

This is an important letter and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your legal, financial or other professional adviser.

3 May 2024

Dear Shareholder

Marketable Parcel Divestment Notice

On 26 April 2024, Santana Minerals Limited (ASX: SMI) (**Santana**) announced to the ASX Limited (**ASX**) that it intends to:

- offer the opportunity to eligible shareholders to subscribe for a minimum of A\$2,300 up to ~A\$30,000 worth of fully paid ordinary shares in Santana (**Shares**) at an issue price of A\$1.15 per Share to raise up to approximately A\$4 million pursuant to a share purchase plan (**SPP**); and
- arrange the buy-back of Shares in Santana that are less than a marketable parcel (i.e., a parcel of Shares worth less than A\$500 based on the ASX closing sale price of a Share) (**Marketable Parcel Divestment**).

The Marketable Parcel Divestment will be undertaken in accordance with division 2 of part 2J.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and on an 'opt-out' basis in accordance with clause 14 of Santana's constitution. The price at which Santana will buy the Shares is A\$1.21 each. This represents a 5.2% premium to the SPP price of A\$1.15.

Under clause 14 of Santana's constitution, a shareholder who holds less than a marketable parcel of Shares may be required to sell those Shares in accordance with a procedure for their sale notified to the shareholder by Santana, unless the shareholder notifies Santana in writing that the shareholder wishes to retain the Shares. This is the 'opt-out' basis mentioned above. To invoke it, Santana must give to each of its shareholders who holds less than a marketable parcel a divestment notice that complies with clause 14 of Santana's constitution.

If you wish to participate in the proposed SPP, you will need to retain your Shares until the date for determining entitlements under the SPP. In that case, you may need to opt out of the Marketable Parcel Divestment (see below). You should consider the offer booklet in deciding whether to participate in the SPP. If you wish to participate and acquire further Shares under the proposed SPP you will need to complete the application form that will accompany the offer booklet.

Santana will cancel all Shares transferred to it under the Marketable Parcel Divestment in accordance with the Corporations Act.

Eligible Shareholders

The time set by Santana for determining the shareholders who hold less than a marketable parcel (**Eligible Shareholders**) for the purpose of receiving a divestment notice under clause 14 of Santana's constitution is 7:00pm (Sydney time) on 24 April 2024 (**Record Date**).

You are an Eligible Shareholder as you held a parcel of Shares at 7:00pm (Sydney time) on the Record Date worth less than A\$500 based on the last ASX closing sale price of a Share on the Record Date.

Opt-out period

Under clause 14 of Santana's constitution an unmarketable parcel of Shares held by an Eligible Shareholder may be sold on such terms as the directors of Santana determine if the Eligible Shareholder has not notified Santana in writing that the Eligible Shareholder wishes to retain the Shares before a specified date that is at least 6 weeks after the divestment notice is deemed to have been received by the Eligible Shareholder, provided the Shares held by the Eligible Shareholder on that date continue to be less than a marketable parcel. The specified date is 24 June 2024 (**Divestiture Date**).

Marketable Parcel Divestment Buyback Terms

Unless you opt-out, if all of the Shares that you are the registered holder of at 7:00pm (Sydney time) on the Divestiture Date continue to be worth less than A\$500 based on the ASX closing sale price of a Share on that date, then Santana will agree to buy from you, and you will agree or be taken to have agreed to sell to Santana, all of your Shares under a share sale agreement on the minimum terms (**Sale Terms**) set out below:

1. Santana agrees to buy from you, and you agree to sell and transfer to Santana, all of your Shares for A\$1.21 each (**Divestment Consideration**) free, to the maximum extent permitted by law, from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interests of any nature and restrictions on transfer of any kind, on the next business day after the Divestiture Date (**Completion Date**).
2. If the buy-back agreement becomes unconditional, Santana agrees to pay the Divestment Consideration for your Shares on or before 21 days after the Completion Date. Payment of the Divestment Consideration to which you become entitled will be made in Australian currency:
 - (a) by electronic funds transfer to an Australian bank account notified by you to Santana for the making of payments to you provided sufficient details of the bank account have been provided to Santana for this purpose; and
 - (b) in any other case, by cheque which will be sent to you at your risk by ordinary post (or in the case of overseas shareholders, by airmail) to your address as shown in Santana's register of members.
3. You:
 - (a) represent and warrant to Santana that, to the maximum extent permitted by law, you have full power and capacity to sell and transfer (and at the time the transfer of your Shares to Santana is registered you will be selling and transferring) the full legal and beneficial ownership of your Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interest of any nature and restrictions on transfer of any kind;
 - (b) irrevocably appoint Santana (or any nominee(s) of Santana) as your attorney to execute all such documents, transfers and assurances and to do all such other things on your behalf as may be necessary or desirable to transfer or otherwise convey to Santana your Shares, until the registration of the transfer of those Shares; and
 - (c) agree that in exercising the powers conferred by the above power of attorney, the attorney is entitled to act in the interest of Santana.
4. The buy-back agreement will be suspended from the date of an announcement of a Takeover for Santana until after the close of the offers made under the Takeover.
5. The buy-back sale agreement is governed by the laws of Queensland.

6. If the buy-back agreement arises, all rights attaching to your Shares will be suspended under section 257H(1) of the Corporations Act until the Shares are cancelled or the buy-back agreement becomes null and void. Immediately after the registration of the transfer to Santana of your Shares that are bought back by Santana, those Shares will be cancelled under section 257H(3) of the Corporations Act.

Divestment notice

The Company hereby notifies you that:

1. If you wish to keep your Shares, you must notify Santana in writing accordingly during the period before the Divestiture Date. A share retention form is enclosed with this letter for this purpose.
2. You may also retain your Shares if you increase your shareholding in Santana so that you hold more than a marketable parcel of Shares in Santana, or if the value of Santana's Shares increases such that the value of your current Shareholding becomes more than a marketable parcel.
3. If you do not notify Santana in writing that you wish to keep your Shares, or the value of your Shareholding in Santana does not increase to be more than a marketable parcel, by the Divestiture Date:
 - (a) a share sale agreement for the sale of all of your Shares on the Sale Terms will arise;
 - (b) all of your Shares are liable to be sold to Santana in accordance with the Sale Terms; and
 - (c) if your Shares are held in a CHESS holding and if they remain in a CHESS holding after the Divestiture Date, Santana may, without further notice, move those Shares from the CHESS holding to an issuer sponsored holding or a certificated holding for the purposes of transfer in accordance with the Sale Terms.

Your options in relation to the Marketable Parcel Divestment:

(1) Sell your Shares

If you wish to sell your Shares for A\$1.21 each, you do not need to take any action. By refraining from taking any action, you will be taken to have agreed to sell to Santana all of your Shares in accordance with the Sale Terms.

You will not incur any brokerage or stamp duty in respect of the sale of your Shares to Santana under the Marketable Parcel Divestment. Any taxation consequences arising from the sale of your Shares will be your responsibility.

(2) Retain your Shares

If you wish to keep your Shares, you may elect to opt-out of the Marketable Parcel Divestment by completing the enclosed share retention form and sending the completed form to Santana or its share registry, Link Market Services Limited, in accordance with the instructions on the form, so that it is received before the Divestiture Date.

If the completed share retention form is not received before the Divestiture Date, your Shares are liable to be sold to Santana under the Sale Terms. Accordingly, if you decide to keep your Shares, you should allow enough time for your completed share retention form to be received by the day before the Divestiture Date.

Key dates

| Event | Date* |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Record Date | 7:00pm (Sydney time) on 24 April 2024 |
| Despatch Marketable Parcel Divestment sale terms and divestment notice to Eligible Shareholders and to the ASX | 3 May 2024 |
| Divestiture Date - Last day for receipt of share retention notices | 24 June 2024 |
| Unmarketable parcels of Eligible Shareholders that have not opted out will be sold and transferred to the Company and cancelled | 26 June 2024 |
| Payment of Divestment Consideration | As soon as possible following divestiture |

* These key dates are subject to change. The Company reserves the right to change the dates, without prior notice, subject to the Corporations Act, ASX Listing Rules and Santana's constitution.

As announced to the ASX, Santana reserves the right not to proceed with the Marketable Parcel Divestment and/or the proposed capital raising in its absolute discretion, including if in the view of Santana's directors a superior proposal emerges or circumstances otherwise change requiring Santana to re-assess the merits of the Marketable Parcel Divestment and/or capital raising. The Company continues to assess its options including engaging in confidential non-binding discussions with one or more parties regarding potential strategic transactions. The Company will update shareholders as required in accordance with its continuous disclosure obligations.

This letter does not take into account your individual investment objectives, financial situation or particular needs. You should seek independent professional advice when deciding whether to retain your Shares or if you have any questions on how the buy-back may affect you.

If you require further information in respect of the Marketable Parcel Divestment, please contact Santana's share registry, Link Market Services Limited, on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

Yours faithfully

Craig McPherson
Company Secretary

Frequently Asked Questions

Why is Santana conducting the Marketable Parcel Divestment?

The Company has decided to undertake the Marketable Parcel Divestment to enable you to sell your Shares without incurring brokerage and other expenses that could otherwise make a sale of your Shares uneconomic or difficult. The purchase of parcels of Shares which are less than marketable parcels through the Marketable Parcel Divestment will also enable Santana to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

Is Santana authorised to buy-back the Shares?

The Company is authorised under clause 14 of its Constitution to conduct the Marketable Parcel Divestment. This document, and the share retention form satisfy the rules under Santana's Constitution, the Corporations Act and the ASX Listing Rules.

Can Santana sell the bought back Shares?

No, Santana may not sell the bought back Shares pursuant to this Marketable Parcel Divestment. Any Shares bought back under the Marketable Parcel Divestment will be cancelled immediately upon registration of the transfer to Santana.

If my Shares are bought back through the Marketable Parcel Divestment, how much will I receive?

If your Shares are bought back through the Marketable Parcel Divestment, you will receive the Divestment Consideration of \$1.21 per Share, being a 5.2% premium to the SPP price. The total sum you will receive for your Shares will be the number of Shares in your less than marketable parcel multiplied by the Divestment Consideration.

What do I need to do to sell my Shares?

Nothing. Your Shares will be bought back through the Marketable Parcel Divestment unless you return a share retention form or increase your Shareholding so that you no longer hold less than a marketable parcel.

Do I need to pay anything to participate in the Marketable Parcel Divestment?

The Company will pay all costs and expenses arising in connection with the Marketable Parcel Divestment. You will be responsible for any tax consequences arising from your participation in the Marketable Parcel Divestment.

If my Shares are bought back through the Marketable Parcel Divestment, when and how will I receive the proceeds of the Marketable Parcel Divestment

The proceeds from the buy-back of your Shares under the Marketable Parcel Divestment will be remitted to you as soon as possible after completion of the Marketable Parcel Divestment. Proceeds will be remitted to either your nominated bank account or by cheque sent to the registered postal address for your Shareholding, as at the closing date.

Can I sell some, but not all of my Shares through the Marketable Parcel Divestment?

No. The offer is for all of your Shares. You may not sell part of your Shareholding in the Marketable Parcel Divestment.

If I buy more Shares will my shareholding be bought back?

Your Shares will not be bought back if you acquire enough additional Shares on-market so that your shareholding in Santana's register of members is greater than \$500 as on the closing date.

Any additional Shares must be registered on the closing date under the same name and address, and with the same Shareholder number as set out in the accompanying share retention form.

What can I do if I have multiple parcels of Shares which are less than marketable parcels?

If there is more than one parcel of Shares which are each less than marketable parcels under your name you will receive an offer letter in relation to each of your parcels.

If you would like keep one or more of your parcels you may take one of the following actions:

- complete the enclosed share retention form for each of the parcels that you would like to keep, and return it in accordance with the instructions in the form;
- acquire additional Shares on-market so that each of the parcels that you would like to keep is noted on Santana's share register as being greater than \$500 as on the closing date; or
- if the parcels of Shares that you hold would constitute a marketable parcel of Shares if combined, you may arrange to have those holdings consolidated into one Shareholding that is noted on Santana's register of members on the closing date.

What happens if there is a takeover bid?

Pursuant to clause 14.13 of Santana's Constitution, Santana will not buy back your Shares in the event that a third party announces a takeover offer for Santana. However, the Marketable Parcel Divestment may be recommenced again after the close of the offers made under the takeover bid.

Can Santana change the offer?

The Company may make changes to the indicative timetable, or suspend or terminate the Offer at its sole discretion, by notice to ASX. The Company may not make a change to the indicative timetable which would reduce the duration of the Offer period to less than 6-weeks.



ABN 37 161 946 989

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
Facsimile: +61 2 9287 0303
ASX Code: SMI
Website: www.linkmarketservices.com.au

IID:

SRN/HIN:

**Number of Shares held as at
the Record Date, 7:00pm (AEST)
on 24 April 2024:**

IMPORTANT NOTICE

Please return this slip if you do not wish your Shares in Santana Minerals Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your Shareholding in Santana Minerals Limited ("Santana Minerals"), you must detach this slip and return it to Santana Minerals's Registry, so that it is received no later than 5:00pm (AEST), on 24 June 2024. Slips may be mailed to the addresses below.

Mailing Address

Santana Minerals Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEST), ON 24 JUNE 2024**

If you require further information regarding this form, please contact the Santana Minerals Limited Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (from outside Australia) between 8:30am and 5:30pm (Sydney Time) Monday to Friday.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ABN 37 161 946 989

Please detach

IID:

SRN/HIN:



RETENTION SLIP

I/We the Shareholder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our Shareholding in Santana Minerals.



DO NOT SELL MY SHARES

CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name