SHREE MINERALS LTD

ASX Announcement
30th October 2020

Quarterly Activity Report
Period ending
30th September 2020

ASX Code SHH

ACN 130 618 683

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Director and Company Secretary

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Highlights

- **Exploration Licence Application lodged for prospective ground in Eastern Lachlan Fold Belt – Turondale Project**
  - **Previous soil and stream sampling returned very anomalous results with up to 2.6g/t Au, 3,700ppm copper and 5,000ppm lead**
  - **Volcano-sedimentary sequence within the project considered very prospective**
  - **Structures containing high-grade gold prospects interpreted to strike into Shree's tenement**
- **Fieldwork Commences at the Bruce Gold Project, NT**
  - **Exploration fieldwork has commenced at the Bruce Gold Project**
  - **Previous rock chip sampling returned grades of up to 53g/t Au1**
  - **Two new areas of quartz veining with anomalous gold and copper have been identified.**
  - **New mineralised quartz vein is located 250m south of original vein sampled**
- **Progressing re-permitting of the direct shipping ore ("DSO") project at Nelson Bay River Iron Project ("NBR")**
  - **Iron Ore prices remain robust in current environment.**
  - **Mine in ready state to recommence production at short notice with existing development in place.**
- **Completed strongly supported $1.2 M Capital raising**

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Turondale Project

Shree Minerals Ltd ("Shree" or the "Company") has during the quarter lodged application for Exploration Licence (ELA6044) in the East Lachlan Fold Belt in New South Wales (Figure 1). The Turondale Project covers an area of 129.9 km² and is located 15km north of Bathurst. It is prospective for orogenic, porphyry and skarn related gold mineralisation.

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 Cadia Mine and Alkane Resources Tomingley Gold Mine (Figure 1). Also located within the East Lachlan Fold Belt is Alkane Resources' 2019 Boda discovery with a reported drill intersection of 502 metres at 0.2% copper and 0.48 g/t gold from 211 metres[1].

Within the East Lachlan region, the volcano-sedimentary rock sequence has been intruded by various intrusive rocks creating a highly prospective environment for mineralisation. These deposits display a range of different gold mineralisation styles, including orogenic, porphyry, skarn and volcanogenic massive sulphide.

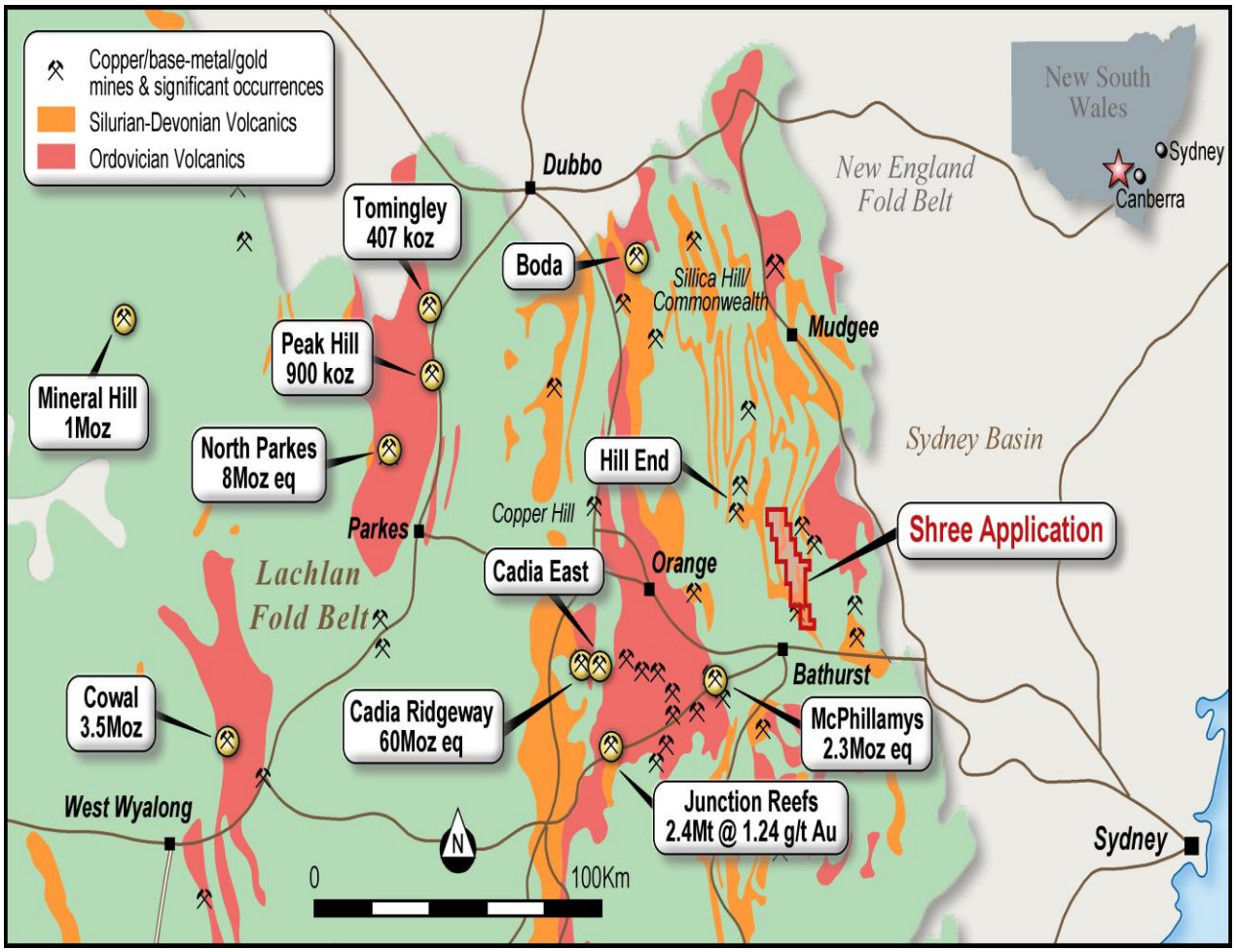


Figure 1. Regional location of Shree's tenement application within the East Lachlan Fold Belt.

While there are similar mineralisation types across northern Australia, Indonesia, Papua New Guinea and the west coasts of North and South America, the East Lachlan is different in age and chemistry, making it globally unique and very prospective

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The project (ELA6044) covers a folded sequence of Devonian aged sediments and lesser volcanic rocks. The project has potential for shallow high-grade gold via orogenic vein systems. It has a similar litho-structural setting to the Hill End Goldfield located 15km to the northwest where Peak Minerals Pty Ltd (formerly Hill End Gold) has reported a Mineral Resource of 4.68Mt at 3.3g/t Au (501,552oz contained gold)[2], located in Figure 1. The project's geology bears many similarities in terms of host-rocks, structural-style and mineralisation-style to other turbidite-hosted gold deposits, including Fosterville in the Bendigo-Ballarat zone, central Victoria.

There are nine gold occurrences within Shree's tenement application area that are aligned in a north-northeast direction parallel to the regional strike and folding. The occurrences comprise of shafts, shallow workings and areas of alluvial mining that have had no modern exploration applied to them (Figure 2).

Exploration Targeting

Strike Extensions of identified Quartz Gold Reefs

Shree's ELA is bounded by tenements EL8942 and EL8940 held by Krakatoa Resources Ltd and Alkane Resources Ltd, respectively, illustrated in Figure 2. Krakatoa's EL8942 contains two separate north-trending reef systems, the Quartz Ridge and Box Ridge, comprising shafts, adits and drifts that strike over 1.6km and 2.4km respectively.

The "Quartz Ridge" Group of prospects ("Quartz Ridge", "Battery" and "Dead Horse") are auriferous quartz vein shoots within a simple discordant quartz fissure system trending north-northeast with a strike of over 1400m. The principal quartz zone pinches and swells along strike and down dip (0.2m to 3.0m width). The Quartz Ridge reef has demonstrated high-grade gold anomalism up to 1,535g/t Au in rock chips and shallow gold targets up to 10m @ 1.64g/t Au in drilling from surface to end of hole[3].

Similarly, the Box Hill trend is defined by a 2.4 km long gold reef system that has returned rock chip samples of up to 60g/t Au[3]. The structures containing these reefs have been interpreted to strike approximately north-south using the aeromagnetic imagery (Figure 2).

Both the Quartz Ridge structural trend and the Box Ridge structural trend are interpreted to strike southwards and extend into Shree's application area. This extension is parallel to regional fold axes and faulting. The interpretation is supported by structures highlighted in the aerial magnetic imagery and the north-south trending shaded stratigraphy, illustrated in the composite image of Figure 2.

Open file reporting of stream sediment anomalies

In 1972, Nickel Mines Ltd. conducted aerial and ground surveys for gold mineralisation within their EL1974. They selected 48 targets throughout the licenced area, one of which is illustrated in Figure 3. Nickel Mines collected 288 soil and stream-sediment samples from creeks and gullies draining the area indicated. Highly anomalous gold and copper, silver and lead values were reported in an area with historic workings. Figure 3 illustrates the gold results from this program and the location of the anomalous river catchment area. **Gold values from the soil and stream-sediment sampling are up to 2.6g/t gold, 3700ppm copper and 5000ppm lead.** These results are considered very encouraging despite the poorly documented reporting used by Nickel Mines.
Old gold workings at Cheshire Creek and Winburndale Rivulet add support to the anomalous catchment area.
Nickel Mines planned further work in the area, but no follow up exploration programs were conducted.

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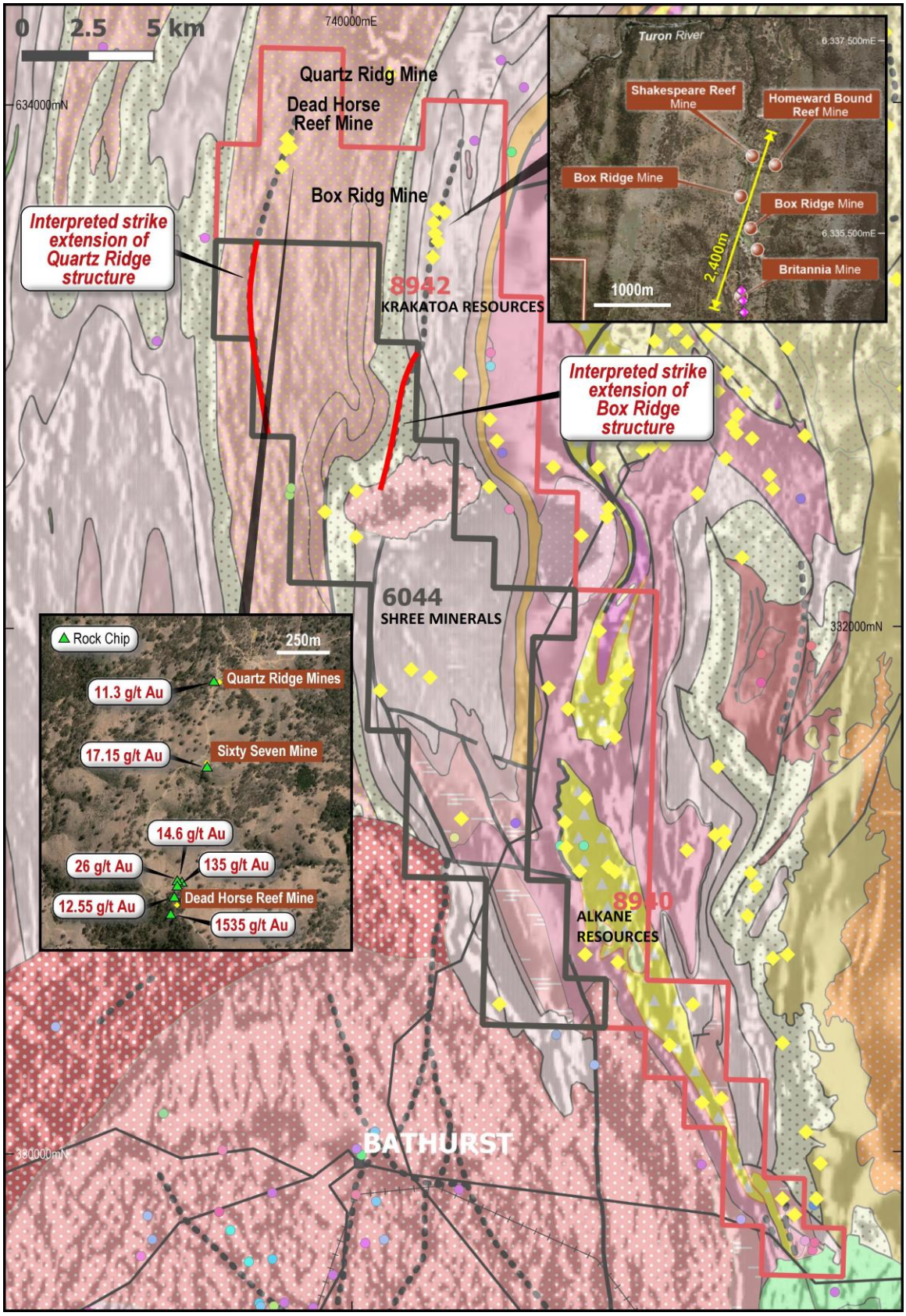


Figure 2. Composite image showing both the shaded geology and aeromagnetic structure. Both the Quartz Ridge and Box Ridge reefs structures can be interpreted from the magnetics to strike southwards into Shree's ELA6044. The geology also suggests the volcano-sedimentary sequence is continuous into ELA6044. Also shown are gold occurrences (yellow diamonds).

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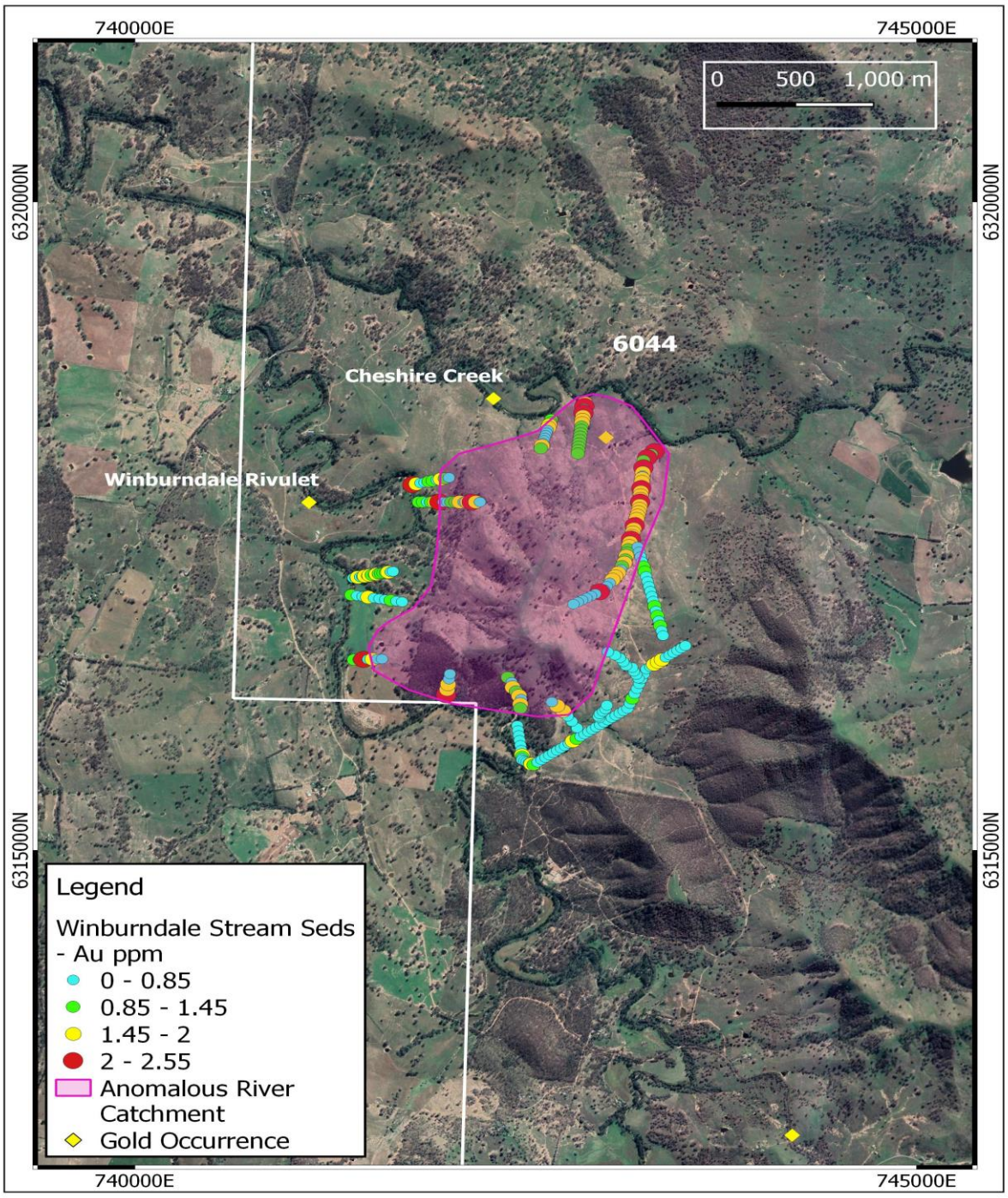


Figure 3. Open File soil and stream-sediment geochemistry (Nickel Mines Ltd., 1972) collected within Shree's ELA6044. An anomalous river catchment area has been outlined.

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Arunta Joint Venture

During the quarter, exploration fieldwork has commenced at the Bruce Gold Project in the Northern Territory (Figure 4).

The fieldwork was a preliminary program to locate extensions to the mineralised quartz veins and determine the extent and thickness of the soil cover. A larger grid-based soil sampling program is planned using a vehicle-mounted auger rig and will require additional approvals that will take time to obtain.

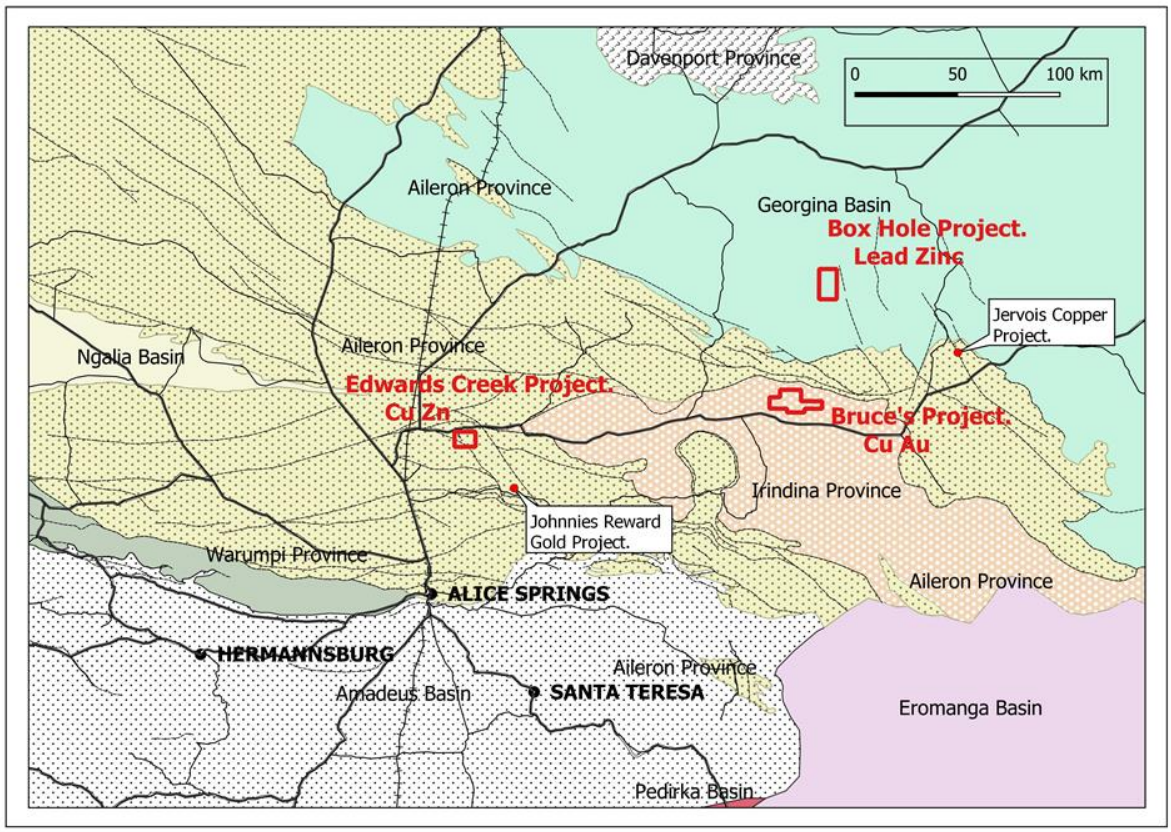


Figure 4. Regional location of the Arunta Joint Venture projects and major resource projects in the region

Rock chip sampling of the gossanous quartz veins at the project by the Northern Territory Geological Survey (NTGS) returned grades of up to 53g/t Au2. Rock chip sampling by Roebuck Resources in 1996 also produced very anomalous assays3.

The veins are hosted by a mixed rock sequence including mica schist, calc-silicate and amphibolite that form part of the Irindinia Gniess. The veins are related to an east-west striking and south dipping shear zone. Prospecting along the veins by Olympia Resources in 2005 located intermittent exposures of the gossanous quartz veins over a 2km strike length. The veins have a brecciated texture containing clasts of mica schists, sulphidic sediment and massive sulphides. Typical outcrop of the quartz gossan veins is shown in Figure 5.

Between the outcropping quartz veins there are areas of shallow transported sand cover that masks and obscures the bedrock. If this shallow cover provides a geochemical response, soil geochemistry may identify anomalies in areas where gossanous quartz veins are buried by the transported sand.



Figure 5. *Gossanous veins with green malachite staining at Bruce's Gold Prospect; samples yielded 1.9g/t gold and 1.6% copper[1].*

From aerial imagery, Shree has identified several regional areas, throughout the Exploration Licence, containing outcropping quartz veins. Field reconnaissance and sampling will determine if these regional veins have the same gossanous characteristics seen at Bruce's Prospect.

Twenty-two rock samples and fifty-seven auger soil samples were collected by Shree geologists.

Rock chip samples were taken along the eastern extension of the main mineralised vein set, starting approximately 300m from the rock chip sample taken by the Northern Territory Geological Survey (NTGS) that contained grades of up to 53g/t Au2. The sampling identified two new mineralised centres, illustrated in Figure 6.

1. An area located 250m south of known mineralised quartz veins.
2. An area located 1.5 kms south east of known mineralised quartz veins.

Rock chip samples taken from a poorly exposed quartz vein 250m south of the main E-W trending quartz veins contained 0.52g/t Au and 1.07% Cu.

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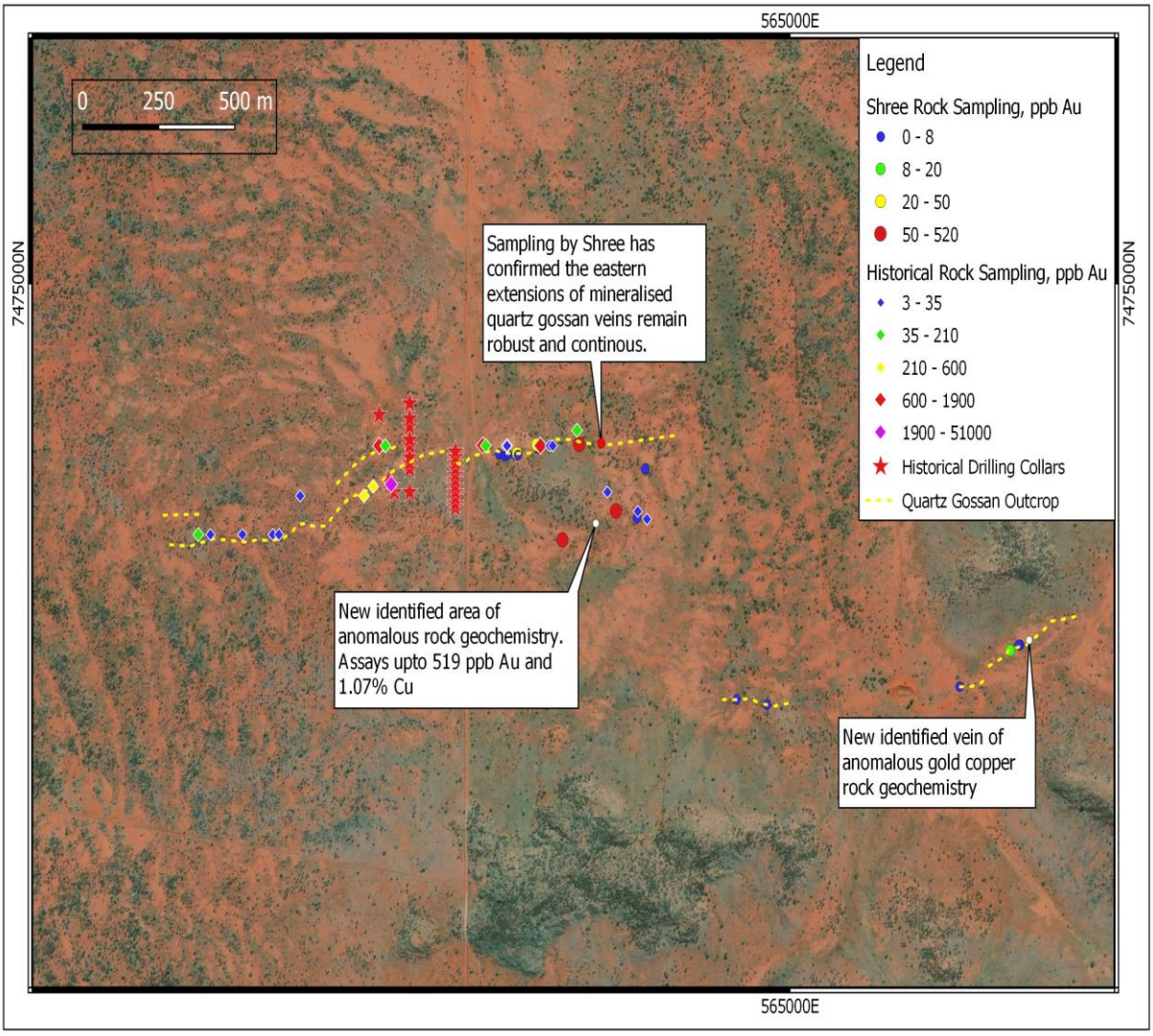


Figure 6. Summary diagram of Shree's rock sampling diagram.

The aim of the orientation soil sampling program was to determine the optimal sample depth and sample size fraction that best reflects the bedrock geochemistry. Soil sampling conducted by previous companies suggests the veneer of sand cover in the prospect area is geochemically inert and can shield the bedrock response.

A handheld powered auger was used to take samples from a planned depth of ~750mm. The soil profile was found to be variable with a coarse gravel and rock horizon restricting the depth penetration resulting in shallow sampling in some locations. At other sites there was only minor coarse material which resulted in the collection of only a fine fraction sample.

Despite the constraints on the orientation soil sampling program the results indicate that the deeper and coarser soil fraction gives the best geochemical response. Future soil sampling programmes will be more effective using a larger vehicle-mounted auger with a depth capacity of 1-2m

Orientation samples taken at the new mineralised areas returned values up to 395ppb gold (0.39g/t Au) in a background of <2ppb gold.

Shree considers the results of the initial fieldwork along the eastern extension of the Bruce's prospect to be encouraging. The mineralised quartz veins appear to be more extensive than initially thought although they are mostly obscured by shallow sand cover with only sporadic outcrop in some locations. The orientation soil sampling program suggests deeper and coarser samples

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collected with a powered auger will be more effective at delineating the extent of the veins undercover.

Next Steps.

Additional reconnaissance geological mapping, rock chip sampling and soil sampling is planned to generate targets for drilling.

A grid-based soil sampling program is planned to test all areas with quartz veins within the east west trending mineralised zone. Based on the results of the orientation program a larger vehicle-mounted auger will be used to penetrate the veneer of sand cover and take samples from a depth of 1-2m. A soil sampling program using a vehicle-mounted auger rig will require additional approvals from the NT Government Mining Compliance Group and Aboriginal Groups.

From this follow up work areas exhibiting robust and coherent anomalous gold and pathfinder geochemistry will tested with RC drilling.

Background

In June 2020, Shree announced it had entered into a farm-in and joint venture agreement ("Arunta Joint Venture") with Territory Lithium Pty Ltd ("TLPL") to explore TLPL's tenements for gold and base-metals.

The projects of the Arunta Joint Venture are the Box Hole, Edwards Creek and Bruce Gold Projects located in the Northern Territory. The tenements subject to these are EL 31225, EL32419 and EL32420 covering an area of ~380 square kilometres of ground in the highly prospective Arunta Region and 100% owned by TLPL (Figure 1). Significant projects in the area include the Jervois Copper-Silver Project (26.6Mt at 1.47% Cu, 24.7g/t Ag)4 and the Johnnies Reward Gold-Copper Project.

The Bruce Gold Project covers an area of 127 km sq and is located 94 kilometers east of Harts Range. It can be accessed via the Plenty Highway north of Alice Springs.

The principal terms of the Arunta Joint Venture include:

- SHH can earn a 50% equity interest in the Joint Venture through the total expenditure of $50,000.
- Once SHH has earned a 50% equity interest, further Joint Venture expenditure contributions will be pro-rata, or else a non-contributing party's equity will be diluted using the standard industry dilution formula.
- If SHH were doing sole expenditure, its share of equity in the Joint Venture would increase to 90% by it making a total expenditure of $450,000.
- Should a party's equity in the Joint Venture fall to 10%, its share will be automatically acquired by the other party in exchange for a 1% NSR Royalty.
- SHH will manage the Joint Venture during the earn-in stage, and while ever it holds majority equity.

EL31225 (Bruce Gold Project) is a current Exploration Licence. EL32419 (Box Hole Lead-zinc Project) and EL32420 (Edwards Creek Copper Project) are Exploration Licence Applications. Shree is compiling previous exploration data on the Edwards Creek and Box Hole Projects and will commence exploration once the licences are granted and all access approvals are in place.

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Nelson Bay River Iron Project

Shree is proposing to re-open the Nelson Bay River Iron Ore Mine (the mine, NBR or the Project) & seeking environmental permit from Tasmanian EPA. These would allow the company to complete the existing DSO pit ("SDSO") by extracting, processing (crushing and screening) and shipping the remaining hematite ore. 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 (Al2O3) at only 1.3%.

As part of the process, a working Draft DPEMP has been prepared earlier this year to facilitate discussions with EPA and finalisation of plans. Shree is carrying out follow up technical studies, modelling and engineering. The Company is targeting DPEMP finalisation over the coming months to facilitate progress to next stage of approval process. On that basis, the company hopes to be in a position in 2021 to consider decision for recommencement of the mine.

CORPORATE

Business Development.

Shree is continuing to identify and assess exploration and early development opportunities throughout Australia in Gold and Base Metals projects.

Strongly Supported Share Placement

During the quarter, Shree raised $1.2M (before costs) through a strongly supported share placement to professional and sophisticated investors. Directors and their related parties committed an amount of $300,000 in the placement, which received shareholder approval at a general meeting of shareholders held on 30 September 2020.

Securities on Issue

At the date of this report the Company has the following securities on issue:

Issued Capital	**Fully Paid Ordinary Shares "FPO"**	**Unlisted Options**
Issued Capital Pre Placement	**607,736,893**	**30,000,000**
Share placement – unrelated parties	150,000,000	
Share placement – Directors	50,000,000	
Share placement – Service providers	1,500,000	
Issue of Unlisted Options to Directors as per Shareholder approval at AGM held on 30/9/2020		32,500,000
Issued Capital Post Placement	**809,236,893**	**62,500,000**

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.

Cautionary Statement (for Box Hole, Edwards Creek, Bruce Gold, Dundas and Ulysses South Gold Projects)

- The Exploration Results for Turondale and Bruce Gold Projects have been reported by former owners;
- The source and date of the Exploration Results reported by the former owners have been referenced in the company's announcement to ASX dated 30/6/2020, 8/9/2020, 14/9/2020 and 23/10/2020;
- 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
- A summary of the work programs on which the Exploration Results quoted in this announcement are included as Appendices in the company's announcement to ASX dated 30/6/2020 8/9/2020, 14/9/2020 and 23/10/2020;
- 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 acquisition & will be funded by the Company.

Tenements

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

Mine Lease/ Exploration License	Locality	Remarks
3M/2011	Nelson Bay River	100% Shree Minerals Ltd
E40/378	Golden Chimney	100% Shree Minerals Ltd
E40/384	Ulysses South	ELA, 100% Shree Minerals Ltd
E63/2046	Dundas	ELA, 100% Shree Minerals Ltd
E63/2048	Dundas	ELA, 100% Shree Minerals Ltd.
ELA6044	Turondale	ELA, 100% Shree Minerals Ltd.

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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**

  NIL (Other than ELA's as referred above)

- **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 (The Company has entered into a farm-in and joint venture agreement ("**Arunta Joint Venture**") with Territory Lithium Pty Limited ("TLPL") as referred in this agreement but has not yet earned any beneficial percentage interest).

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

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