

QUARTERLY REPORT

PERIOD ENDING 31 MARCH 2019

OPERATIONAL UPDATE

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

During the quarter the Company further progressed its interpretive work from the September 2018 quarter drill program at the Becker Gold Project and continued to explore options for advancing the Project.

In early March the Company was pleased to advise it had reached agreement with its Joint Venture partner Patrick James Burns (“PJB”), to vary the terms of the Becker Gold Project Joint Venture (“Becker JVA”).

Carlin Resources Pty Ltd (“Carlin”), a wholly owned subsidiary of Santana, has the right to earn an 85% interest in the granted Becker exploration tenements and an 80% interest in the Becker ‘regional’ tenements, through payment of annual option fees and meeting various work obligations and staged progress.

The changes recognise the priority to spend money ‘in the ground’ on exploration and the need for an extended timetable within which some agreed obligations (detailed below) are to be completed.

Accordingly, the cash option payments (US\$1M) were omitted and Carlin will instead pay PJB a sum of US\$1 per oz AuEq once an indicated resource (JORC 2012 standard) of not less than 1M oz AuEq is estimated by an independent competent person. The US\$1 per oz AuEq will be paid on such estimate and continue for every oz discovered and subsequently estimated.

The material agreed obligations and timetable are:

- (i) meet a minimum exploration expenditure of US\$1M, including a non-binding drill target of 1,800m by 28 February 2022; and
- (ii) complete a minimum of 2,500m drilling, undertake an initial JORC 2012 compliant resource estimate and undertake a scoping study, each by 28 February 2024.

PJB has recognised the need for a longer timetable within which to undertake and complete the work, albeit the intention is to progress at a faster rate.

PJB retains a 15% free-carried interest to the start of a Feasibility Study on the granted Becker tenements, at which point PJB must participate in funding or convert to a 1.5% NSR. Carlin may buy out the NSR for US\$1.5 million.

PJB retains a 20% free carried interest to the start of a Feasibility Study on one or more of the Becker regional tenements, at which point PJB must participate in funding or convert to a 0.5% NSR. Carlin may buy out this NSR for US\$250,000 per project.

Cuitaboca Project, Mexico (Santana 80%)

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

Namiquipa – Chihuahua, Mexico

The Company relinquished the Namiquipa Project during the quarter.

CORPORATE

In March 2019 the Company announced that it had agreed to a placement to raise \$250,000 and would also offer eligible shareholders the opportunity to participate in a Share Purchase Plan to raise up to an additional \$800,000 (SPP). The Placement was conducted under the Company's existing placement capacity as provided for by ASX Listing Rule 7.1A and was made to Alpha HPA Limited via the issuance of 50,000,000 shares at \$0.005.

Subsequent to the placement to Alpha HPA Ltd the Company completed an additional placement to an institutional investor raising a further \$150,000 via the issuance of 30,000,000 shares at \$0.005.

Subsequent to the end of the quarter the Company announced it had received applications from eligible shareholders of \$182,100 under its SPP. The SPP allowed eligible shareholders to subscribe for new fully paid ordinary shares at an issue price of A\$0.005 per share and resulted in the issuance of 36,420,000 new shares in the Company.

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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 “Santana to Acquire the Becker Gold Project from Collierina Cobalt” dated 17 May 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

Not applicable.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Name	Number	Status	Interest Held
Namiquipa, Mexico			
Tasmania	227076	Granted	Nil – relinquished in full
America	219975	Granted	Nil – relinquished in full
Rolys	236046	Granted	Nil – relinquished in fulls

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 announcements of 17 May 2018 and 1 March 2019.

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 MARCH 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	(226)	(1,131)
(b) development	-	-
(c) production	-	-
(d) staff costs	(23)	(135)
(e) administration and corporate costs	(72)	(343)
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	(321)	(1,607)

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	-	-

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)	(250)	(400)
2.6 Net cash from / (used in) investing activities	(250)	(130)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	400	400
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	400	340

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	583	1,800
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(321)	(1,607)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(250)	(130)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	400	340
4.5 Effect of movement in exchange rates on cash held	1	10
4.6 Cash and cash equivalents at end of period	413	413

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	93	79
5.2 Call deposits	320	504
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)	413	583

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**

45

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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	75
9.2 Development	-
9.3 Production	-
9.4 Staff costs	55
9.5 Administration and corporate costs	95
9.6 Other (Becker Completion Payments)	-
9.7 Total estimated cash outflows	225

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: 30 April 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.