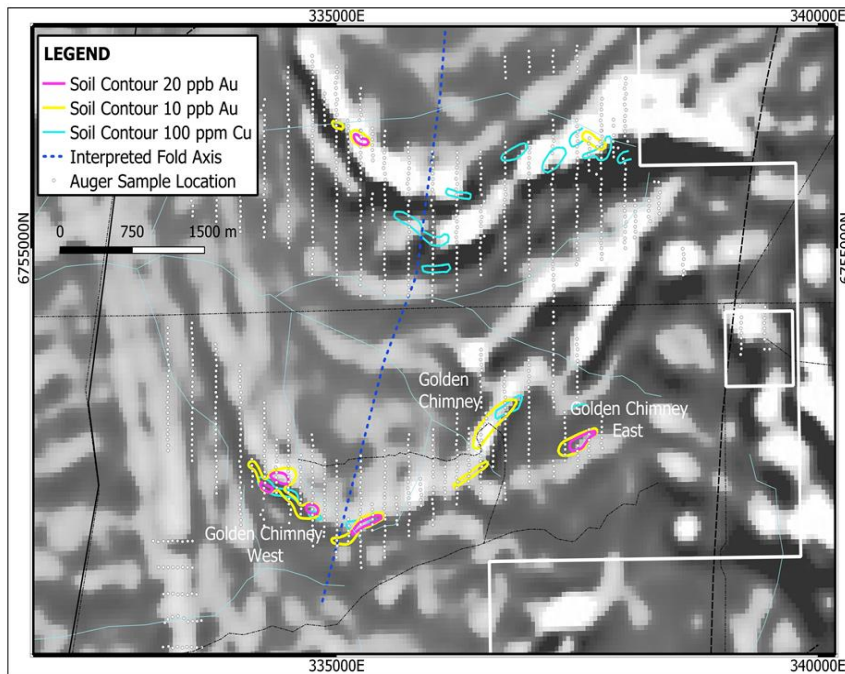


Figure 5. Multi-element (Au, Cu) soil contours derived from Shree's auger program. Also illustrated is the location of all auger samples and the interpreted position of the regional fold axis. The underlying image is the aerial magnetics.

Table 1. RC drill hole details.

Hole	Prospect	MGA_East	MGA_North	Depth_m	Azimuth°	Dip°
19GCRC01	Golden Chimney	336615	6753330	120	315	-60
19GCRC02	Golden Chimney	336630	6753310	180	315	-60
19GCRC03	Golden Chimney	336653	6753337	186	315	-60
19GCRC04	Golden Chimney	336718	6753467	114	315	-60
19GCRC05	Golden East Chimney	337510	6753136	127	315	-60
19GCRC06	Golden East Chimney	337472	6753205	138	315	-60
19GCRC07	Golden East Chimney	337655	6753220	114	315	-60
19GCRC08	Golden East Chimney	337610	6753291	114	315	-60
19GCRC09	Golden West Chimney	335261	6752405	50	225	-60
19GCRC10	Golden West Chimney	334390	6752864	108	225	-60
19GCRC11	Golden West Chimney	334357	6752835	100	225	-60
				TOTAL	1351	

Golden Chimney Prospect.

In 1993, historical RC drilling of soil and rock chip anomalies at the Golden Chimney prospect intersected broad zones of low-grade gold mineralisation **including 26m @ 0.36 g/t Au in RCGC014 from 6m, 15 m @ 0.46 g/t Au in RCGC07 from 12m and 5 m @ 0.47 g/t Au in RCGC011 from 102 m**. These intersections are illustrated in Figure 6. Drilling encountered a mineralised structure containing common coarse crystalline arsenopyrite and pyrite.

The positions of the recently completed RC drill holes at the Golden Chimney prospect are also illustrated in Figure 6. Drilling was aimed at extending the mineralisation in a south westerly direction (holes 19GCRC01, 19GCRC02) and in a north-easterly direction (hole 19GCRC04). A 45° south westerly plunge to the mineralisation was also tested by hole 19GCRC03. Altered quartz gabbros and dolerites containing common arsenopyrite and pyrite, was seen in the four drill holes. Extensive carbonate haloes were a feature of the alteration.

Best assays received were from drill hole 19GCRC01 where 12 m @ 83 ppb Au from 28-40 m was intersected (4m composite samples). This drill hole suggests the mineralisation remains open along strike to the south west in Figure 6. In hole 19GCRC03 12 m @ 67 ppb Au from 128–140 m was intersected (also 4m composite samples). This drill hole suggests the mineralisation remains open down dip to the south east in Figure 6. No anomalous assays were received from hole 19GCRC04 and the south westerly striking mineralisation now appears to be closed off to the north east.

Table 2 lists all assays > 25 ppb Au received from the 4m composite samples.

Table 2 : Anomalous drilling assays. (> 25 ppb Au).

Hole No.	Hole Type	Prospect	From (m)	To (m)	Sample No.	Sample Type	Au ppb	As ppm	Cu ppm	Zn ppm	Bi ppm
19GCRC01	RC	Golden Chimney	28	32	43508	composite	175	150	198	41	1.48
19GCRC01	RC	Golden Chimney	32	36	43509	composite	42.5	123	61	49	0.24
19GCRC01	RC	Golden Chimney	36	40	43510	composite	30.5	111	91	52	0.3
19GCRC03	RC	Golden Chimney	64	68	43592	composite	48	5.6	109	48	2
19GCRC03	RC	Golden Chimney	80	84	43596	composite	38.5	3.8	129	41	1.14
19GCRC03	RC	Golden Chimney	104	108	43602	composite	28.5	5.8	215	80	0.34
19GCRC03	RC	Golden Chimney	116	120	43605	composite	29.5	3.2	400	47	0.9
19GCRC03	RC	Golden Chimney	128	132	43608	composite	146	6.4	84	41	0.42
19GCRC03	RC	Golden Chimney	136	140	43610	composite	44	1.6	148	65	0.66
19GCRC05	RC	GC East	72	76	43668	composite	118	5	7	47	0.08
19GCRC05	RC	GC East	120	127	43682	composite	26.5	19.6	13	51	1.16
19GCRC06	RC	GC East	132	138	43716	composite	38.5	189	9	32	0.18
19GCRC07	RC	GC East	56	60	43731	composite	54	942	13	44	2.4
19GCRC09	RC	GC West	12	16	43776	composite	46	0.4	103	28	1.94

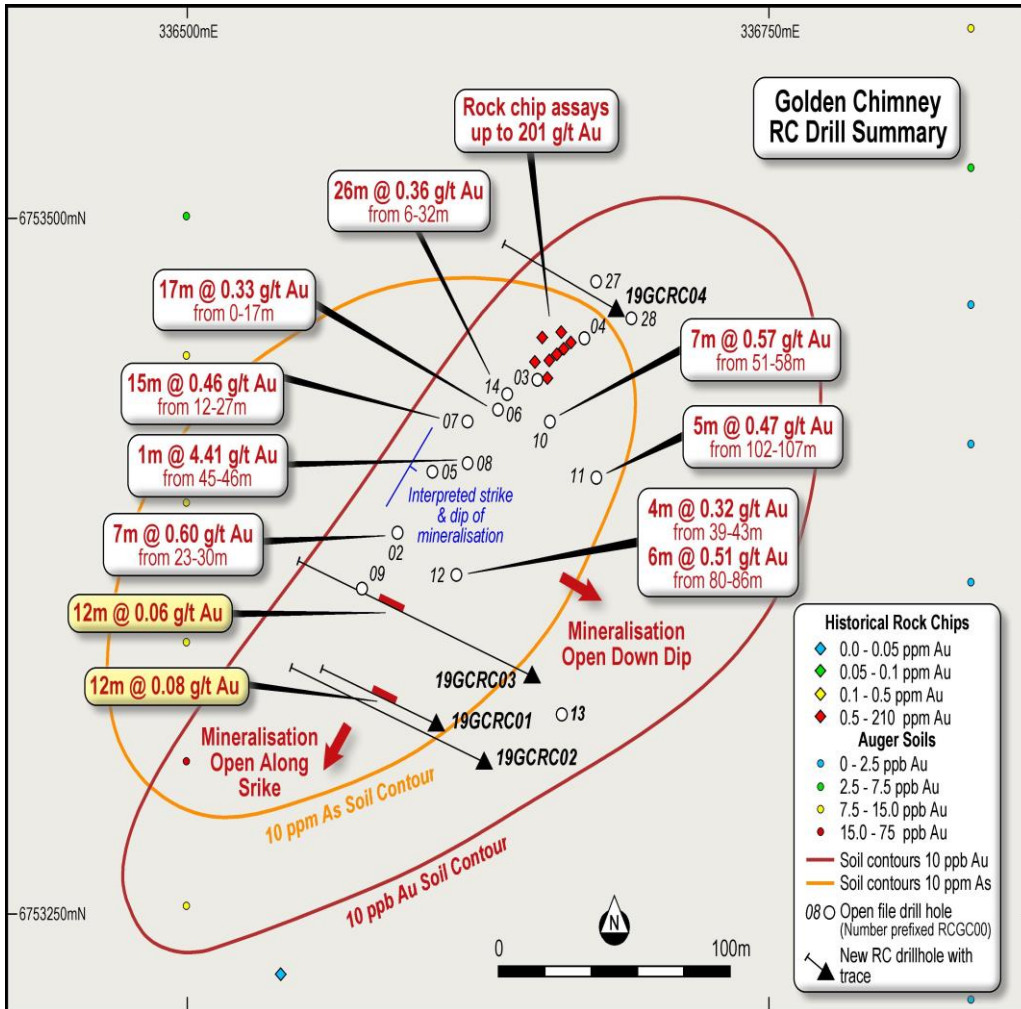


Figure 6. Location of the historical and the recent RC drilling at the Golden Chimney prospect. Auger soil geochemistry contours (Au, ppb and As, ppm) are also shown.

Golden Chimney East Prospect.

Four RC drill holes tested the auger soil anomaly at Golden Chimney East. The regional location of this prospect is shown in Figure 2. Drill hole positions with respect to the anomalous geochemistry are illustrated in Figure 7. Mainly dolerites and gabbros were intersected. The highest assay in drilling was from hole 19GCRC05 (hole 8 in figure 4) where 4m @ 118 ppb was received from 72-76m (4m composite sample).

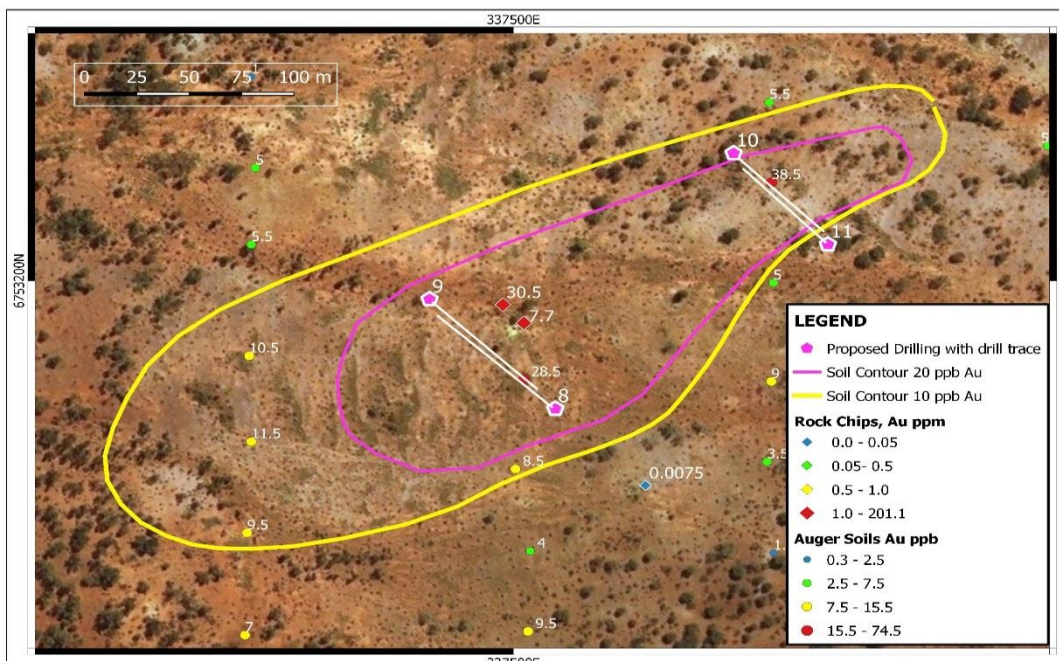


Figure 7. Location of the recently completed RC drill holes at the Golden Chimney East prospect.

Golden Chimney West Prospect.

Three RC drill holes tested the auger soil anomaly at Golden Chimney West. The regional location of this prospect is shown in Figure 5. Drilling intersected two silicified quartz feldspar porphyries within a suite of dolerites and gabbros. Very fine sulphides (possibly pyrite) were visible within the extremely calcareous porphyries. Drilling assays (4m composite samples) did not exceed 50 ppb Au.

Next Steps.

In order to target further drilling, Induced Polarization (IP) geophysics may be applicable to the pyrite altered mafic sequence at Golden Chimney. IP is a commonly-used geophysical survey method for measuring the electrical properties of subsurface rock. Measurements are made by introducing a controlled electrical current into the ground using two current electrodes, thus energizing the ground, and then measuring the induced potential-field gradient voltage between two non-polarizable receiver electrodes. The measured IP phase indicates the ability of rocks to briefly hold an electrical charge after the transmitted voltage is turned off. Metallic minerals (pyrite) hold an electrical charge longer than non-metallic minerals and this is measured in an IP survey. Higher IP voltages reflect higher concentrations of metallic minerals (pyrite) and hence can be an effective targeting tool. IP responses can be received from 400 m below surface using higher electrical currents.

Extensional drilling at Golden Chimney may be warranted. In figure 6, auger Au and As geochemistry contours suggest the mineralisation may be open to the south-west of hole 19GCRC01. Additionally, assays received from drill hole 19GCRC03 confirm the down dip continuity of the south easterly dipping mineralisation and a new drill hole in between 19GCRC03 and RCGC11 (in figure 6) may be warranted.

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.

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
E40/378	Golden Chimney	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 and Gold exploration at its Golden Chimney Project in Western Australia.