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28 April 2022

Company Announcements Office  
ASX Limited

**QUARTERLY ACTIVITIES REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

During the quarter, Santa Fe Minerals Ltd (“**Santa Fe**”, “**SFM**” or “**the Company**”) continued exploration at its Mt Murray base metals project and Challa projects (Gold and Vanadium).

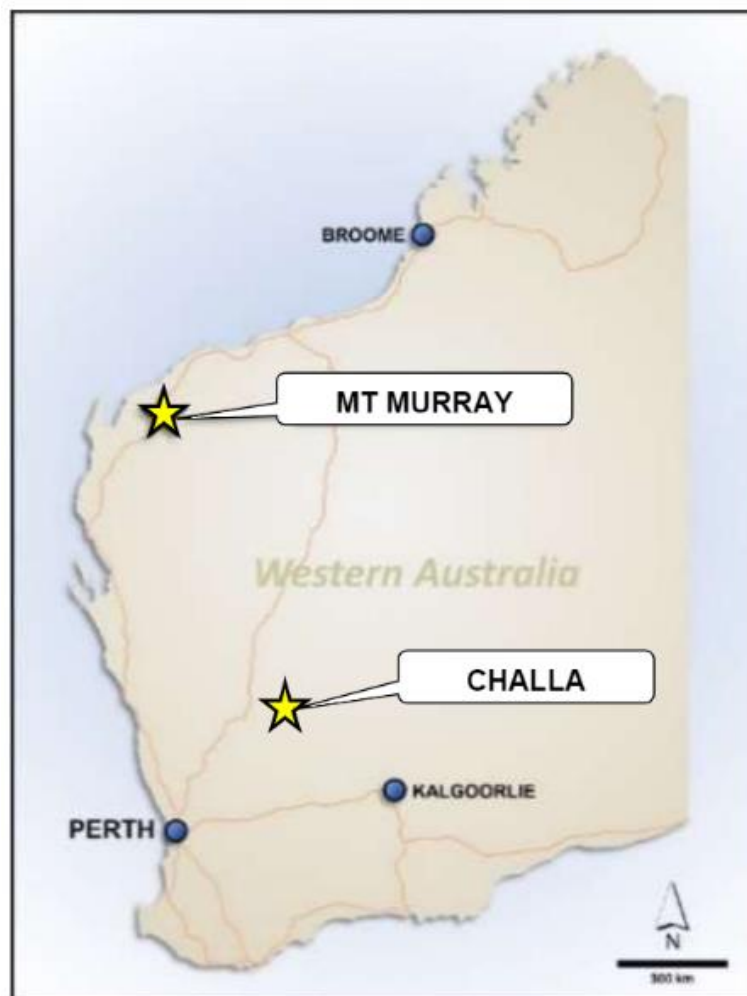


Figure 1 – Project locations.

### Mt Murray Base Metals Project – SFM has an option to earn 80%

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).

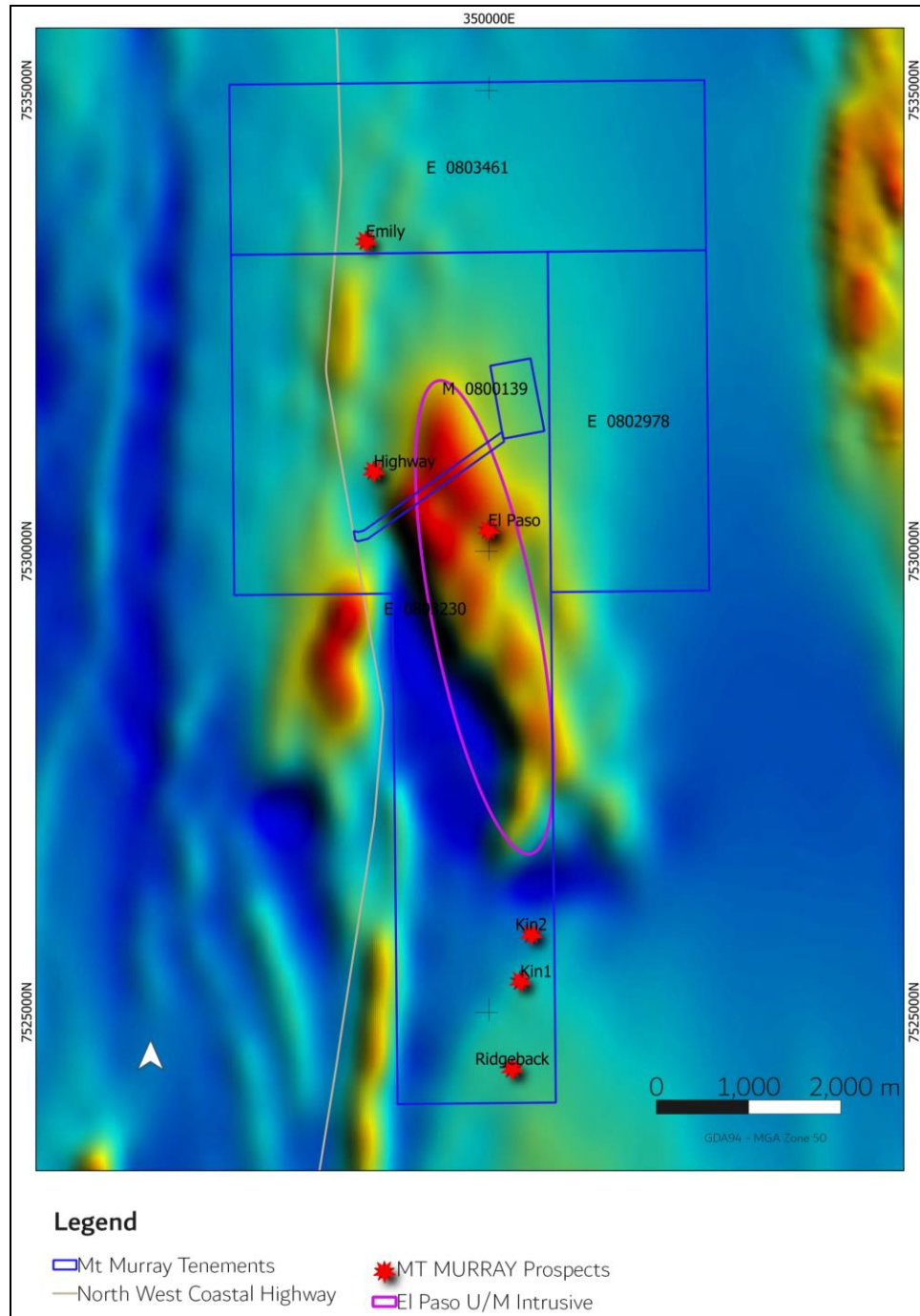


Figure 2: Mt Murray tenements and prospects over 400m line spaced magnetics

## **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. 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.

### SFM Rock Chip Sampling

SFM undertook a site reconnaissance trip in December 2021 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 were submitted for a nickel/PGE suite analysis. **The results received during the quarter confirm the historic samples with Ni to 1040ppm, Cr to 1280 ppm Mg to 12.97%.**

### Orientation Ultrafine Soil Sampling

SFM completed an orientation Ultrafine Fraction (UFF) soil program across the interpreted position of the intrusive complex. It was considered traditional sieved soil sampling would not be effective due to the prevalence of wind-blown sand which would swamp the geochemical response to background levels geochemistry. The UFF soil sample technique is an ultra-sensitive new exploration technique developed by CSIRO in conjunction with LabWest that was successfully demonstrated in a combined CSIRO/ MRIWA Project.

SFM collected 49 x 300g -1mm sieved soil samples spaced at 50m along 2 lines orientated across the interpreted position of the targeted intrusive complex. One line was 2km long and the second line, 3km to the south, was 400m long. The samples were split to a -1mm traditional sieved soil and the UFF (-2-micron clay fraction) technique.

A comparison of the results showed:

1. Analytical quality of the UFF -2 micron was significantly better than the -1mm results.
2. UFF samples returned higher absolute concentrations when compared with the -1mm samples.
3. Lithological and regolith controls are subtle in the UFF samples and better resolved than the -1mm samples.

It is expected that a gridded soil sample program using the UFF technique will be able to better resolve geochemical anomalies and outline the targeted intrusive beneath the shallow sand cover. The UFF soil sampling program is planned for the June 2022 quarter.

The UFF soil sampling and a planned 100m line spacing detailed aeromagnetic survey (current line spacing is 400m) contracted to be flown early in the June 2022 quarter will provide robust data sets for additional geophysics and drilling.

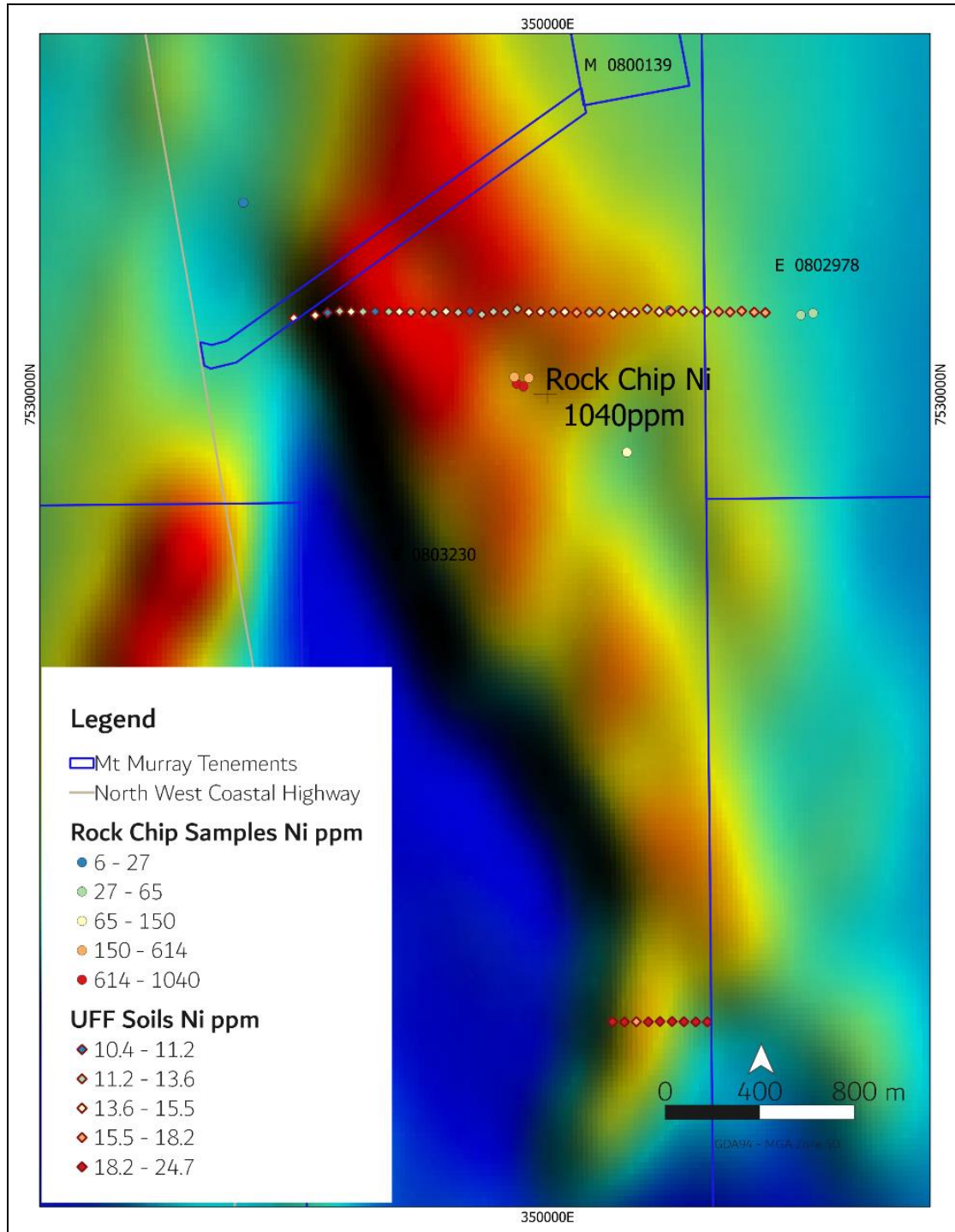


Figure 3: El Paso Ni-Cu-PGE Target with SFM rock chip and UFF soil sampling over magnetics.



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

The Ridgeback target is located 700m south of the historic Kin copper occurrences. The area was previously highlighted by a zone of anomalous Cu-Pb-Zn-As-Au from stream sediment sampling and a strong late time airborne electromagnetic anomaly that may indicate the presence of massive sulphide mineralisation at depth (ASX announcement 12<sup>th</sup> January 2022). No follow up exploration of this zone has been reported. SFM completed reconnaissance of the Ridgeback zone in December 2021, identifying multiple broad and strike extensive quartz ironstone veins associated with the historic anomalous zone (Figure 5).

A total of 5 rock samples were collected and submitted for multi-element analysis. The sample results exhibit a strong Au-Ag-As-Cu-Sn association, similar to the Kin copper prospects located 700m to the north. **The best results from the Ridgeback rock chip samples are 59ppb Au, 450ppb Ag, 3080 ppm As, 629 ppm Cu.** A rock chip from the Kin copper pits returned a high 11% Cu with 1490ppm As, 72 ppb Au, 300ppb Ag and 561ppm Sn. Mineralization has now been identified over 2.5km strike from the Ridgeback prospect through to north of the historic Kin prospects. To the north of here the wind-blown sand conceals the bedrock and any possible mineralization. This area, adjacent to the El Paso Ni-Cu-PGE target, will be explored by the UFF soil sample technique discussed above.



*Figure 4: Ridgeback zone showing quartz ironstone veins. The image is facing north.*

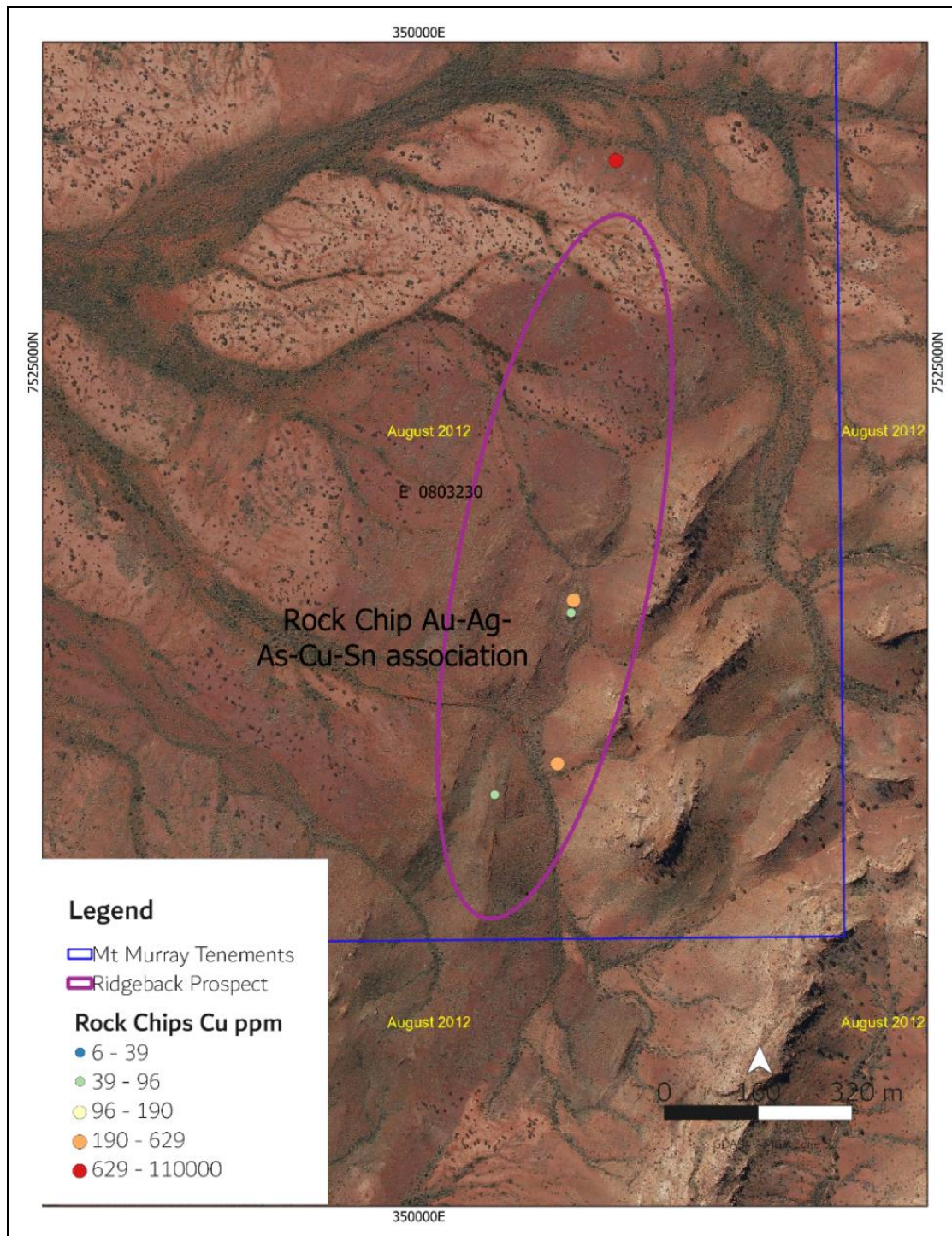


Figure 5: Ridgeback Target with Rock chip samples.



## **Highway (Pb-Zn)**

The Highway Pb-Zn-Ag-Au prospect (The Hill) is located adjacent to the North-West Coastal Highway west of the El Paso nickel-copper target. 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. SFM rock chip sampling in December 2021 confirmed the historic samples with results of 12% Pb, 272 ppm Ag, 244 ppb Au and 1270ppm 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 sand cover. Despite the high grades, no drilling has been recorded at the Highway prospect.

The potential strike extent of the high-grade Highway prospect will be tested north and south by the ultrafine fraction (UFF) soil technique in the June 2022 quarter.

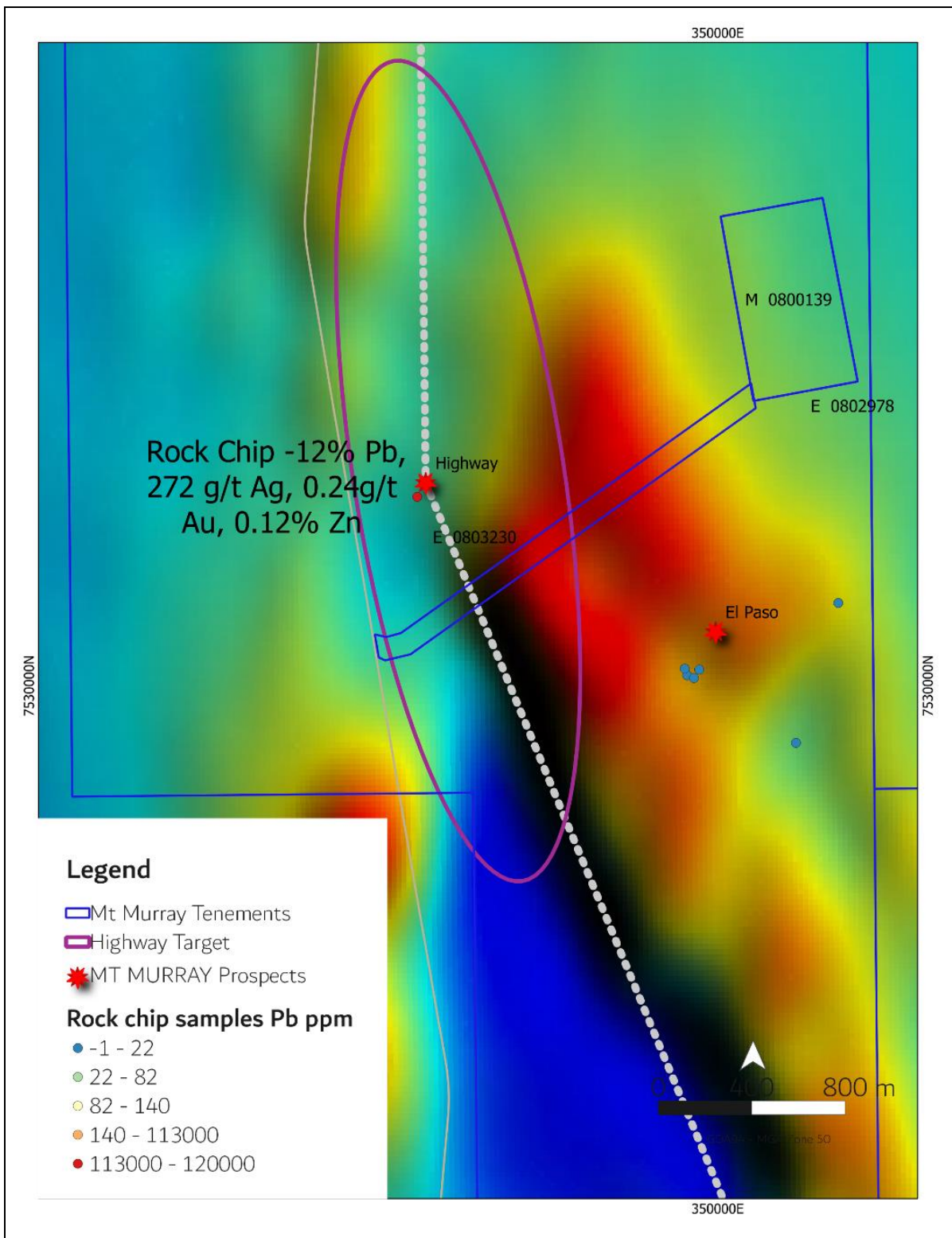


Figure 6: Highway Target with rock chip samples over magnetics.



## CHALLA PROJECTS

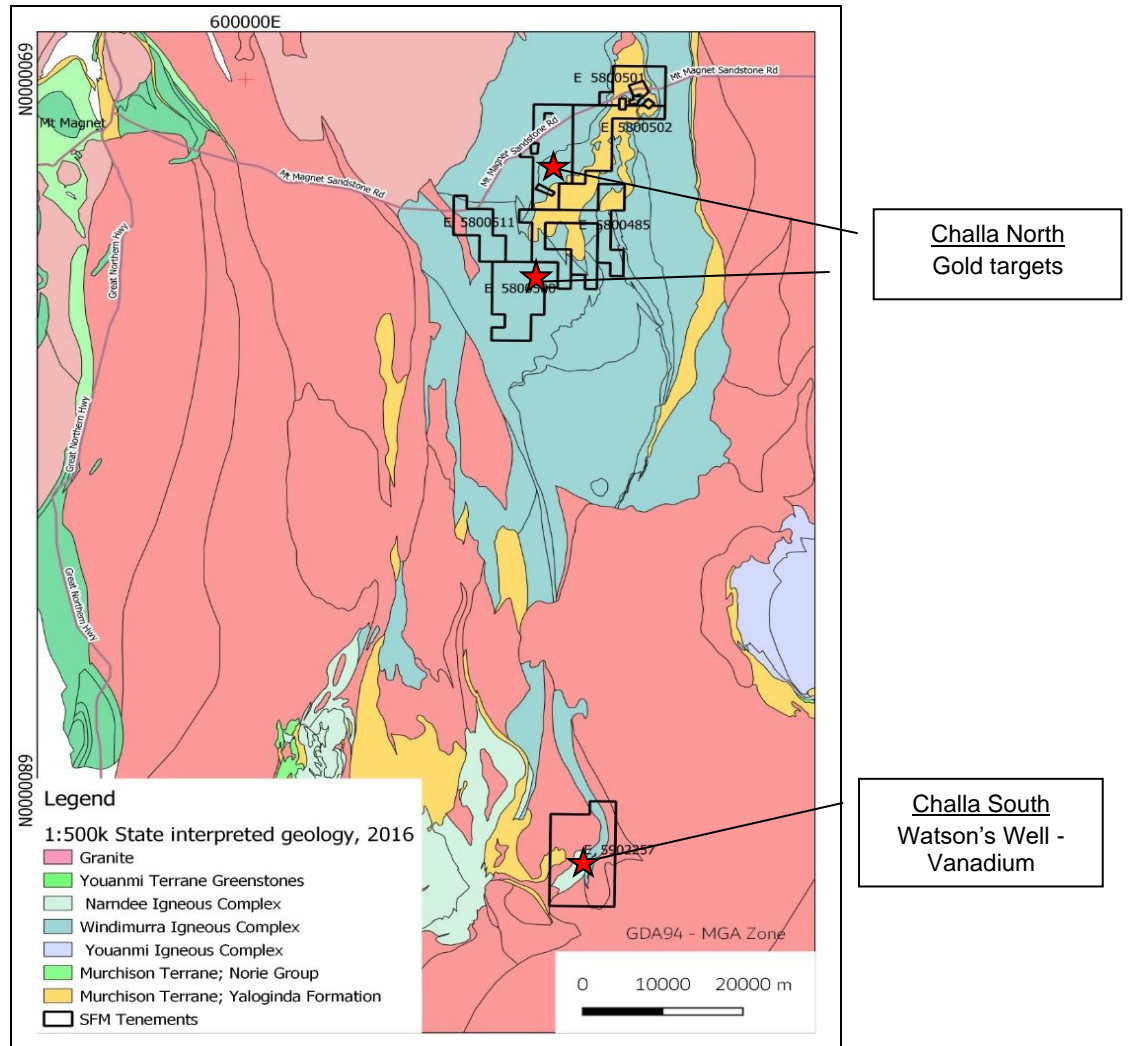


Figure 7 - Challa Project area

### **Watson's Well – Vanadium**

The results of the rock chip samples collected from several discrete 1m wide bands of magnetite rich cumulate units bounded by gabbro associated with the 7km long high magnetic zone are reported here. The samples were collected as part of geological fact mapping of the Watsons Well V-Ti-Fe target zone. A total of 10 rock samples were collected from small widely spaced outcrops over the 7km strike of the target zone. All rock chips returned high grades as follows:

- V<sub>2</sub>O<sub>5</sub> – 1.18% to 1.33%
- TiO<sub>2</sub> - 9.97% to 15.2%
- Fe - 44.12% to 52.74%

Table 1: Watsons Well rock chip sample results.

Sample	East	North	Fe	SiO2	Al2O3	TiO2	V2O5
	GDA 94 Z50	GDA 94 Z50	%	%	%	%	%
MWW01	642663	6788364	52.74	3.32	3.2	15.2	1.23
MWW02	642736	6788328	50.38	5.69	5.34	11.6	1.27
MWW04	643658	6791023	51.03	4.34	3.77	11.7	1.29
MWW05	644877	6792691	50.67	4.19	4.22	14.8	1.2
MWW06	644882	6792700	50.64	4.87	4.29	13.7	1.18
MWW07	642746	6788604	52.72	3.68	4.34	13	1.31
MWW08	642758	6788690	52.68	3.92	4.4	12.4	1.32
MWW09	643568	6790971	44.12	10.08	6.9	9.97	1.09
MWW10	643479	6791009	50.61	5.74	4.98	12.5	1.2
MWW11	643617	6791028	50.87	4.45	4.82	12.2	1.33

SFM is encouraged by these results which are comparable to the higher-grade V-Ti-Fe Resources reported for the Murchison Region of Western Australia.

The next exploration program will be two lines of RC drilling of 10-20 holes for 2,000 to 2,500m to test both the outcropping high grade magnetite cumulate units and deeper unexposed and potentially thicker magnetite cumulate units near the gabbro footwall. SFM is currently planning and permitting this program. Timing will depend on securing a suitable RC drilling contractor, however drilling is anticipated in the June Quarter 2022 subject to rig availability.

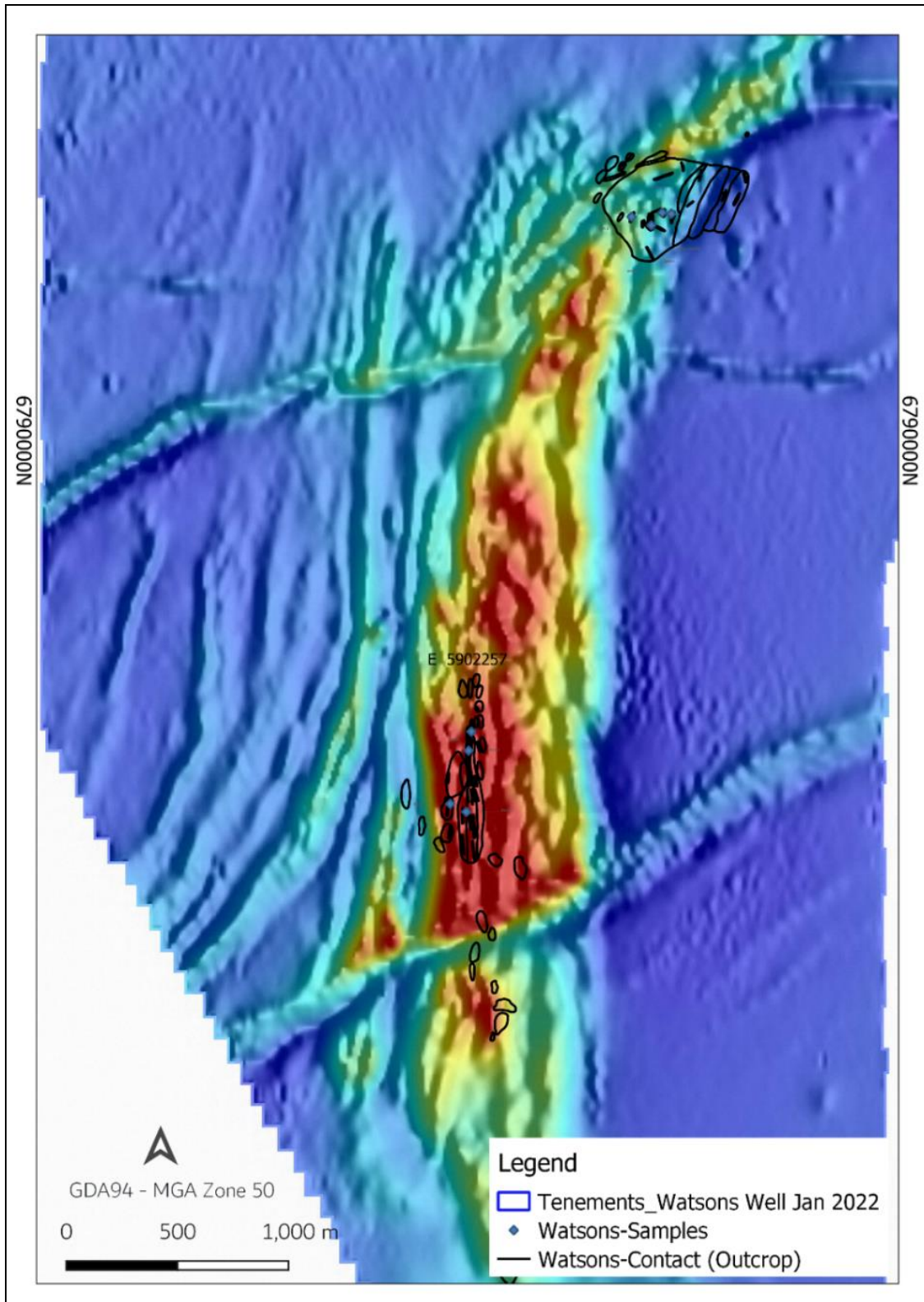


Figure 8 – Outcrop and sample locations at the Watson's Well Project.



**Corporate**

At the end of the Quarter, the Company held a balance of \$4,054,627 in liquid assets comprising of \$3,996,746 in cash and shares held in listed entities with a market value of \$57,881.

Following the end of the quarter, the Company purchased 1 million shares in Atlantic Lithium Limited (ALL.LSE) on the London Stock Exchange (AIM).

As at the date of this report, the Company's holding in ALL.LSE is worth AU\$978,893 and SFM currently holds \$2,945,952 in cash.

The Company continues to assess a number of opportunities in the resources sector.

This ASX announcement has been authorised for release by the Board.

**- 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 the report has previously been reported to ASX – see "Exploration Update" dated 5 April 2022.*

*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.

### Acquisition of Mt Murray

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.

The Company did not acquire or dispose of any mining tenements nor did it enter into any other farm-in or farm-out agreements during the quarter.

### **Related Party Payments**

During the quarter ended 31 March 2022, 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 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 March 2022

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(42)	(253)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(75)	(203)
	(e) administration and corporate costs	(157)	(244)
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	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(274)</b>	<b>(698)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(4)	(54)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	1,310	1,310
	(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</b>	<b>Net cash from / (used in) investing activities</b>	<b>1,306</b>	<b>1,256</b>

<b>3.</b>	<b>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</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,964	3,438
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(274)	(698)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,306	1,256
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 (9 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>3,996</b>	<b>3,996</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	1,251	19
5.2	Call deposits	2,745	2,945
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>3,996</b>	<b>2,964</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	-
<p><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></p> <p>Director fees and superannuation in the quarter.</p>		



## 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)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</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.	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)	(274)
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)	(274)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,996
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,996
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>14.58</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.	

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


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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 April 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.