

18 May 2018

Dear Shareholder,

RENOUNCEABLE RIGHTS ISSUE

On 17 May 2018 Santana Minerals Limited (**Company**) announced a renounceable pro rata offer to shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) of approximately 190 million fully paid ordinary shares on the basis of 3 New Shares for every 5 Existing Shares held as at 7:00pm (AEST) on 22 May 2018 (**Record Date**), at an issue price of \$0.008 per new share, with 1 option (each to be issued one share at an exercise price of \$0.03 exercisable within 15 months of issue) (**Options**) for every 2 new shares issued (**Rights Issue**) to raise up to approximately \$1.52 million (before costs).

The Rights Issue is partially underwritten by CPS Capital Group Limited for \$1,000,000.

The Directors have indicated they intent to participate in the Offer.

The Directors intend to apply the proceeds from the Offer as follows:

Use of Funds	Underwritten Amount (\$)	Full Subscription (\$)
Becker project – drilling	350,000	400,000
Becker project – other exploration	-	340,000
Becker acquisition payments	373,500	500,000
General working capital	184,000	184,000
Costs of the Offer	92,500	92,500
Total	1,000,000	1,516,500

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Ex date – Shares trade ex Entitlement (Ex Date)	21 May 2018
Rights trading starts on a deferred settlement basis	
Record date to determine Entitlement (Record Date)	22 May 2018
Prospectus with Entitlement and Acceptance Form dispatched	25 May 2018
Offer opens for receipt of Applications	
Rights trading ends	1 June 2018
Deferred settlement trading commences	4 June 2018
Closing date for acceptances	8 June 2018
Notify ASX of under-subscriptions	14 June 2018
Issue of New Shares	18 June 2018
Deferred settlement trading ends	
Dispatch of shareholding statements	19 June 2018
Normal trading of New Shares expected to commence	

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

The new shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company. Application has been made for the quotation of the new shares.

The attaching Options issued pursuant to the Rights Issue have an exercise price of \$0.03 cents and an expiry date 15 months from issue. Application has been made for the quotation of the new Options.

The Rights Issue will be offered under a prospectus lodged with ASIC on 17 May 2018, a copy of which will be sent to Eligible Shareholders. Eligible Shareholders should consider the prospectus carefully in deciding whether to acquire securities offered under the Rights Issue, and will need to complete the personalised entitlement and acceptance form accompanying the prospectus to take up their entitlements. Eligible Shareholders may also apply for additional shares in excess of their entitlement.

The capital structure of the Company before and after completion of the Rights Issue (assuming full subscription) is set out below:

	Underwritten Amount	Full subscription
Shares currently on issue ¹	315,981,533	315,981,533
Total Options currently on issue	8,000,000	8,000,000
New Shares offered under the Rights Issue	125,000,000	189,588,921
New Options offered under the Rights Issue	62,500,000	94,794,461

¹ This assumes no further Shares are issued prior to the Record Date. The Company has agreed to issue 10,000,000 Shares to acquire the Becker project. See section 5.1 of the prospectus.



CPS Capital Group Pty Limited will be paid a lead manager fee of \$60,000, a management fee of 1% of total amount raised, an underwriting fee of 5% of the underwritten amount (\$50,000) and a placement fee of 5% of any Shortfall placed.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 7 3221 7501 or consult your stockbroker or professional adviser.

A copy of the prospectus may be viewed on the ASX Limited website at www.asx.com.au, or alternatively at the Company's website at www.santanaminerals.com.

We look forward to your participation in the Rights Issue.

Yours faithfully,


Craig McPherson
Company Secretary