

28 January 2022  
Company Announcements Office  
ASX Limited

**QUARTERLY ACTIVITIES REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

During the quarter, Santa Fe Minerals Ltd (ASX: SFM) (**SFM, the Company**) signed an option to acquire 80% of the Mt Murray base metals project in Western Australia. The Company commenced first stage exploration at the project and continued exploration at its Challa projects (Gold and Vanadium).

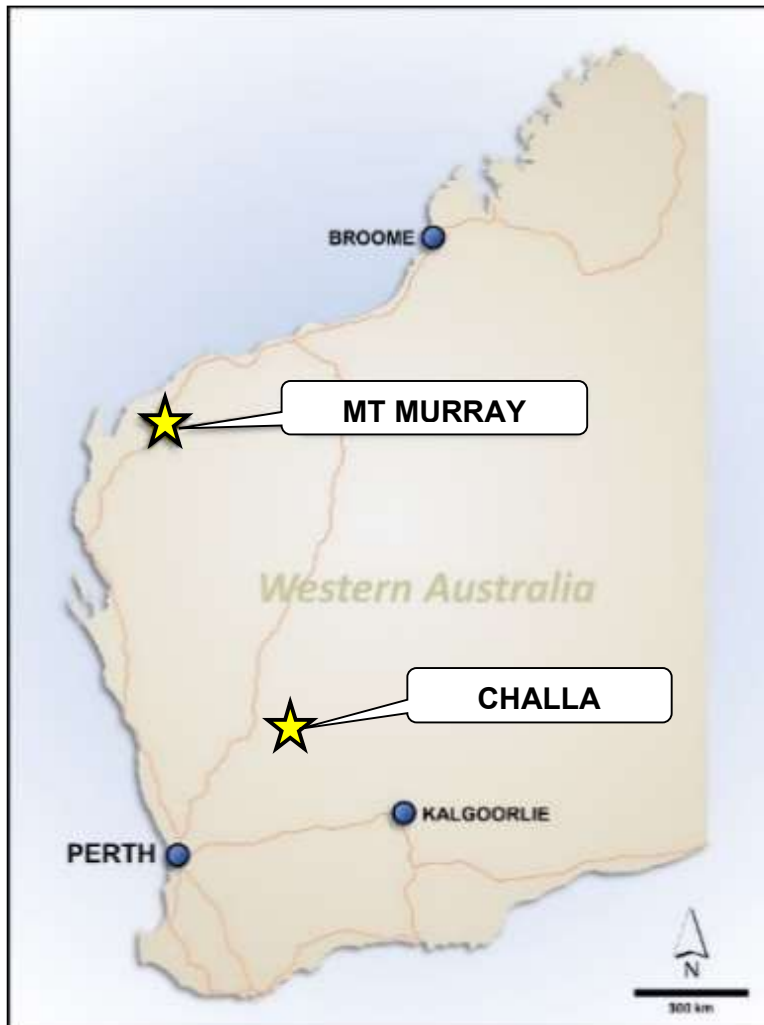
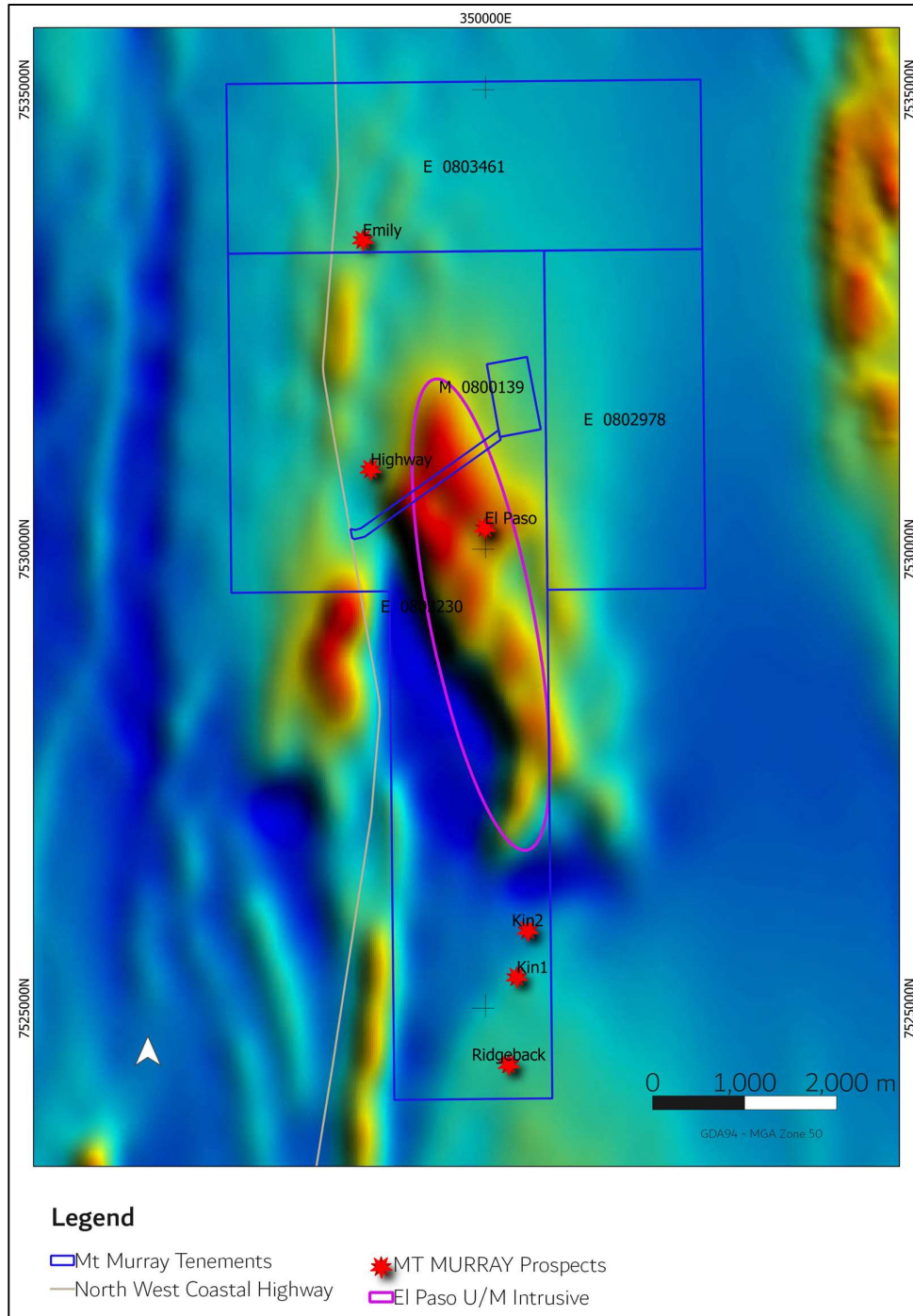


Figure 1: Project locations.

### **Mt Murray Base Metals Project**

SFM signed an exclusive option agreement to earn 80% of the Mt Murray base metals project in Western Australia – see ASX release dated 19 November 2021. The Mt Murray project covers a 9km north south trending zone of poly metallic copper-lead-zinc-silver-gold mineralisation adjacent to a 4.2km x 1.2km magnetic high zone considered to represent a mafic-ultramafic intrusive package prospective for nickel-copper-PGE mineralisation similar to the recently discovered tier one Julimar Ni-Cu-PGE deposit (Chalice Mining Ltd).



*Figure 2: Mt Murray tenements and prospects over magnetics*

### **El Paso Intrusive (Ni-Cu-PGE)**

The El Paso zone is a 5km long high magnetic zone interpreted as a mafic to ultramafic intrusive complex prospective for Ni-Cu-PGE mineralization. Previous exploration identified a small outcrop of ultramafic rocks with only one rock chip sample that returned 2,965ppm Cu, 781 ppm Ni, 5.4% Mg, 1.8g/t Ag and 419ppm S. The sample was not assayed for platinum or palladium. Apart from this small outcrop and a second outcrop of silicified ultramafic rocks located by SFM, the interpreted intrusive complex is completely covered by shallow sand and alluvial cover. SFM considers the interpreted mafic-ultramafic complex within the Mt Murray project has potential to host nickel-copper-palladium, platinum mineralisation similar to the Chalice Mining tier one Ni-Cu-PGE discovery at Julimar.

During the quarter, SFM undertook a site reconnaissance trip and visited the previously located outcrop confirming strong silicification and alteration. A second outcrop of altered ultramafic was located 500m to the south-west. The intervening area is covered by sandplain. SFM collected a total of 6 rock chip samples which have been submitted for a nickel/PGE suite analysis. Results are expected in late February 2022. SFM also collected 49 sieved soil samples spaced 50m apart to cover the 2km cross strike position of the interpreted intrusive complex. A second line of soil samples was collected 3km further south across the magnetic high / interpreted intrusive. The samples are currently with LabWest, Malaga for both a conventional soil sample analysis and Ultrafine fraction analysis (< 2 micron fraction). The results, available in February 2022, will be used to determine the most effective sampling regime to outline the location of the mafic-ultramafic intrusive complex below the sandplain cover. It is expected the ultrafine soil fraction analysis will be able to outline the target area beneath the sand cover and as such a detailed grid-based sampling program will be undertaken. SFM will also consider a range of other exploration techniques including detailed ground magnetic surveys and electromagnetic surveys to outline targets for drill testing.



*Figure 3: El Paso Silicified ultramafic outcrop surrounded by sand plains.*



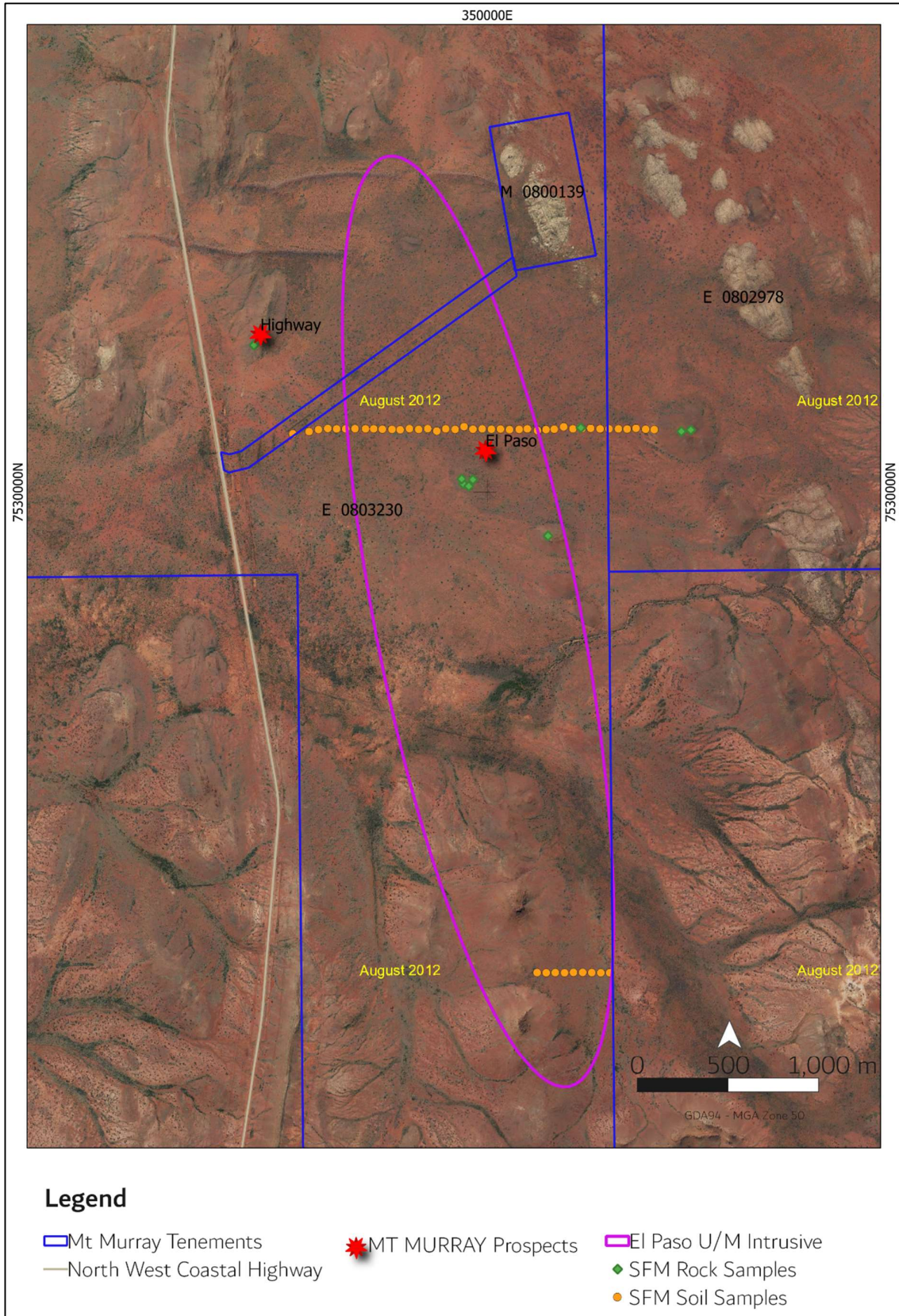


Figure 4: El Paso Ni-Cu-PGE Target with SFM rock and soil sampling.

## Polymetallic Cu-Pb-Zn-Ag-Au prospects

The Mt Murray project covers several base metal occurrences over 9km strike associated with a north-south trending fault clearly identified in the magnetics on the eastern flank of a regional gravity high thought to represent the Kilba Granite to the west (Figure 5). The historic base metal prospects range from Pb-Ag in the north through to Cu-Pb-Zn-Au-Ag in the south.

Historic exploration work tested only the outcropping areas adjacent to the known base metal occurrences. The 4km strike between the historic Kin Cu pits and the Highway Pb-Zn-Ag-Au prospect to the north, concealed beneath sandplain cover has had no effective exploration. SFM interprets this zone where the fault bends from a north strike to a north-west strike to be a target for structurally hosted base metal deposits. The base metal target is concealed beneath shallow sand and SFM plans to explore this area in conjunction with the adjacent El Paso Ni-Cu PGE target.

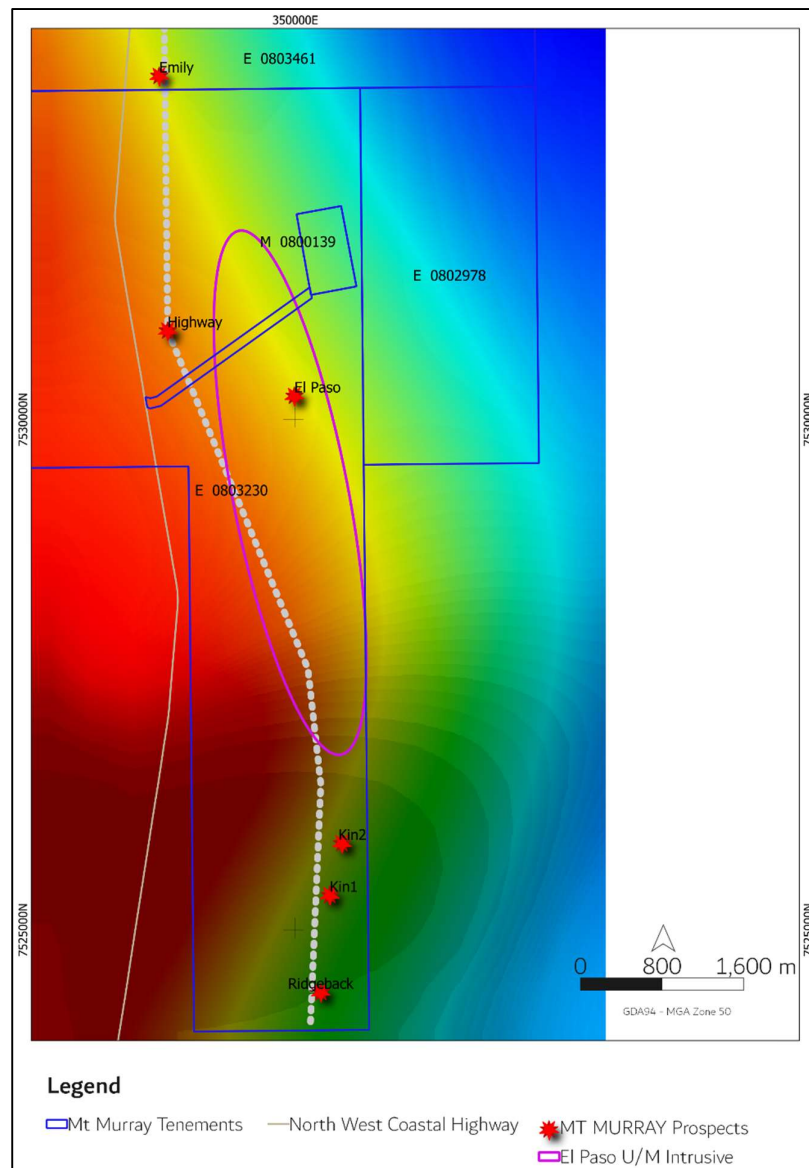


Figure 5: Mt Murray Project: Gravity image with Prospect locations and regional fault trace.



## Ridgeback Cu-Pb-Zn-Ag-Au

The Ridgeback target is located south of the historic Kin copper occurrences. Previous explorers completed a regional high density creek sampling program. This work defined a zone of anomalous Cu-Pb-Zn-As-Au over 3.5km strike extending from north of the Kin copper workings to the southern tenement boundary. The northern end of the anomaly comprised Cu and Au whereas south of the Kin pits the anomaly is polymetallic, Cu-Zn-Pb-As-Au. The anomalous zone is associated with the north trending regional fault that extends through the center of the project. No follow up exploration of this zone has been reported. SFM completed reconnaissance of the Ridgeback zone, identifying multiple broad and strike extensive quartz ironstone veins associated with the historic anomalous zone (Figure 6). A total of 5 rock samples were collected and submitted for multielement analysis. Results are expected to be available late February 2022.



*Figure 6: Ridgeback zone showing quartz ironstone veins. The image is facing north.*

In 2013-2014 CGG Aviation completed a regional, 5km line spaced, airborne TEMPEST electromagnetic (AEM) survey for Geoscience Australia in the Capricorn region of Western Australia. Three of the flight lines traversed the Mt Murray Project tenements. The southernmost line over the Mt Murray Project (Figure 7) recorded a strong late time anomaly within a resistive background that may indicate the presence of bedrock conductors indicative of massive sulphide mineralisation. There are several anomaly peaks suggesting multiple sources however even though the flight line is across the northern end of the Ridgeback zone the bedrock source may not be reflecting a source directly below. The source could be offline and addition ground-based geophysics will be required to determine the location, size, dip and conductance of the anomaly. SFM is encouraged by the presence of historical multielement stream sediment anomalies (Cu-Pb-Zn-As-Au) and the discovery of previously undocumented extensive gossanous quartz ironstone veins at the Ridgeback zone which may be the source of the AEM anomaly. SFM will wait for the results of the rock samples before determining the next exploration phase here.

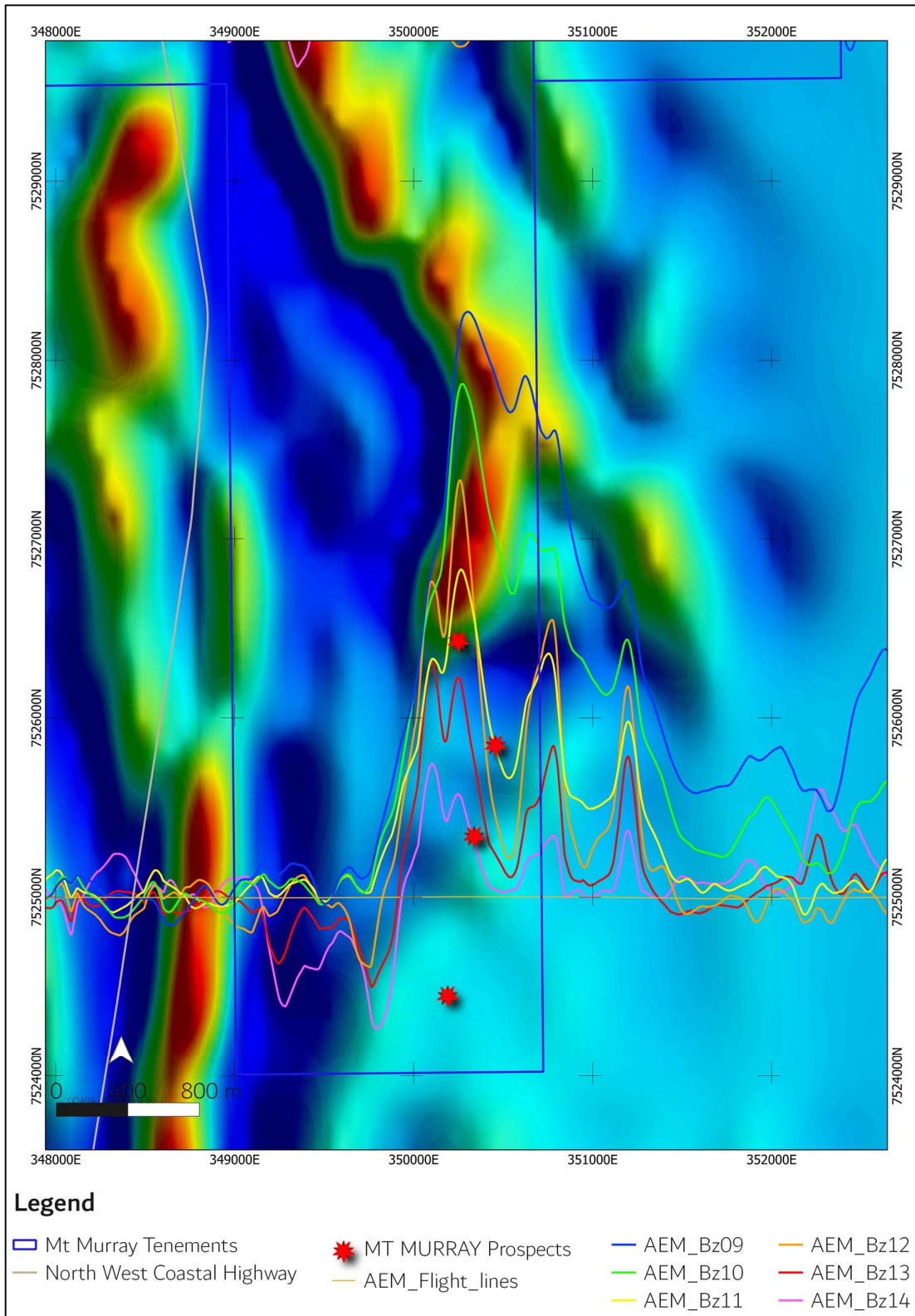


Figure 7: Ridgeback Target with magnetics and Capricorn AEM profiles.



## Highway and Emily Pb-Zn-Ag-Au

The Highway Pb-Zn-Ag-Au prospect (The Hill) is located adjacent to the North-West Coastal Highway. Historic rock chip samples returned very high results of up to 39.6% Pb 134g/t Ag, 0.46g/t Au and 0.1% Zn. The mineralisation is hosted in chert and quartz over about 300m strike. The mineralization may extend along strike to the south and north however it is hidden beneath shallow cover. Despite the high grades, no drilling has been recorded at the Highway prospect. SFM rock chip samples of quartz veins with visible galena returned 3.5% Pb, 0.48g/t Au, 13g/t Ag and 0.08% Zn. Located 2km to the north, the Emily Pb-Ag prospect is thought to be along strike from the Highway prospect however the intervening area obscured by sand dunes and scree has not had any effective exploration. Four shallow RC holes were drilled at the Emily prospect in 2006. Unfortunately, the drill hole sample assay results were not included in the Tenement Annual Reports. SFM has relocated the drill hole collars including well-preserved metre drill cuttings. SFM has taken composite grab samples of drill chip piles with extensive quartz vein chips indicating the drill holes tested the targeted quartz vein. Results from these samples will be available in late February 2022.



*Figure 8: Highway Prospect showing high grade galena (grey colour) in chert and quartz. The rock in the center is about fist size.*



## CHALLA PROJECTS

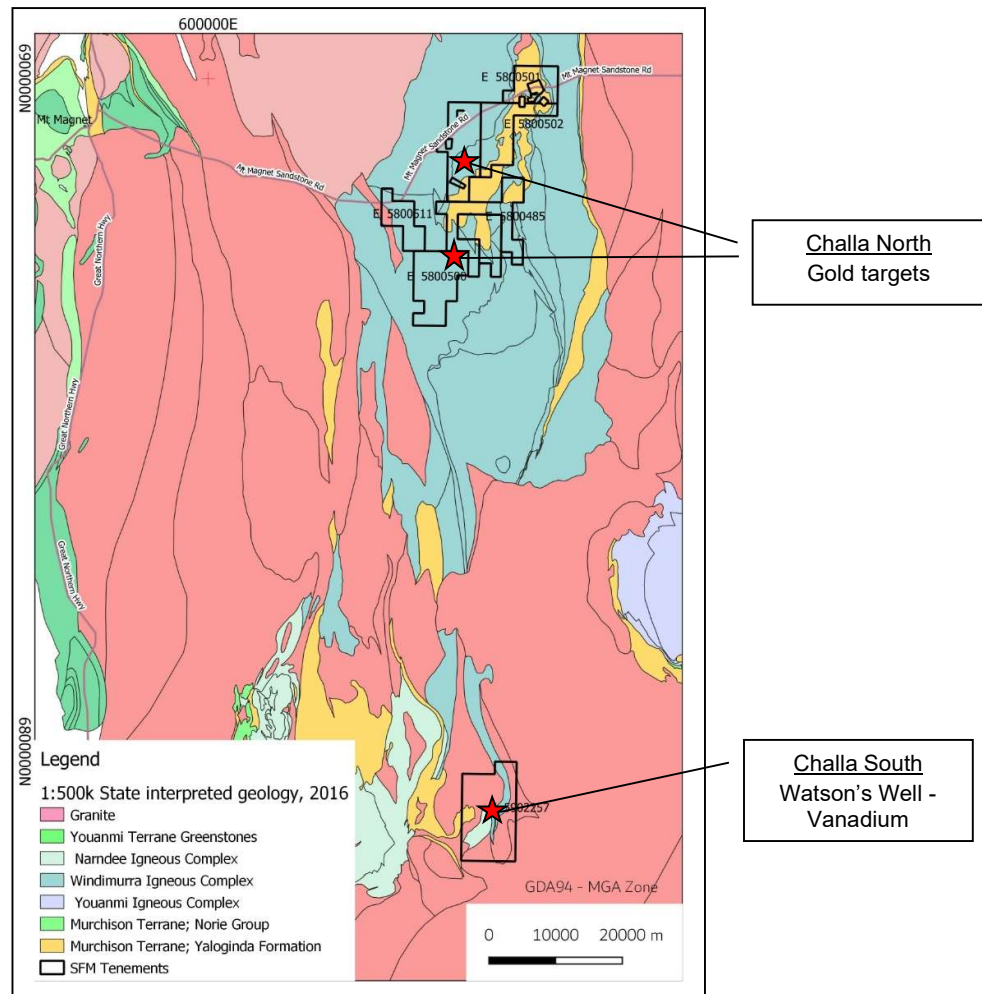


Figure 9 - Challa Project area

### Challa North – Gold

Following the end of the period, results were received from the expanded auger sampling program completed in October 2021. The auger sampling followed up previously defined anomalous gold zones at:

1. Golden Girls.
2. Yard Well.
3. Boulder North.

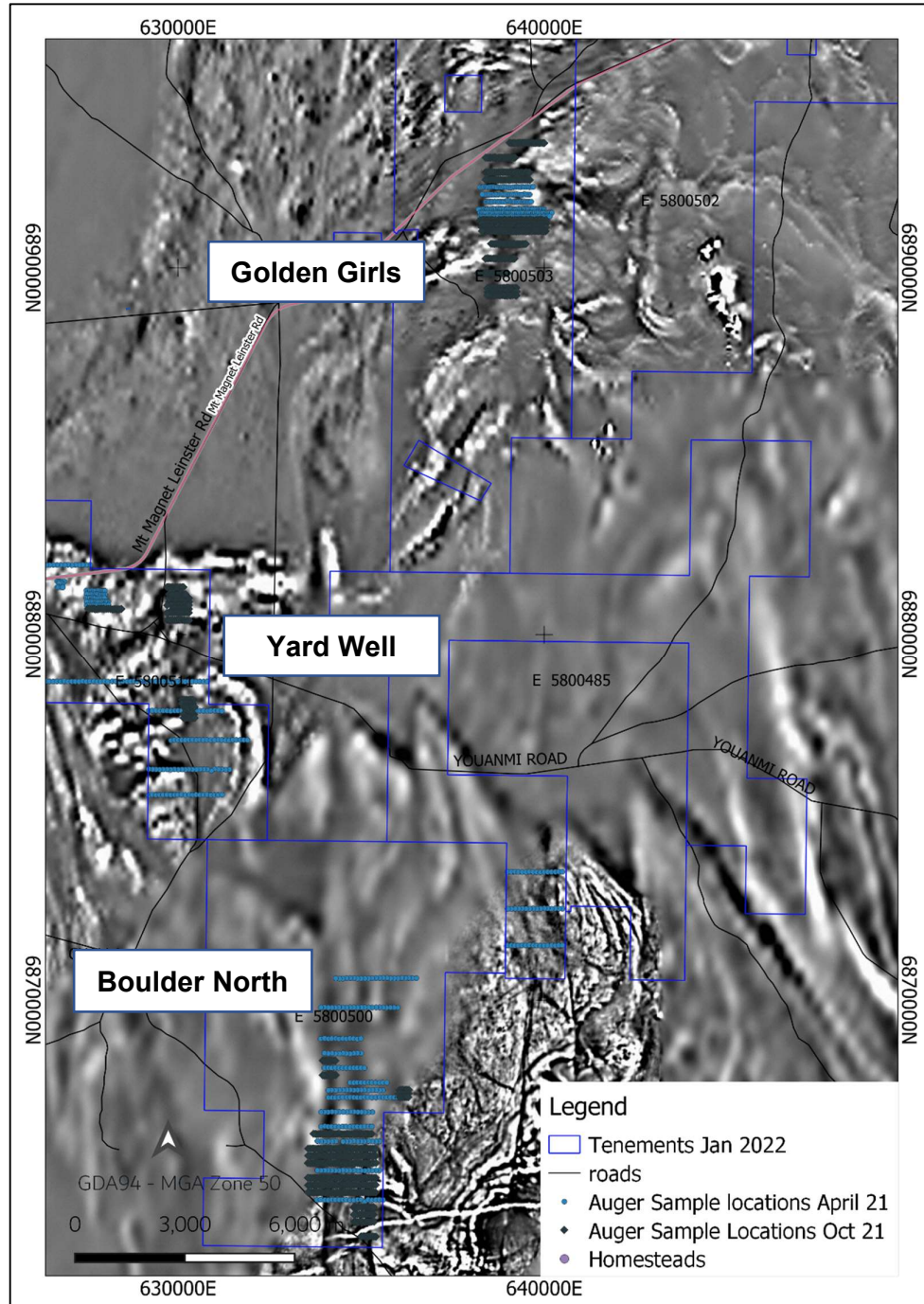


Figure 10: Auger Sample locations

### Golden Girls Prospect

The expanded auger sampling program along strike of the Golden Girls prospect has identified five additional anomalous gold zones to the north and south. Gold anomalous zones have now been identified over 5km of strike. The five new gold anomalies occur on broad spaced auger lines with maximum gold values of 256ppb Au on the northern most line and 245ppb near the southern end of the sampling (Figure 11). Three of the new gold anomalies occur at the eastern end of the



sample lines and are not closed off along strike and as such additional auger sampling will be considered to better define the anomalous zones for follow up drilling.

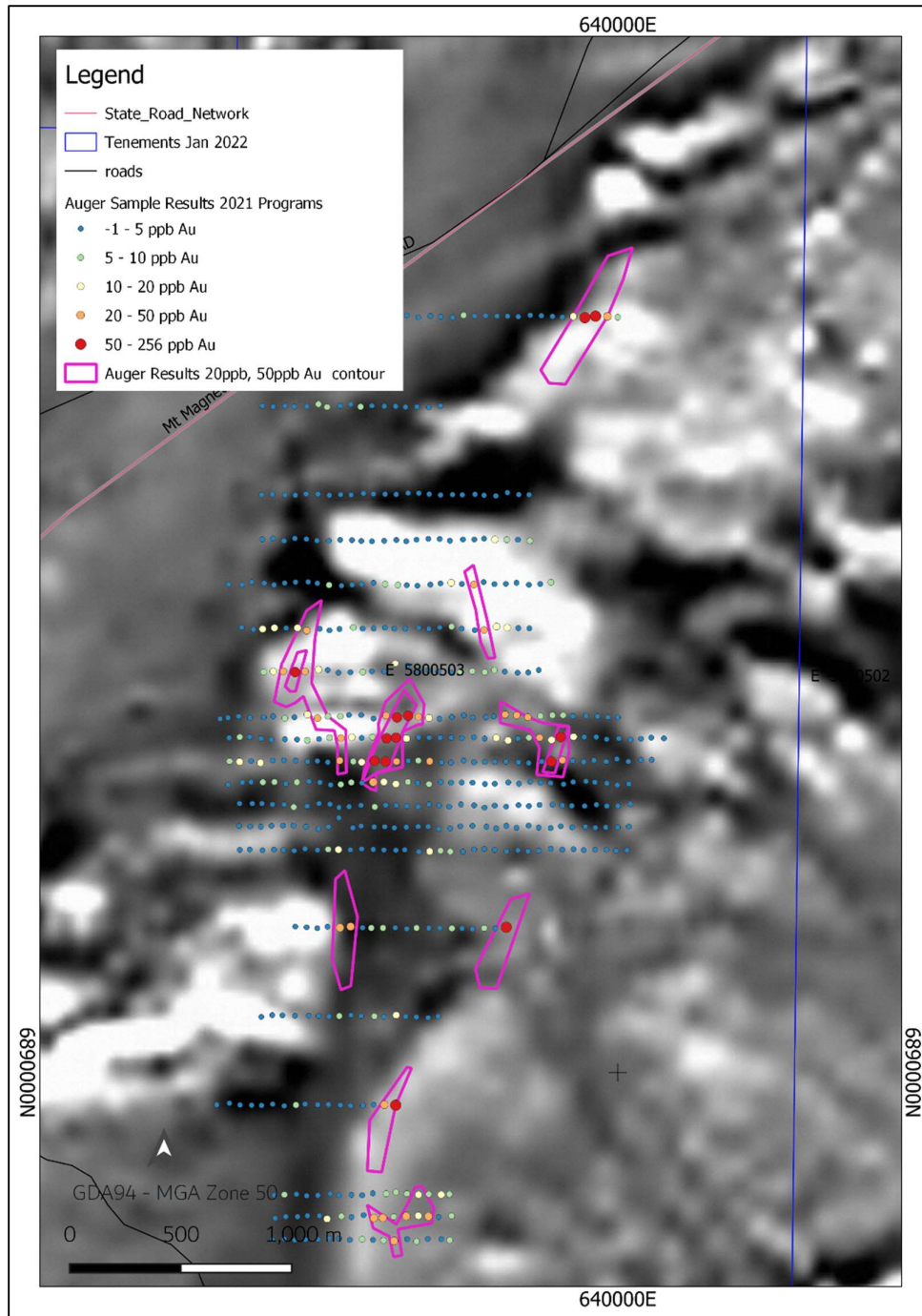


Figure 11: Golden Girls prospect auger sample locations coloured by gold grade

### Yard Well Prospect

Results of the auger sampling defined one additional anomaly of plus 4ppb Au over a strike extent of 300m with a maximum sample of 25ppb Au (Figure 12).

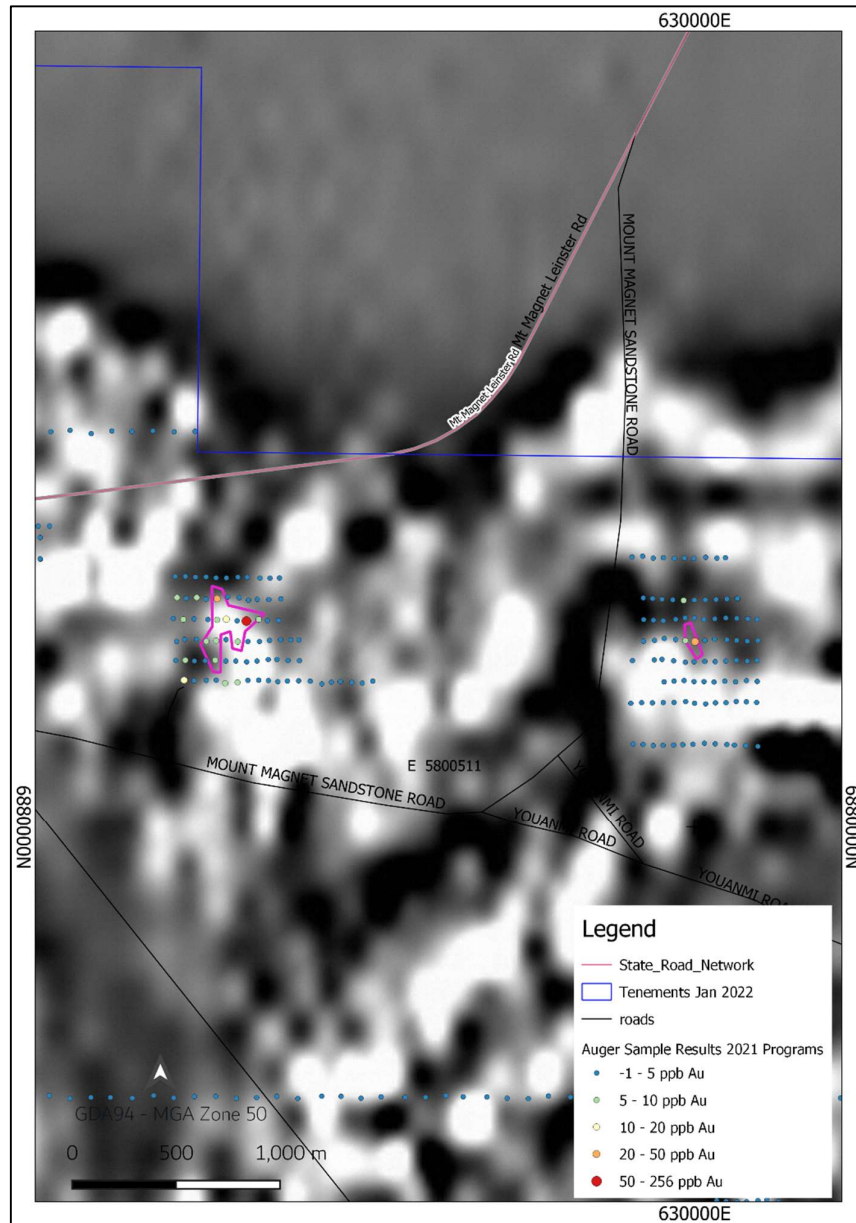


Figure 12: Yard Well auger sample locations coloured by Au ppb and expanded auger locations over 1vd magnetics.

### Boulder North Prospect

Auger sample results from the Boulder North area did not define any significant gold anomalies. The geochemistry results will be further access to determine if the sample depth was sufficient to reflect the bedrock source.



### Watson's Well – Vanadium

Detailed mapping of the Watsons Well V-Ti-Fe prospect is now completed. This work located several discrete bands of magnetite rich cumulate gabbro layers associated with the 5km long high magnetic zone. These layers are considered the source of the high V and Ti results previously reported from soil and magnetic lag sampling. In field estimates of the magnetite content is between 20% and 50%. Rock chip samples of the magnetite rich layers are currently in the Laboratory and results are expected shortly.

Results from these samples will be used to help target RC drilling to test the thickness and grade of the cumulate magnetite layers mineralisation.

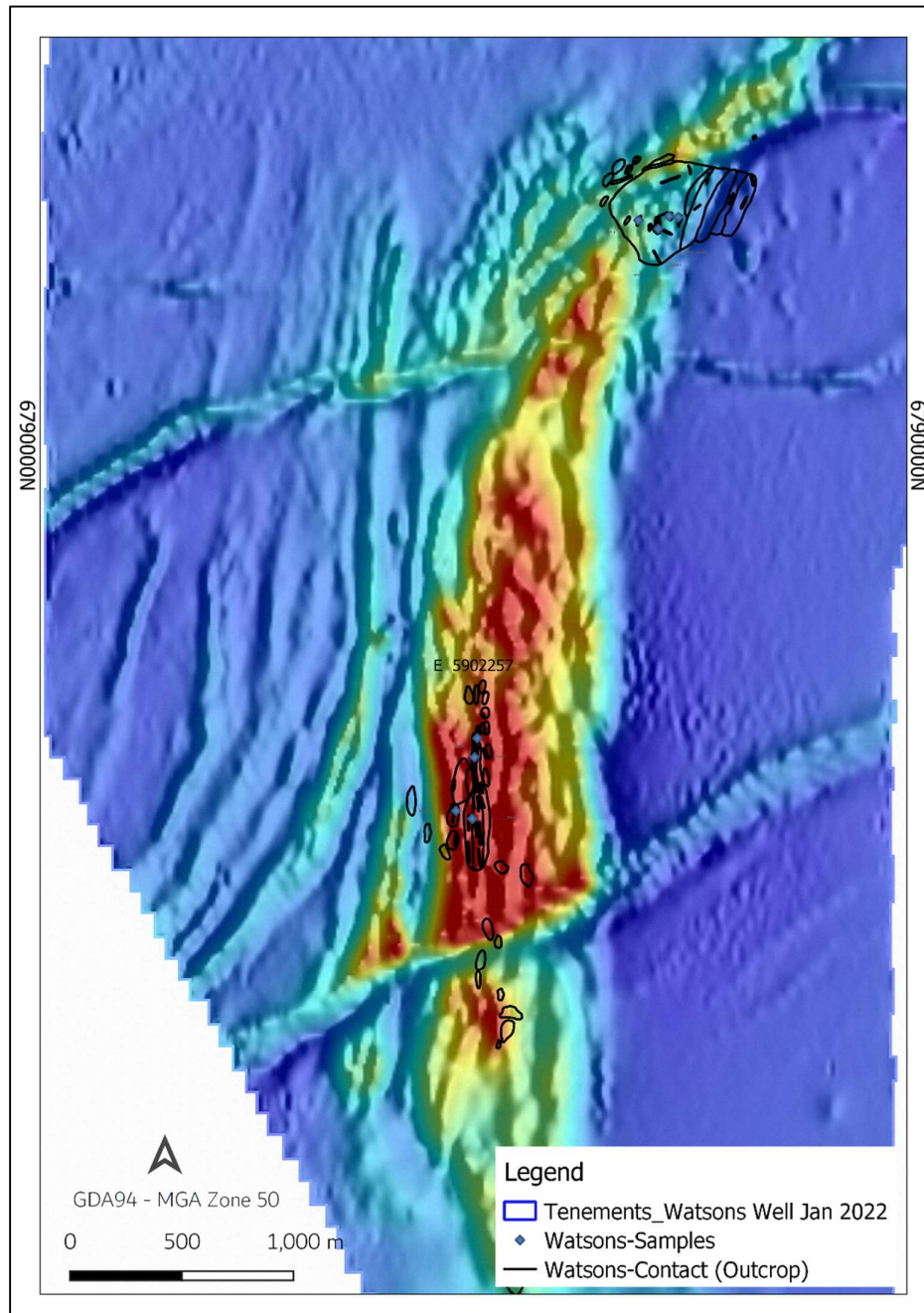


Figure 13 – Outcrop and sample locations Watson's Well Prospect.

## Corporate

At the end of the Quarter, the Company held a balance of \$4,825,336 in liquid assets comprising of \$2,964,138 in cash and shares held in listed entities with a market value of \$1,861,198.

At the date of this report, the shares and options held by the Company had a market value of \$1,371,034. At 31 December 2021 and also at the date of this report, the Company's shareholdings in listed entities comprised the following securities:

Oakajee Limited (OKJ)	1,286,250 fully paid ordinary shares
Oakajee Limited (OKJO)	1,286,250 listed options
Firefinch Limited (FFX)	2,000,000 fully paid ordinary shares

Authorised for release by the Board of Directors.

- ENDS -

For further information, please contact:

**Doug Rose**  
**Managing Director**  
 +61 409 465 511

## **COMPLIANCE STATEMENT**

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Reginald Beaton who is a Member of the Australian Institute of Geoscientists. Mr. Beaton is an employee of Santa Fe Minerals Limited and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Beaton consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears. All technical information presented in this report has previously been released to ASX – see "Exploration Update" dated 12 January, 2022 and "Santa Fe Minerals enters into option to acquire Nickel and Lead/Zinc exploration projects in Western Australia" dated 19 November 2021.*

*The Company is not aware of any new information or data that materially affects the information included in the above.*



## Appendix 1: Disclosures in accordance with ASX Listing Rule 5.3

### Tenements held at the end of the quarter

Tenement	Holder <sup>1</sup>	Interest	Location	Status
<b>E58/485</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/500</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/501</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/502</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/503</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/511</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E59/2257</b>	Challa Minerals Pty Ltd	100%	Western Australia	Granted

<sup>1</sup>Challa Resources Pty Ltd and Challa Minerals Pty Ltd are wholly owned subsidiaries of Santa Fe Minerals Limited.

### Related Party Payments

During the quarter ended 31 December 2021, the Company made payments of \$60,225 to related parties and their associates. These payments relate to existing remuneration arrangements being director fees and superannuation.

## **Appendix 2: Commercial Terms of the Mt Murray Acquisition**

Via its wholly owned subsidiary Challa Resources Pty Ltd (ACN 619 903 196) (**Challa**), SFM entered into a binding option agreement to acquire, subject to certain conditions precedent, 80% of the legal and beneficial interest in any or both of the exploration tenements E 08/2978 and E 08/3230 and 80% of the metals rights on M 08/139 from North West Stone Pty Ltd (ACN 159 838 712) (**NWS**) (**Option**). The key terms of the agreement are detailed below.

### **Key Terms**

The consideration for the grant of the Option is A\$50,000. The initial period of the Option will expire on 19 November 2023 (**Initial Period**) and will automatically be extended by three six month terms unless Challa provides written notice otherwise (**Option Period**). Challa must pay A\$30,000 for each additional term.

As a condition to the exercise of the Option, Challa must:

- (a) incur at least A\$200,000 of exploration expenditure on the tenements in the Initial Period; and
- (b) incur at least A\$300,000 of exploration expenditure on the tenements (in addition to the amount detailed in paragraph (a) above) in the Option Period.

If the condition is satisfied and the Option is exercised, the Company must issue to NWS the greater of:

- (a) 5,000,000 fully paid ordinary shares in Santa Fe; or
- (b) fully paid ordinary shares in Santa Fe to a value of A\$1,000,000 based on a 5 day VWAP share price prior to the date of exercise of the Option.

If the condition is satisfied, Challa may also elect to enter into a split commodity agreement with NWS for 80% of all metal rights in M 08/139 (**Split Commodity Agreement**). Upon election to enter into the Split Commodity Agreement, the Company must issue to NWS the greater of:

- (a) 500,000 fully paid ordinary shares in Santa Fe; or
- (b) fully paid ordinary shares in Santa Fe to a value of A\$100,000 based on a 5 day VWAP share price prior to the date of electing to enter into the Split Commodity Agreement.

Under the agreement, the total consideration shares that SFM will issue to exercise the option in its entirety is capped at 10,000,000. The Company intends to issue the above shares using its available placement capacity under listing rule 7.1.

If the Option is exercised, the parties shall commence good faith negotiations with a view to executing a joint venture agreement for the development of the tenements Challa has an interest in, with Challa as manager and operator of the joint venture. NWS will be free carried until a decision to mine.

The option agreement is otherwise on customary terms and conditions for a transaction of this nature, including pre-completion obligations, termination rights and warranties provided by the parties.

Santa Fe agreed to pay approximately \$2,600 of rates outstanding in respect of the exploration tenements.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Santa Fe Minerals Limited

ABN

59 151 155 734

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(133)	(211)
(b) development	-	-
(c) production	-	-
(d) staff costs	(61)	(128)
(e) administration and corporate costs	(50)	(87)
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 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(243)</b>	<b>(424)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(50)	(50)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-



Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:	-	-
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(50)</b>	<b>(50)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,257	3,438
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(243)	(424)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(50)	(50)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,964</b>	<b>2,964</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	19	112
5.2	Call deposits	2,945	3,145
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,964</b>	<b>3,257</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	60
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>	<b></b>	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<b></b>	
N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(243)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(243)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,964
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,964
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>12.20</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable.	



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### 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.

Date: 28 January 2022

Authorised by: By the Board of Santa Fe Minerals Limited  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.