



HALF YEAR REPORT

December 2023

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Directors' Report

Your Directors present their report, including the Financial Report for the consolidated entity for the half-year ended 31 December 2023.

Directors

The directors of Santana Minerals Limited ("Santana" or "the Company") at any time during or since the half-year ended 31 December 2023 were as follows:

Mr Peter Cook, Non-Executive Chairman (*appointed 23 October 2023*)

Mr Frederick (Kim) Bunting, Non-Executive Director (*appointed 3 November 2020*)

Mr Damian Spring, CEO and Executive Director (*appointed director 1 January 2024*)

Mr Sam Smith, Executive Director (*appointed 1 January 2024*)

Mr Richard Keevers, Non-Executive Director (*appointed 15 January 2013 and resigned 22 December 2023*)

Mr Warren Batt, Non-Executive Director (*appointed 3 November 2020 and resigned 29 November 2023*)

Mr Anthony McDonald, Non-Executive Director (*appointed 15 January 2013 and resigned 1 January 2024*)

Operating and Financial Review

Review of Operations

Bendigo-Ophir Project Overview (100%)

During the reporting period exploration activities were focused on the advancement of the Company's 100% owned Bendigo-Ophir Project ("the Project") in Central Otago, New Zealand (Figure 1). The Project covers 292 square kilometres and is located 90 kilometres northwest of OceanaGold's world-class Macraes Gold Mine where previous production and mineral resources total 10 million ounces of gold.

At Bendigo-Ophir, drilling along the Rise and Shine Shear Zone (RSSZ) during the 6 months ending 31 December 2023 has largely focused on the Rise & Shine (RAS) deposit leading to an updated resource estimate being completed after the end of the 6-month period by GeoModelling Limited in accordance with JORC 2012 guidelines (MRE Feb 2024).

The new MRE 2024 resulted in a 464% increase in Indicated resources at RAS, which now has 1.293Moz (17.1Mt at 2.4g/t) defined in the Indicated resource category. The global resource at the Bendigo-Ophir project now stands at 38.8Mt @ 2.0g/t containing 2.445Moz gold at a 0.5g/t cut-off grade (Table 1). Importantly for the Company, the major increase in Indicated resources at RAS is 100% contained inside a 'Reasonable Prospect of Eventual Economic Extraction' (RPEEE) pit shell, which bodes well for the Company's impending pre-feasibility study.

Drilling continues at RAS at a reduced rate while management resources have now turned toward mine permitting, and pre-feasibility study activities required for government consents and mine permitting. Regional exploration is ongoing with geophysics programs aimed at modelling the RAS geophysical fingerprint, with a view to discovering additional economic deposits proximal to the RAS development.



Figure 1: The Bendigo-Ophir Gold Project in the Otago Goldfields New Zealand

Deposit	Category	Tonnes (Mt)	Au grade (g/t)	Contained Gold (koz)
RAS ¹	Indicated	17.1	2.4	1,293
	Inferred	13.7	2.1	923
RAS Total	Indicated and Inferred	30.8	2.2	2,216
CIT ²	Inferred	1.2	1.5	59
SHR ²	Inferred	4.7	1.1	174
SRE ²	Inferred	0.3	1.3	11
RSSZ Total	Indicated	17.1	2.4	1,293
	Inferred	21.7	1.7	1,152
RSSZ Total	Indicated and Inferred	38.8	2.0	2,445

Table 1. Global Resource at RSSZ at 0.5 g/t Cut-off Grade with top cut (MRE Feb 2024)

MRE Update 2024

Shown in Figure 2 below, is the increase in drill hole density that underpinned the 2024 MRE Update, with tighter line spacing to approximately 30m east-west on 40m north-south sections over the upper 1km of plunge of the defined ore system.

To date, 74,049 metres of diamond drilling has been completed at RAS, which includes 47,952 metres of diamond drilling in the current infill program.

In Figure 2, purple drill holes represent intercepts of over 100 gram x metres, with red holes being between 50 and 100 gram metres, depicting a higher-grade core at RAS that spans over 150m in width and extends well over 1km down plunge.

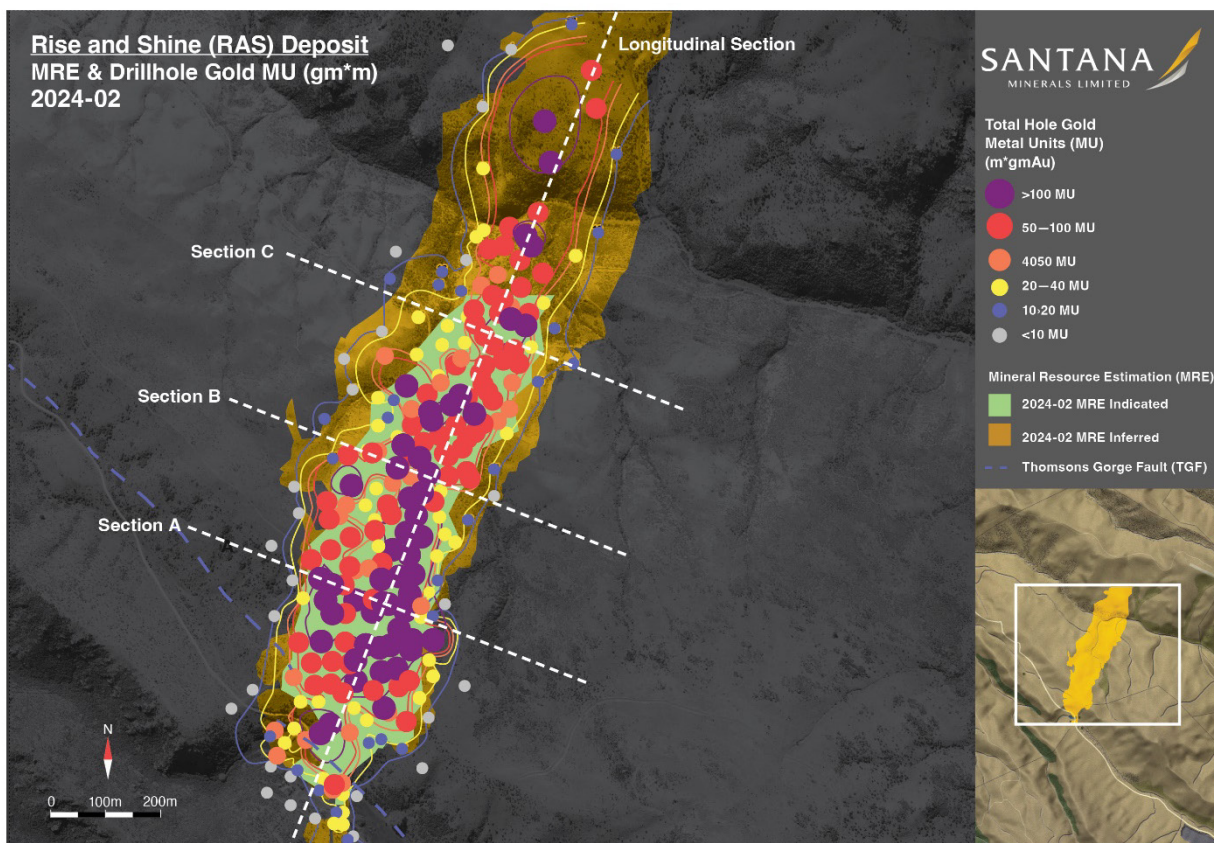


Figure 2: Rise and Shine (RAS) deposit, North Dunstan Range, Otago, New Zealand

Reasonable Prospect of Eventual Economic Extraction ("RPEEE") Validation

The MRE as reported was subjected to mining economic analysis to meet the reasonable prospect of eventual economic extraction or RPEEE, to define mineral resources in accordance with the principles of JORC 2012, with highly favourable outcomes.

The process included a Lerchs Grossman algorithm pit-optimisation applying a gold price of US\$2,380/oz (approx. 18% above current spot price) to allow for reasonably foreseeable future gold prices within the anticipated mine-life. Other key and typical modifying factors were applied including a metallurgical recovery of 90% as demonstrated by the Phase 5 metallurgical testing (refer ASX announcement of 23 October 2023), an overall pit slope angle of 45° and industry correlated mining, ore processing and administration operating costs.

This process was strictly related to demonstrating that the resource was able to be mined in a single pit, using reasonable economic inputs. Notably the pit shell extracted 95% of the total MRE ounces and 100% of the Indicated Resource ounces. The final restraint on the pit was related to strip-ratios caused by terrain (i.e. hill slopes) as opposed to continuity of the ore system.

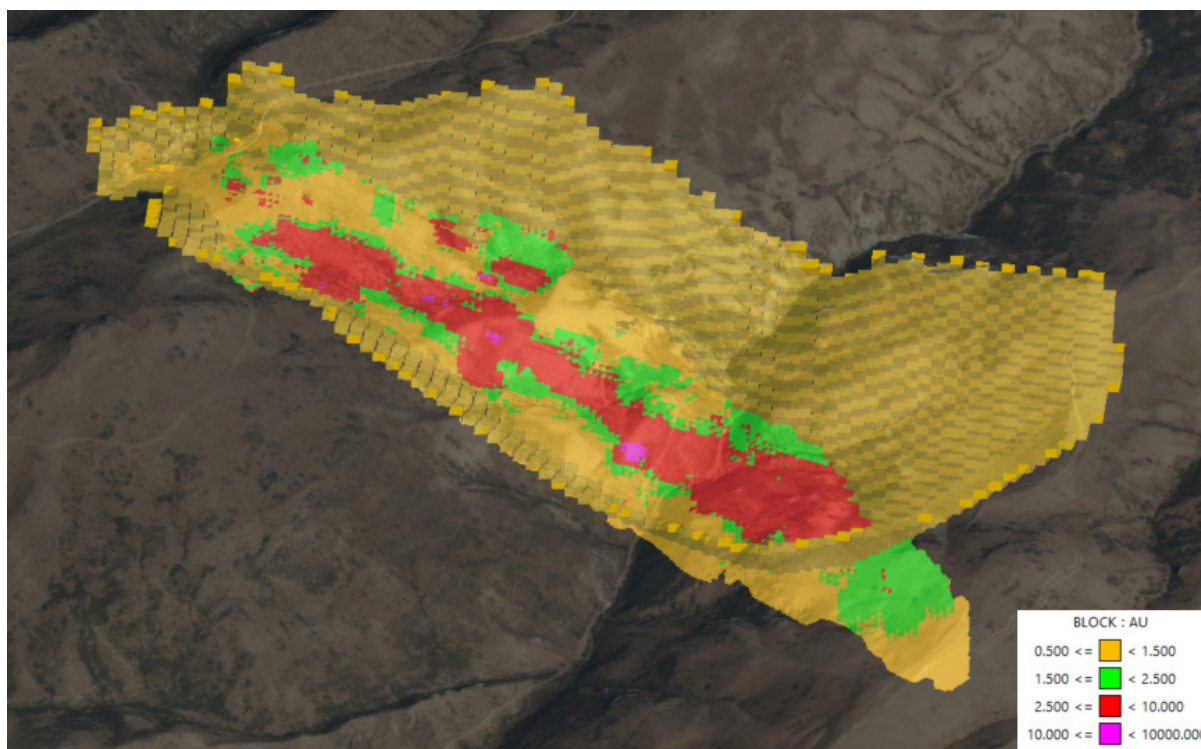


Figure 3 – RPEEE pit shell looking SW with Shepherds Creek in the foreground and RAS Creek top left.

Analysis of the deeper material or remaining 5% (all Inferred) beneath the pit was assessed for a further reasonable prospect of economic extraction at a 1.5g/t cut-off. Applying underground mining parameters at a 1.5g/t cut-off grade showed that 100% of the material could be economic after RPEEE analysis. Tabulations at various cut-off grades (which shows inelastic sensitivity of contained gold when a higher cut-off is reported) is shown below in Table 2:

Feb 2024 RAS - RPEEE Resource analysis by Open Pit at various cut-off grades				
Category	Au Cut-off Grade (g/t)	Tonnes (Mt)	Au grade (g/t)	Contained Gold (koz)
Indicated	2.00	6.6	4.2	903
	1.50	9.2	3.5	1,046
	1.00	12.8	2.9	1,191
	0.50	17.1	2.4	1,293
Inferred	2.00	4.2	3.8	516
	1.50	5.9	3.2	607
	1.00	8.3	2.6	705
	0.50	11.7	2.1	786
Total	2.00	10.8	4.1	1,419
	1.50	15.0	3.4	1,653
	1.00	21.2	2.8	1,896
	0.50	28.8	2.3	2,079

Minimal change in contained gold at various cut-off grades

Table 2. RAS resources reported at various cut-off grades (MRE Feb 2024)

During the period it was also announced that the extension of duration for Mineral Exploration Permit (MEP) 60311 and the new permit, Mineral Prospecting Permit (MPP) 60822 were granted. This provides the foundation for the continued development of the Bendigo-Ophir Gold Project (See Figure 4).

MEP60311 is the original permit that extends from Bendigo in the NNW 30km to Ophir to the SSE, within which the RAS, CIT, SHR and SRE deposits are located. New Zealand Petroleum and Minerals granted an extension of duration of another five years. As the project advances to a prefeasibility study an application will be lodged to convert this to a mining permit.

MPP60882 covers potential northerly extensions of the mineralisation demonstrated by the 1.7km down-plunge continuous length of RAS that remains open. The granting of this permit allows fieldwork to occur as part of our planned regional exploration strategy.

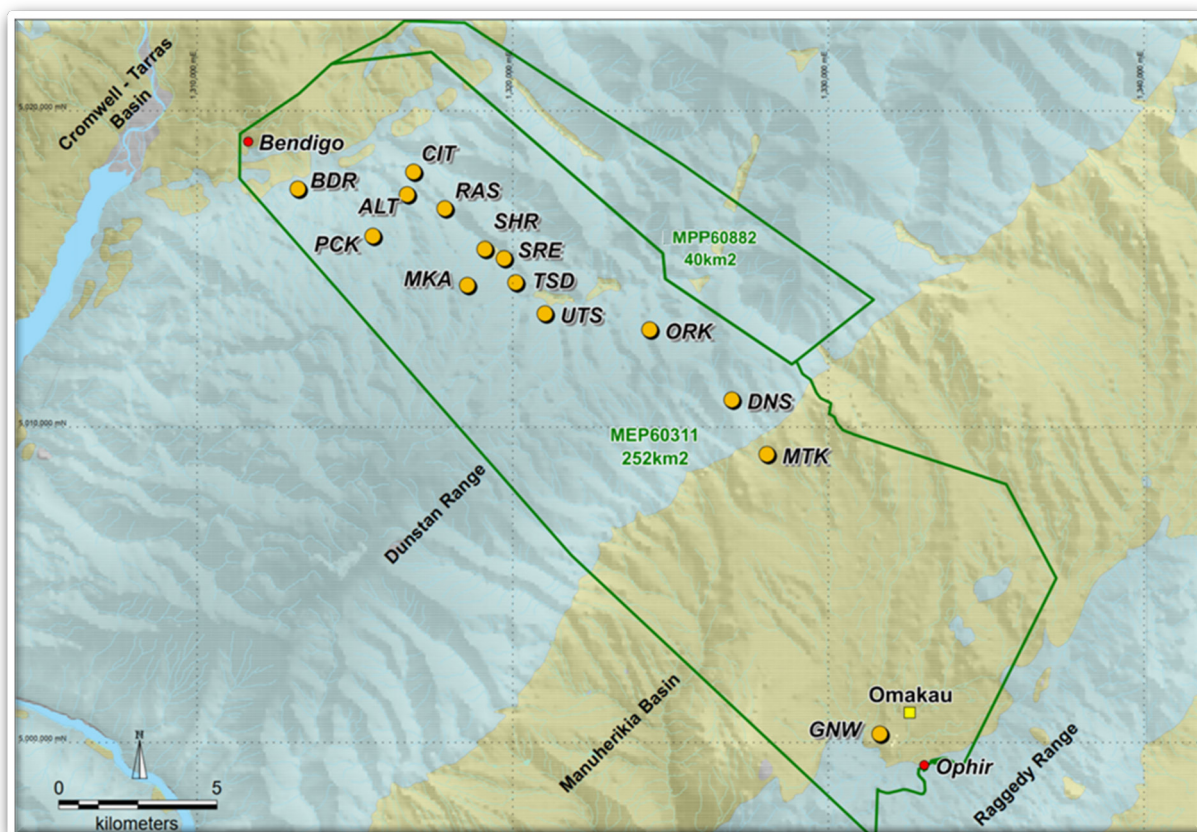


Figure 4: Mineral Exploration Permit 60311 and Mineral Prospecting Permit 60822

Key Conclusions and 2024 Forward Programme

The new and revised MRE (February 2024) for the RAS orebody lays the foundation for future technical studies including an indicative mining economic study and the completion of a pre-feasibility study (PFS) which will set a pathway for mining approvals.

A further complete cycle of metallurgical test work is approaching completion on a master composite selected to be representative of the Indicated resource. This will enable accurate plant design and cost estimation for a planned processing facility.

To further validate that work a series of 10 variability composites representing different parts, grade and mineralisation aspects of the Indicated resource will be completed.

A number of other detailed studies aligned with the upcoming PFS and subsequent mine approvals are advancing in parallel. These include the Tailings Storage, Waste Rock Characterisation, Slope Stability and Site Geotechnical analysis, Hydrology, Water, Ecological, Aquatic Ecology, Climate and Economic Output studies.

Other exploration assets

Cuitaboca Silver (gold) project, Mexico.

The company has maintained the exploration title (and option to purchase) in good standing, while completing a new review of past exploration that is still underway.

Cambodia - Emerald Resources NL earning up to 70% as sole contributor

Snoul Project

Emerald Resources completed a 15 collar (1,950m) exploration RC drill program at the Anchor Prospect in the Snoul Project (refer Figure 5). The program was planned to follow the untested parts of 1.5km x 1.5km (>10ppb Au) gold-in-soil anomaly, investigate the gradient array IP chargeability anomalies and follow up previous significant drill results.

All Au assays have been returned, and significant results include (refer Appendix Three):

- 12m @ 1.23g/t Au from 69m (RC23SNU075); and
- 7m @ 0.85g/t Au from 120m including 3m @ 1.63g/t Au, 107g/t Ag, 0.53% Cu from 120m (RC23SNU072).

The significant intersections of precious and base metal results in RC23SNU075 and RC23SNU072 are located along a 500m structural corridor and include historical results listed below (refer ASX announcements 30 March 2020, 30 October 2020 and 4 July 2023). This zone of mineralisation remains untested along strike.

- 4m @ 7.72g/t Au from 72m including 1m @ 16.75g/t Au, 180g/t Ag, 0.5% Cu, 0.24% Pb and 2.29% Zn from
- 73m (RC23SNU054);
- 9m @ 0.88g/t Au from 16m including 1m @ 3.56g/t from 16m and 0.77% Zn (RC23SNU056).
- 6m @ 8.28g/t from 12m (SNRC009)
- 5m @ 6.23g/t from 14m (RC20SNU027);
- 4.3m @ 4.76g/t Au from 147.2m (DD10ANC025); and
- 1m @ 9.09g/t Au from 49m (DD09ANC011).

Additional drilling is being planned to follow up these encouraging results on the Anchor prospect and other untested anomalous gold-in-soil results on the Snoul Licence.

Phnom Khtong

During the Half Year the Phnom Khtong Exploration Licence was relinquished.

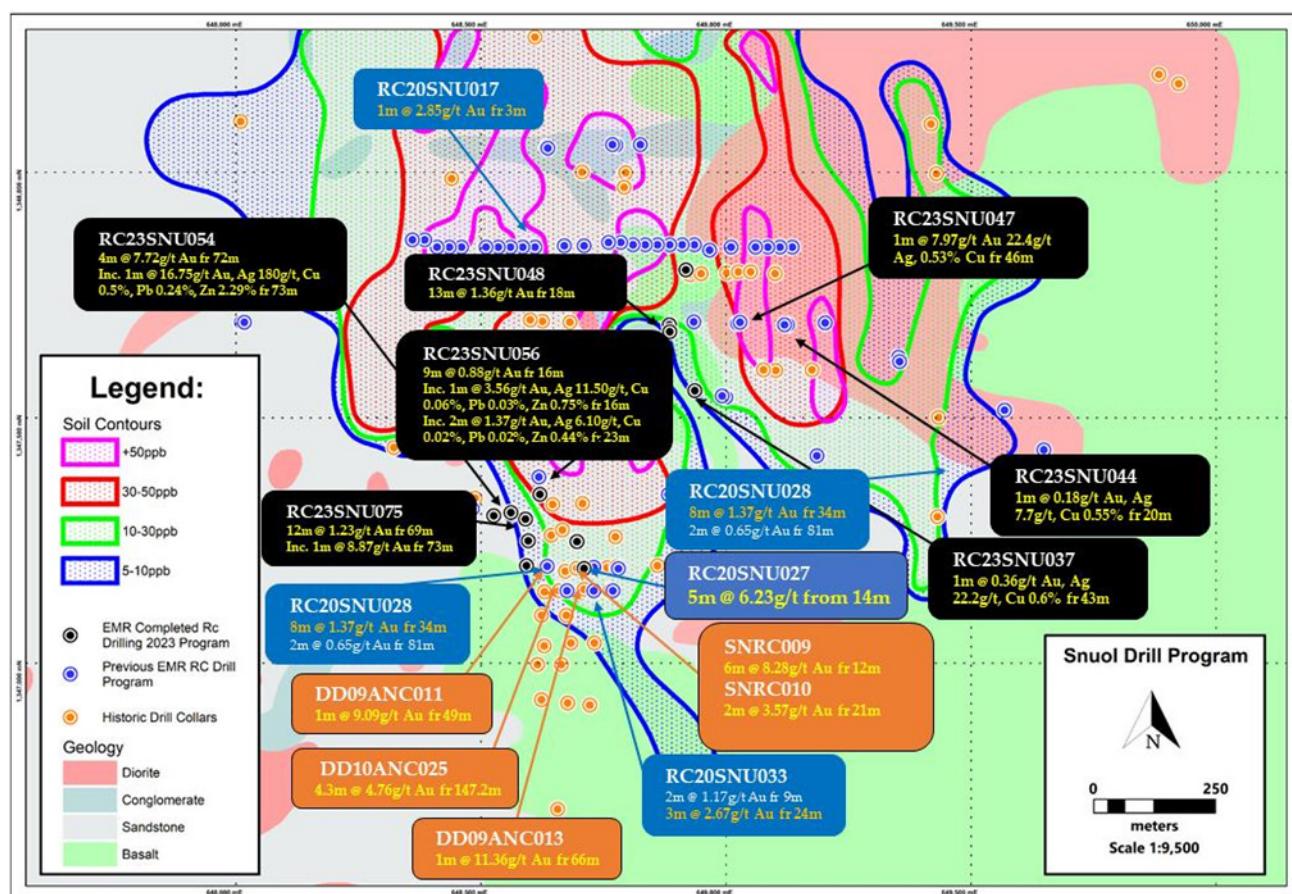


Figure 5: Snoul RD drill program results. Recent results in red outline.

Corporate

During the half year, the Company announced a number of Board and Management changes to align the company with a skill set toward project development, namely:

- Peter Cook appointed to the Board as Non-Executive Chairman.
- Warren Batt, Richard Keevers, and Tony McDonald (post half year) resign from the Board after a significant contribution to the Company.
- Post half year Damian Spring and Sam Smith were appointed to the Board as CEO & Executive Director, and Executive Director IR and Corporate Affairs, respectively.

Financial review

At the end of the reporting period the consolidated entity had \$10,614,520 (30 June 2023: \$ \$17,214,569) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was \$28,432,785 (30 June 2023: \$21,671,390).

The consolidated entity had net assets of \$38,709,618 (30 June 2023: \$38,999,357).

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 11 and forms part of the directors' report for the half-year ended 31 December 2023.

Signed in accordance with a resolution of the Board of Directors:



Damian Spring

Executive Director

Dated this 5th day of March 2024

Previous Disclosure - 2012 JORC Code

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

- ASX announcement titled "More high grades from RAS Infill drilling" dated 4 April 2023
- ASX announcement titled "New Gold assays and metallurgical results from RAS" dated 24 April 2023
- ASX announcement titled "High grade intercept from infill drilling south of RAS ridge" 2 June 2023
- ASX announcement titled "RAS high grade zones expand with drilling results" dated 22 June 2023
- ASX announcement titled "Infill drilling at RAS continues to grow confidence" dated 13 July 2023
- ASX announcement titled "High grade zones strengthen ahead of RAS MRE Update" dated 27 July 2023
- ASX announcement titled "New results extend potential for upcoming RAS MRE" dated 30 August 2023
- ASX announcement titled "Drill results confirm and extend high grade mineralisation" dated 8th September 2023
- ASX announcement titled "Strong RAS and regional drill results" dated 23 October 2023
- ASX announcement titled "More High Grade Gold from Rise and Shine Prospect" dated 23 November 2023
- ASX announcement titled "Bendigo-Ophir Exploration and Project Update" dated 04 January 2024
- ASX announcement titled "High-Grade Intercepts Close out Resource Drilling at RAS" dated 24 January 2024

A copy of such announcements 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.



Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the directors of Santana Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Santana Minerals Limited for the half year ended 31 December 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to read 'Simon Crane'.

Simon Crane
Partner

Brisbane
5 March 2024

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Consolidated Interim Statement of Profit or Loss for the Half Year Ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
General and administrative expenses		(770,333)	(568,466)
Exploration and evaluation expenses		(269,456)	(59,722)
Results from operating activities		(1,039,789)	(628,188)
Financing income	6	197,634	28,369
Financing expenses	6	(53,777)	(4,168)
Net financing income		143,857	24,201
Share of loss of equity-accounted investees, net of tax	8	(49,857)	(17,903)
Loss before income tax		(945,789)	(621,890)
Income tax benefit		-	-
Loss for the period – attributable to Shareholders of the Company		(945,789)	(621,890)
Earnings per share			
Basic loss per share		(0.53) cents	(0.43) cents
Diluted loss per share		(0.53) cents	(0.43) cents

The consolidated interim statement of profit or loss is to be read in conjunction with the condensed notes to the consolidated interim financial statements.

Consolidated Interim Statement of Other Comprehensive Income for the Half Year Ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
Loss for the period	<u>(945,789)</u>	<u>(621,890)</u>
Other comprehensive income		
<i>Items that may subsequently be reclassified to profit or loss:</i>		
Foreign exchange translation differences	<u>243,863</u>	<u>636,167</u>
Other comprehensive income for the period, net of income tax	<u>243,863</u>	<u>636,167</u>
Total comprehensive (loss)/income for the period – attributable to Shareholders of the Company	<u><u>(701,926)</u></u>	<u><u>14,277</u></u>

The consolidated interim statement of other comprehensive income is to be read in conjunction with the condensed notes to the consolidated interim financial statements.

Consolidated Interim Statement of Financial Position as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		10,614,520	17,214,569
Trade and other receivables	7	258,479	593,478
Prepayments		36,220	73,029
Total current assets		<u>10,909,219</u>	<u>17,881,076</u>
Non-current assets			
Property, plant and equipment		308,790	316,489
Equity-accounted investees	8	67,589	117,446
Exploration and evaluation expenditure	5, 9	28,432,784	21,671,390
Total non-current assets		<u>28,809,163</u>	<u>22,105,325</u>
Total assets		<u>39,718,382</u>	<u>39,986,401</u>
Current liabilities			
Trade and other payables		1,008,764	987,044
Total current liabilities		<u>1,008,764</u>	<u>987,044</u>
Total liabilities		<u>1,008,764</u>	<u>987,044</u>
Net assets		<u>38,709,618</u>	<u>38,999,357</u>
Equity			
Share capital	10	78,280,110	77,995,032
Reserves		931,535	687,672
Accumulated losses		(40,502,027)	(39,683,347)
Total equity		<u>38,709,618</u>	<u>38,999,357</u>

The consolidated interim statement of financial position is to be read in conjunction with the condensed notes to the consolidated interim financial statements.

Consolidated Interim Statement of Changes in Equity for the Half Year Ended 31 December 2023

	Note	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Opening balance as at 1 July 2023		77,995,032	687,672	(39,683,347)	38,999,357
Loss for the period		-	-	(945,789)	(945,789)
Foreign currency translation differences		-	243,863	-	243,863
<i>Total comprehensive income for the period</i>		-	243,863	(945,789)	(701,926)
Transactions with owners recorded directly in equity					
Share-based payments (net of tax)		-	-	127,109	127,109
Shares issued	10	285,078	-	-	285,078
Transaction costs	10	-	-	-	-
<i>Total transactions with owners</i>		285,078	-	127,109	412,187
Balance at 31 December 2023		78,280,110	931,535	(40,502,027)	38,709,618

	Note	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Total Equity \$
Opening balance as at 1 July 2022		52,491,906	(367,183)	(32,848,903)	19,275,820
Loss for the period		-	-	(621,890)	(621,890)
Foreign currency translation differences		-	636,167	-	636,167
<i>Total comprehensive income for the period</i>		-	636,167	(621,890)	14,277
Transactions with owners recorded directly in equity					
Shares issued	10	9,603,062	-	-	9,603,062
Transaction costs	10	(562,500)	-	-	(562,500)
<i>Total transactions with owners</i>		9,040,562	-	-	9,040,562
Balance at 31 December 2022		61,532,468	268,984	(33,470,793)	28,330,659

The consolidated interim statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial statements.

Consolidated Interim Statement of Cash flows for the Half Year Ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
Cash flows from operating activities		
Cash paid to suppliers and employees	(536,071)	(554,095)
Cash paid for exploration and evaluation expenditure expensed	(269,456)	(59,722)
Interest received	197,634	28,369
Net cash used in operating activities	<u>(607,893)</u>	<u>(585,448)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure capitalised	(6,244,587)	(4,039,260)
Acquisition of property, plant and equipment	(34,857)	(158,689)
Net cash used in investing activities	<u>(6,279,444)</u>	<u>(4,197,949)</u>
Cash flows from financing activities		
Proceeds from issue of shares	285,078	9,603,062
Share issue costs	-	(562,500)
Net cash provided by financing activities	<u>285,078</u>	<u>9,040,562</u>
Net (decrease)/increase in cash and cash equivalents held	(6,602,259)	4,257,165
Effects of exchange rate fluctuations on cash held	2,210	3,459
Cash and cash equivalents at 1 July	<u>17,214,569</u>	<u>2,450,528</u>
Cash and cash equivalents at 31 December	<u><u>10,614,520</u></u>	<u><u>6,711,152</u></u>

The consolidated interim statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial statements.

Condensed Notes to the Consolidated Financial Statements for the Period Ended 31 December 2023

1. REPORTING ENTITY

Santana Minerals Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the “consolidated entity”).

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2023 is available upon request from the Company’s registered office at Level 1, 371 Queen Street, Brisbane, Queensland Australia or on the Company’s website at www.santanaminerals.com.

2. BASIS OF ACCOUNTING

The consolidated interim financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2023.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2023 and any public announcements made by Santana Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position of the Group since the last consolidated financial report as at and for the year ended 30 June 2023.

The condensed consolidated interim financial report was authorised for issue by the directors on 5 March 2024.

3. BASIS OF MEASUREMENT

The consolidated interim financial report is presented in Australian dollars, which is the Company’s functional currency. The consolidated interim financial report is prepared on the historical cost basis.

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as at and for the year ended 30 June 2023.

4. GOING CONCERN

The consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a “going concern” which assumes the consolidated entity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The consolidated entity has the ability to seek to raise funds from the public and intends to raise such funds as and when required to complete its projects.

The consolidated entity currently has no source of operating cash inflows, other than interest income, and has incurred net cash outflows from operating and investing activities for the period ended 31 December 2023 of \$6,887,337. At 31 December 2023, the consolidated entity had cash balances of \$10,614,520 (30 June 2023: \$17,214,569) and net working capital (current assets less current liabilities) of \$9,900,455 (30 June 2023: \$16,894,032).

The directors have prepared cash flow projections that support the ability of the consolidated entity to continue as a going concern. These cash flow projections include significant planned expenditure on the consolidated entity’s projects and assume the consolidated entity obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the consolidated entity plans to reduce expenditure significantly, which may result in an impairment loss on the book value of exploration and evaluation expenditure recorded at reporting date.

These conditions give rise to a material uncertainty that may cast doubt upon the consolidated entity’s ability to continue as a going concern. The ongoing operation of the consolidated entity is dependent upon:

- The consolidated entity raising additional funding from shareholders or other parties; and/or
- The consolidated entity reducing expenditure in line with available funding.

In the event that the consolidated entity does not obtain additional funding and/or reduce expenditure in line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated interim financial report.

In the longer term, the development of economically recoverable mineral deposits found on the consolidated entity’s existing or future exploration properties depends on the ability of the consolidated entity to obtain financing through equity financing, debt financing or other means. If the consolidated entity’s exploration programs are ultimately successful, additional funds will be required to develop the consolidated entity’s properties and to place them into commercial production. The ability of the consolidated entity to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the consolidated entity. There can be no assurance that the consolidated entity will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the consolidated entity. If adequate financing is not available, the consolidated entity may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the consolidated entity to forfeit its interests in some or all of its properties and reduce or terminate its operations.

5. SEGMENT INFORMATION

Each area of interest represents an operating segment, however for reporting purposes areas of interest are aggregated where they are located in the same region and relate to the exploration of similar commodities. The Consolidated Entity's current areas of interest relate to the exploration of precious metals in Mexico, Cambodia and New Zealand. In reviewing segment results the Chief Executive Officer and Board consider total expenditure on exploration and evaluation activities (expensed and capitalised) and results of such activities.

	31 December 2023 \$	31 December 2022 \$
<u>Cuitaboca Project - Mexico</u>		
Exploration and evaluation expenditure expensed in profit or loss	269,456	59,722
Exploration and evaluation expenditure capitalised	-	122,376
	<u>269,456</u>	<u>182,098</u>
<u>Bendigo-Ophir Project - New Zealand</u>		
Exploration and evaluation expenditure expensed in profit or loss	-	-
Exploration and evaluation expenditure capitalised	6,320,907	4,145,604
	<u>6,320,907</u>	<u>4,145,604</u>
Total exploration and evaluation expenditure	<u>6,590,363</u>	<u>4,327,702</u>

	31 December 2023 \$	30 June 2023 \$
<u>Exploration and evaluation assets</u>		
Cuitaboca Project - Mexico	-	-
Bendigo-Ophir Project – New Zealand	28,432,783	21,671,389
	<u>28,432,783</u>	<u>21,671,389</u>
<u>Equity accounted investee</u>		
Southern Gold (Asia) Pty Ltd – Cambodian Projects	67,589	117,446
	<u>28,500,372</u>	<u>21,788,835</u>

6. NET FINANCING INCOME/ (EXPENSE)

	31 December 2023 \$	31 December 2022 \$
Interest income	197,634	28,369
Financing Income	<u>197,634</u>	<u>28,369</u>
Foreign exchange loss	(53,777)	(4,168)
Financing expense	<u>(53,777)</u>	<u>(4,168)</u>
Net financing income	<u>143,857</u>	<u>24,201</u>

7. TRADE AND OTHER RECEIVABLES

	31 December 2023	30 June 2023
	\$	\$
<i>Current</i>		
Other receivables	5,049	5,150
GST Receivable	253,430	588,328
	<u>258,479</u>	<u>593,478</u>

8. EQUITY-ACCOUNTED INVESTEEES

	31 December 2023	30 June 2023
	\$	\$
Interests in associate – Southern Gold (Asia) Pty Ltd	<u>67,589</u>	<u>117,446</u>

Southern Gold (Asia) Pty Ltd (“SGA”, an associate) holds the interests in the Cambodian gold projects. SGA is a party to an unincorporated joint venture agreement with Southern Gold Limited (SGL) in respect of two Cambodian Exploration Licences (CELs). Pursuant to the agreement, SGL has a 15% unincorporated joint venture interest in the CELs, which is free carried until completion of a feasibility study.

SGA has also entered into a farm-out and incorporated joint venture agreement with Renaissance Cambodia Pty Ltd (Renaissance) (the “Farm-Out Agreement”). Under the Farm Out Agreement Renaissance will manage SGA and sole fund US\$0.5million of exploration expenditure on each of the CELs in order to earn a 30% shareholding in SGA. After earning the 30% shareholding, Renaissance can elect to sole fund a further US\$1.0million of exploration expenditure on each of the CELs over the following two years and increase its shareholding in SGA to 60%.

When Renaissance has earned a 60% shareholding in SGA, the consolidated entity may elect to either contribute to further exploration activities on the CELs and maintain its 40% shareholding in SGA, or alternatively elect not to contribute, in which case Renaissance may earn a further 25% shareholding in SGA by continuing to manage SGA and funding completion of a definitive feasibility study. During the definitive feasibility study period the consolidated entity interests would be free carried.

Renaissance has met the initial expenditure requirements to earn the initial 30% interest in the Subsidiary. Under the Farm-out Agreement the consolidated entity has given control of the entity to Renaissance whilst retaining significant influence through representation on the board of Southern Gold (Asia) Pty Ltd. Subsequent to the end of the reporting period, Renaissance has advised that it has earned a further 30% interest (total 60%) in the Subsidiary.

	31 December 2023 \$	30 June 2023 \$
Percentage ownership interest	70%	70%
Non-current assets	238,772	5,078,193
Current assets	384,871	337,959
Non-current liabilities	-	-
Current liabilities	(63,740)	(1,086,480)
Net assets (100%)	559,903	4,329,672
Consolidated entity's share of net assets	70%	70%
Carrying amount of interest in associate	67,589	117,446
	6 months to 31 December 2023	12 months to 30 June 2023
Revenue	-	-
Loss from continuing operations (100%)	(71,224)	(48,150)
Total comprehensive income/(loss) (100%)	(71,224)	(48,150)
Consolidated entity's share of total comprehensive income/(loss)	(49,847)	(33,705)

In accordance with the Farm-Out Agreement, Renaissance has advised that it has met the initial expenditure requirements to earn the initial 30% interest in SGA through sole funding of exploration which is being recognised in equity of SGA. Santana Minerals Limited does not currently recognise any share of this increase in equity of SGA. Subsequent to the end of the reporting period, Renaissance has advised that it has earned a further 30% interest (total 60%) in the Subsidiary.

9. EXPLORATION AND EVALUATION EXPENDITURE

	6 months 31 December 2023 \$	12 months 30 June 2023 \$
Capitalised exploration and evaluation expenditure		
Exploration and evaluation phase – at cost		
Bendigo-Ophir - New Zealand	28,432,783	21,671,389
	<u>28,432,783</u>	<u>21,671,389</u>
<i>Reconciliations</i>		
Cuitaboca Project - Mexico		
Opening balance at beginning of period	-	4,358,342
Expenditure for the period	-	271,050
Impairment	-	(5,632,033)
Effect of foreign exchange movement	-	1,002,641
Closing balance at end of period	-	-
Bendigo-Ophir - New Zealand		
Opening balance at beginning of period	21,671,390	12,441,892
Expenditure for the period	6,520,907	9,046,402
Fair value on acquisition	-	-
Effect of foreign exchange movement	240,486	183,096
Closing balance at end of period	<u>28,432,783</u>	<u>21,671,390</u>

Cuitaboca Project, Mexico

On 29 July 2014 the consolidated entity announced that it had entered into agreements allowing it to earn 80% of the Cuitaboca Project located in the State of Sinaloa, Mexico. Under the terms of the agreements, the consolidated entity made an initial payment of A\$100,000 and committed to meeting 100% of expenditure, thereby providing the consolidated entity with management of the Cuitaboca Project through an initial 100% ownership of Minera Cuitaboca S.A. de C.V. (Project Company). The Project Company has the right to acquire the Cuitaboca Project mining concessions under an option agreement (Concession Option Agreement) with Consorcio Minero Latinoamericano S.A. de C.V (Concession Holder) with such right expiring in December 2026. The Concession Option Agreement provides that the Project Company can acquire a 100% interest in the mining concessions from the Concession Holder by paying option fees totalling US\$3,500,000, with those option fees payable on a six monthly basis. A balance of US\$2,725,168 in option fees remains payable by the Project Company to the Concession Holder as at 31 December 2023. The Consolidated Entity is required to meet all expenditure during the term of the Concession Option Agreement (including option fees which the Project Company has agreed to pay the Concession Holder, concession rentals plus exploration expenditure as the Consolidated Entity determines) with the Vendors free carried. Once the Concession Option Agreement is completed the expenditure and ownership of the Project Company will revert to 80% Consolidated Entity 20% Vendors. The Consolidated Entity retains the right to withdraw from the Cuitaboca Project at any time without making the recurring option payments.

Bendigo-Ophir Project, New Zealand

On 3 November 2020, the consolidated entity announced that it had completed a share purchase agreement for the acquisition of the Bendigo Ophir Project by acquiring 100% of the shares in Matakanui Gold Limited ('MGL'), which holds 100% of the Bendigo-Ophir Project.

The Project is subject to a 1.5% Net Smelter Royalty (NSR) on all production from MEP 60311 (and successor permits) payable to an incorporated, private company Rise and Shine Holdings Limited.

Access arrangements are in place with landowners that provide for current exploration and other activities, and any future decision to mine. As such, compensation is payable, including payments of up to \$1.5M on a decision to mine, plus total royalties starting at 1% on the net value of gold produced, increasing to 1.5% and ultimately 2% dependent on location and total gold produced over the life of the mine. The royalties are also subject to pre-payment of up to \$3M upon commencement of mining operations.

Also, as gold is a Crown mineral, a royalty is payable to the Crown as either the higher of an ad valorem royalty of 2% of the net sales revenue or an accounting profits royalty of 10%.

10. SHARE CAPITAL

The Company recorded the following amounts within shareholders' equity as a result of having issued ordinary shares, options and performance rights over ordinary shares.

31 December 2023	Number of ordinary shares	Issue price \$	Share capital \$
Balance at 1 July 2023	176,691,198		77,995,032
Option exercise October 2023 (cash)	1,140,310	0.25	285,078
Share issue costs	-		-
Balance at 31 December 2023	<u>177,831,508</u>		<u>78,280,110</u>

31 December 2022	Number of ordinary shares	Issue price \$	Share capital \$
Balance at 1 July 2022	132,637,288		52,491,906
Share issue July 2022 (cash)	9,800,000	0.625	6,125,000
Share issue September 2022 (cash)	5,200,000	0.625	3,250,000
Option exercise November 2022 (cash)	1,140,310	0.20	228,062
Share issue costs	-		(562,500)
Balance at 31 December 2022	<u>148,777,598</u>		<u>61,532,468</u>

	Number of options 31 December 2023	Number of options 30 June 2023
Options on Issue		
Options issued as part of the Matakanui Transaction – Nov 2020	1,140,310	2,280,620
Employee incentive options on issue	3,796,393	500,000
Total options over ordinary shares currently issued	<u>4,936,703</u>	<u>2,780,620</u>

	Number of options 6 months 31 December 2023	Number of options 12 months 30 June 2023
Reconciliation		
Total options over ordinary shares – 1 July	2,780,620	3,420,930
Exercise of Options (November 2022)	-	(1,140,310)
Options issued January 2023	-	500,000
Exercise of Options (October 2023)	(1,140,310)	-
Options issued October 2023	1,500,000	-
Options issued December 2023	1,796,393	-
Total options over ordinary shares	<u>4,936,703</u>	<u>2,780,620</u>

	Number of performance rights 31 December 2023	Number of performance rights 30 June 2023
Employee incentive performance rights on issue	363,176	-
Total performance rights currently issued	<u>363,176</u>	<u>-</u>

<i>Reconciliation</i>	Number of performance rights 6 months 31 December 2023	Number of performance rights 12 months 30 June 2023
Total performance rights – 1 July	-	-
Performance rights issued December 2023	363,176	-
Total performance rights	363,176	-

11. RELATED PARTIES

There were no material changes in arrangements with related parties from those arrangements set out in the 30 June 2023 annual financial report.

12. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period, the Company announced a zero cost Bonus Option offer to eligible shareholders. The Company has undertaken a pro-rata non-renounceable entitlement issue of one (1) option (Bonus Option) to acquire a fully paid ordinary share in the Company (Shares) for every five (5) Shares held as at 7:00pm (Sydney time) on 28 February 2024 (the Record Date) (Offer). The Bonus Options have been issued for nil upfront consideration, but will have an exercise price of \$1.08 representing a 7.5% discount to the 30 day VWAP prior to the announcement. The options will be exercisable at any time prior to 5:00pm (Sydney time) on 28 February 2025. A total of 35,516,127 Bonus Options are to be issued under the Offer.

Directors' Declaration

1. In the opinion of the directors of Santana Minerals Limited ("the Company")
 - a) the consolidated interim financial statements and notes that are set out on pages 12 to 24 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the six month period ended on that date; and
 - ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Damian Spring
Executive Director

Dated this 5th day of March 2024



Independent Auditor's Review Report

To the shareholders of Santana Minerals Limited

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Santana Minerals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Santana Minerals Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Consolidated Entity's** financial position as at 31 December 2023 and of its performance for the **Half-year** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises

- Consolidated interim statement of financial position as at 31 December 2023
- Consolidated interim statement of profit or loss, Consolidated interim statement of other comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 12 including selected explanatory notes
- The Directors' Declaration.

The **Consolidated Entity** comprises Santana Minerals Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year period.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 4, "Going Concern" in the Half-year Financial Report. The events or conditions disclosed in Note 4 indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Half-year Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Simon Crane
Partner

Brisbane
5 March 2024

Corporate Directory

Australian Business No.	37 161 946 989
Directors	<p>Peter Cook, Chairman</p> <p>Frederick Bunting, Non-Executive Director</p> <p>Damian Spring, CEO and Executive Director</p> <p>Sam Smith, Executive Director</p>
Corporate Secretary	Craig McPherson
Registered Office	<p>Level 1</p> <p>371 Queen Street</p> <p>Brisbane QLD 4000</p> <p>Phone: +61 7 3221 7501</p> <p>Email: admin@santanaminerals.com</p> <p>Website: www.santanaminerals.com</p>
Postal Address	<p>GPO Box 1305</p> <p>Brisbane QLD 4000</p>
Auditors	<p>KPMG</p> <p>Level 11</p> <p>Heritage Lanes</p> <p>80 Ann Street. Brisbane</p> <p>Brisbane QLD 4000</p>
ASX Code	SMI
Share Registrars	<p>Link Market Services Limited</p> <p>Level 21</p> <p>10 Eagle Street</p> <p>Brisbane QLD 4000</p>
Exchange	<p>Australian Securities Exchange</p> <p>Level 8</p> <p>Exchange Plaza</p> <p>2 The Esplanade</p> <p>PERTH WA 6000</p>