

QUARTERLY REPORT

PERIOD ENDING 30 JUNE 2019

OPERATIONAL UPDATE

Becker Gold Project, Chile (Santana right to earn 85% interest)

As previously reported an ongoing reinterpretation of the September 2018 drill program has indicated the potential for a preserved gold-silver mineralised system. Santana's October 2018 announcement of drilling results at the project included 12m @ 8.1g/t Au and 15.3g/t Ag from 12m (BDH18-08). While several subsequent holes returned only modest results due to an unanticipated fault disrupting the direction of the targeted veining, wide intercepts of intense clay altered volcanic rock will be re-assayed for indicative elements on the basis they are potentially indicative of the upper levels of the system, well above the optimal depth for gold rich vein development. Assaying and relogging of these zones based on this model will be undertaken in the second half of the year with the Company remaining firmly committed to the advancement of the Project.

Limited field work was conducted across the Company's Becker Gold Project during the June quarter due to budgetary constraints. Several funding options are currently being explored.

Cuitaboca Project, Mexico (Santana 80%)

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

CORPORATE

On 17 July 2019 the Company announced it had signed a binding term sheet (Agreement) with Mekong Minerals Limited ("Mekong") to acquire Mekong's 75% interest in the Sayabouly Project in Lao and two Cambodian gold projects in which Mekong holds farmed out interests.

The Sayabouly Project is comprised of 3 distinct prospects all of which are considered to hold considerable mineral exploration potential across a range of metals. The primary prospect is the Phu Lon Nickel Prospect which is highly prospective for nickel sulphides with associated platinum, cobalt and chromium. Secondary prospects include the Nakhan Gold Prospect and the Phu Lon Copper Prospect. Access and logistics for operating at the Sayabouly Project are considered to be excellent. Lao also has a favourable environment for exploration and mining as demonstrated by previous mine developments in the country such as the Sepon and Phu Kham Copper-Gold Mines.

Santana will also acquire Mekong's interests in the Kratie North and Snoul gold projects in Cambodia, which Mekong has farmed out to Emerald Resources NL.



Figure 1: Mekong Minerals Project Locations

Under the Agreement, Santana will issue ~650 million fully paid ordinary shares to Mekong (for distribution to Mekong shareholders in pro rata to their holding in Mekong) and 50 million options (\$0.01, expiring 12 months from issue) to Mekong option holders.

Patersons Securities Limited has been mandated by Santana to lead manage a capital raising of up to \$3million through the issuance of ordinary shares at no less than \$0.003 per shares.

Further details on the proposed acquisition of the Sayabouly Project can be found in the Company's ASX release of 17 July 2019 - *Acquisition of Highly Prospective Sayabouly Project*.

For further information, please contact:

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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.
- ASX announcement titled "Acquisition of Highly Prospective Sayabouly Project" dated 17 July 2019.

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

Not applicable.

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")

30 JUNE 2019

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	(96)	(1,227)
(b) development	-	-
(c) production	-	-
(d) staff costs	(90)	(225)
(e) administration and corporate costs	(201)	(544)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	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	(387)	(1,994)

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)	-	(400)
2.6	Net cash from / (used in) investing activities	-	(130)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	182	582
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	182	522

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	413	1,800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(387)	(1,994)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(130)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	182	522
4.5	Effect of movement in exchange rates on cash held	-	10
4.6	Cash and cash equivalents at end of period	208	208

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	53	93
5.2 Call deposits	155	320
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)	208	413

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**

122

-

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	60
9.2 Development	-
9.3 Production	-
9.4 Staff costs	5
9.5 Administration and corporate costs	75
9.6 Other (Transaction Costs)	50
9.7 Total estimated cash outflows	190*


* Estimated cash outflows may vary during the quarter based upon costs of the transaction announced 17 July 2019 and subject to availability of funding.

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 July 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.