

QUARTERLY REPORT

PERIOD ENDED 31 DECEMBER 2018

OPERATIONAL UPDATE

Becker Gold Project (Santana earning to 85%)

During the quarter, post drilling analysis including further mapping and sampling was undertaken in stages and with assistance of an external structural geology consultant in order to gain a better understanding of the structural setting of the Lajuelas vein sets and the broader Becker Project ('Becker' or 'the Project').

During the drill program the targeted veins were not intersected at the Lajuelas prospect. Rather, numerous zones of intensely ground and broken core were intersected suggesting the drill holes intersected one or more brittle fault zones. The gold grade in two of the holes (BDH18-08 and BDH18-09) were highly encouraging and are suggestive of material gold anomalism in the system albeit with vein direction complicated by an unanticipated fault zone.

BDH18-08

1.3g/t Au over 4m (from 2m) plus

8.1g/t Au + 15.3g/t Ag over 12 m (from 9m) plus

3.5g/t Au over 16m (from 25m)

and

BDH18-09

2.8g/t Au over 7m (from surface) plus

2.63g/t Au over 1m (from 14m)

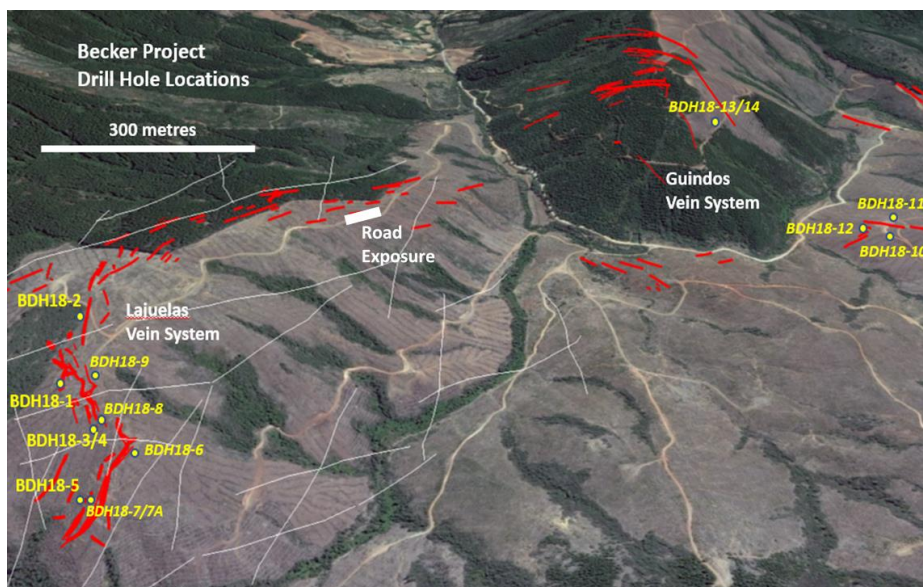


Figure 1: Becker property area showing location of completed 2018 drillholes (BDH) with mapped quartz veins (in red).

Post drilling interpretation is such that down-dip continuity of the quartz veins has been disrupted by one or more fault/shear structure events post vein emplacement in the Becker district and the challenge is to identify the extent and direction of the displacement caused by such faulting. It would appear the thrusting was slightly oblique to vein trends and most likely resulted in vein displacement down dip to the east. Further drilling will be required to test and identify veins and mineralisation at depth.

At the Guindos prospect interpretative work had been more geologically focused with analysis investigating the nature of the Guindos veins with respect to vein petrography and fluid inclusion characteristics in order to indicate whether higher Au-Ag grades can be expected in a deeper part of the vein system. That work continues.

Work is continuing to determine the nature of future exploration activities at both Lajuelas and Guindos.

About the Becker Project

The Becker Project is located approximately 210km south of Santiago and 40km north west of Talca in Region VII, Chile (**Refer figure 2**). The project area comprises 2,000ha granted and an additional 6,000ha under application. The two main prospects identified and having been the subject of exploration within the Project are Lajuelas and Guindos. They have been interpreted to host intermediate sulphidation epithermal to mesothermal Au-Ag polymetallic mineralisation. The Project was discovered in 1995 by Arauco Resources Corporation through sampling of surface boulders which returned gold values along the entire 350 metre Lajuelas trend with high values ranging from 23.5 g/t Au to 79.0 g/t Au.

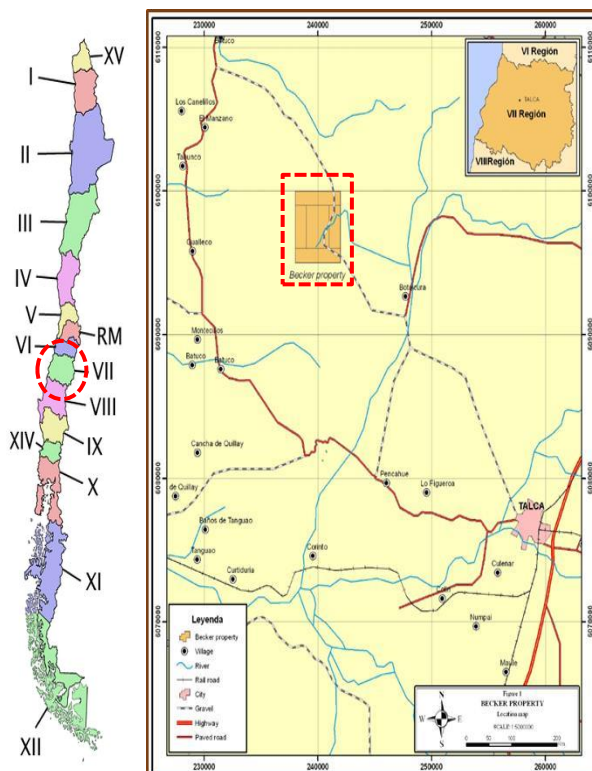


Figure 2: Project Location

Cuitaboca Project, Mexico (Santana 80%)

No exploration work was carried out at the Cuitaboca Project during the December quarter.

Namiquipa – Chihuahua, Mexico (Santana 100%)

At the end of the quarter, the company was in the process of relinquishment of the Namiquipa Project.

CORPORATE

The Company is currently considering various funding options that will enable it to progress further exploration work across the Becker Project.

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About Santana

Santana is a precious metals explorer focused on Latin America, with projects in Mexico and Chile.

In Mexico the Company holds a right to earn-in to an 80% interest in the Cuitaboca Silver-Gold project in Sinaloa State.

In Chile the Company has acquired the rights to earn an 85% interest in the Becker Gold project in Region VII.

Additional information about Santana and its projects is available on the website: www.santanaminerals.com

Previous Disclosure - 2012 JORC Code

Information relating to Mineral Resources, Exploration Targets and Exploration Data associated with the Company's projects in this announcement is extracted from the following ASX Announcements:

- ASX announcement titled "Becker Gold Project Update" dated 4 October 2018.

A copy of such announcement is available to view on the Santana Minerals Limited website www.santanaminerals.com. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Additional ASX Listing Rule Information

Santana Minerals Limited ('Santana') provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

Name	Number	Status	Interest Held
Namiquipa, Mexico			
Tasmania	227076	Granted	100%*
America	219975	Granted	100%*
Rolys	236046	Granted	100%*

* At the end of the quarter, the company was in the process of relinquishment of the Namiquipa Project.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

The Company has completed a transaction which allows it to earn an initial 80% interest in the Cuitaboca Project. The Company is earning, but has yet to earn, its initial interest. Further details are by reference to the announcement of 29 July 2014.

The Company has completed a transaction which allows it to earn an initial interest of 85% of the granted tenements (2,000ha) and 80% of the tenement applications (6,000ha) at the Becker Gold Project. The Company is earning, but has yet to earn, its initial interest. Further details are by reference to the announcement of 17 May 2018.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SANTANA MINERALS LIMITED

ABN

37 161 946 989

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(142)	(905)
(b) development	-	-
(c) production	-	-
(d) staff costs	(56)	(112)
(e) administration and corporate costs	(140)	(271)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(337)	(1,286)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	270
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Deferred Purchase Consideration Payments – Becker Project Acquisition)	(100)	(150)
2.6	Net cash from / (used in) investing activities	(100)	120

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(60)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	-	(60)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,017	1,800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(337)	(1,286)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	120
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(60)
4.5	Effect of movement in exchange rates on cash held	3	9
4.6	Cash and cash equivalents at end of period	583	583

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	79	134
5.2 Call deposits	504	883
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	583	1,017

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

79

-

Executive and Non-Executive Directors Fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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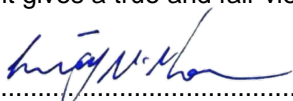
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	-
9.3 Production	-
9.4 Staff costs	25
9.5 Administration and corporate costs	100
9.6 Other (Becker Completion Payments)	100
9.7 Total estimated cash outflows	475

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Annexure to Quarterly Activities Report			
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Company secretary)

Date: 31 January 2019

Print name: Craig J McPherson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.