

QUARTERLY REPORT PERIOD ENDED 31 MARCH 2017

Cuitaboca Project:

- Drill program for Mojardina prospect expansion and extension planned and designed
- Earthworks commenced in preparation for Mojardina drilling
- La Plata and Santa Eduviges prospects advanced with encouraging rock chip and diamond saw trenching results
- Trenching and diamond saw results suggest potential for new silver-dominant zone across La Lupita and La Piedrita structures in Project's North

1. OPERATIONAL UPDATE

Cuitaboca, Sinaloa, Mexico (Santana earning to 80%) (Figure 1)

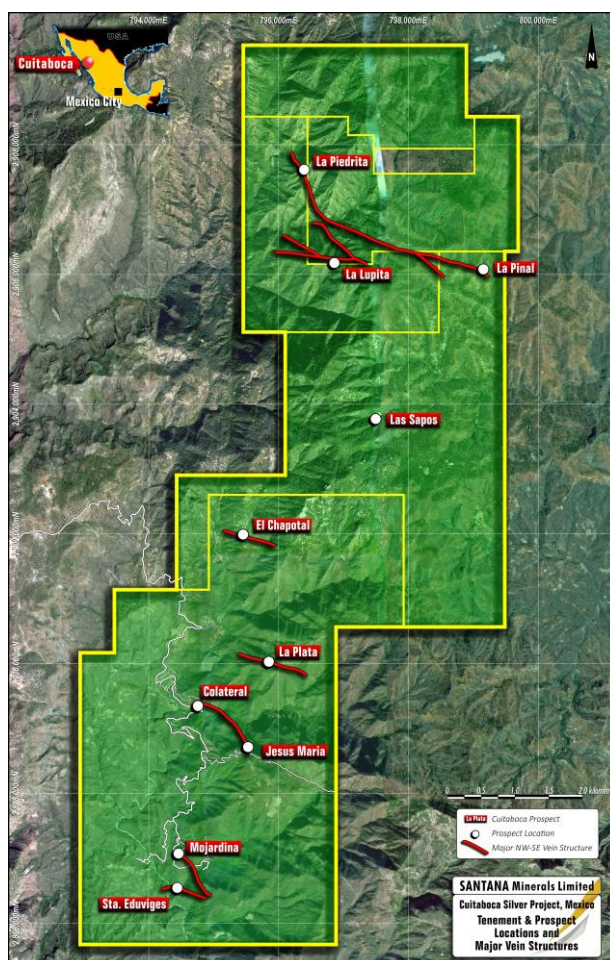


Figure 1: Cuitaboca location and tenement boundaries

Mojardina and Jesus Maria prospects - Interpretation and Drill Planning

During the March quarter the Company's operational efforts were predominantly focused on continued analysis and interpretation of the Company's two primary prospects, Mojardina and Jesus Maria.

Having undergone preliminary RC drilling across 2016, the Company's technical team has further refined its structural interpretation of the parallel vein systems of Las Animas and Evangelina at Mojardina to design a further RC drill program to commence in the June Quarter. The drill campaign (currently anticipated to commence in early May) has the objective of expanding the known area of mineralisation around the high grade Las Animas shoot and to extend both the Las Animas and Evangelina shoots to the south, largely following the surface sampling and trenching undertaken last calendar year.

Interpretation and drill planning at the Jesus Maria prospect continues.

During the quarter essential earthworks commenced comprising cutting new roads to permit drill pad positioning and rig access.

La Plata and Santa Eduvigis

As part of the Company's ongoing broader exploration initiatives further mapping, sampling and diamond saw surface trenching was undertaken at the La Plata and Santa Eduvigis prospects. Both areas are enhanced significantly as a result of these works.

La Plata (**Figures 1 and 2**) is approximately 2km north of the Jesus Maria prospect. Rock chip results up to 1,355 g/t Ag followed by diamond saw trenching identified some significant results.

- **LPTTR_07** **2m @ 78 g/t Ag**
- **LPTTR_19** **1m @ 1,995 g/t Ag**
- **LPTTR_23** **5m @ 242 g/t Ag**
- **LPTTR_25** **7m @ 131 g/t Ag, including 3m @ 278 g/t Ag**

The La Plata prospect was historically mapped as a narrow vein but work during the quarter suggests a wider occurrence of mineralisation than previously thought. Consequently this zone is now the subject of drill planning with an initial program likely to occur in the second half of 2017.

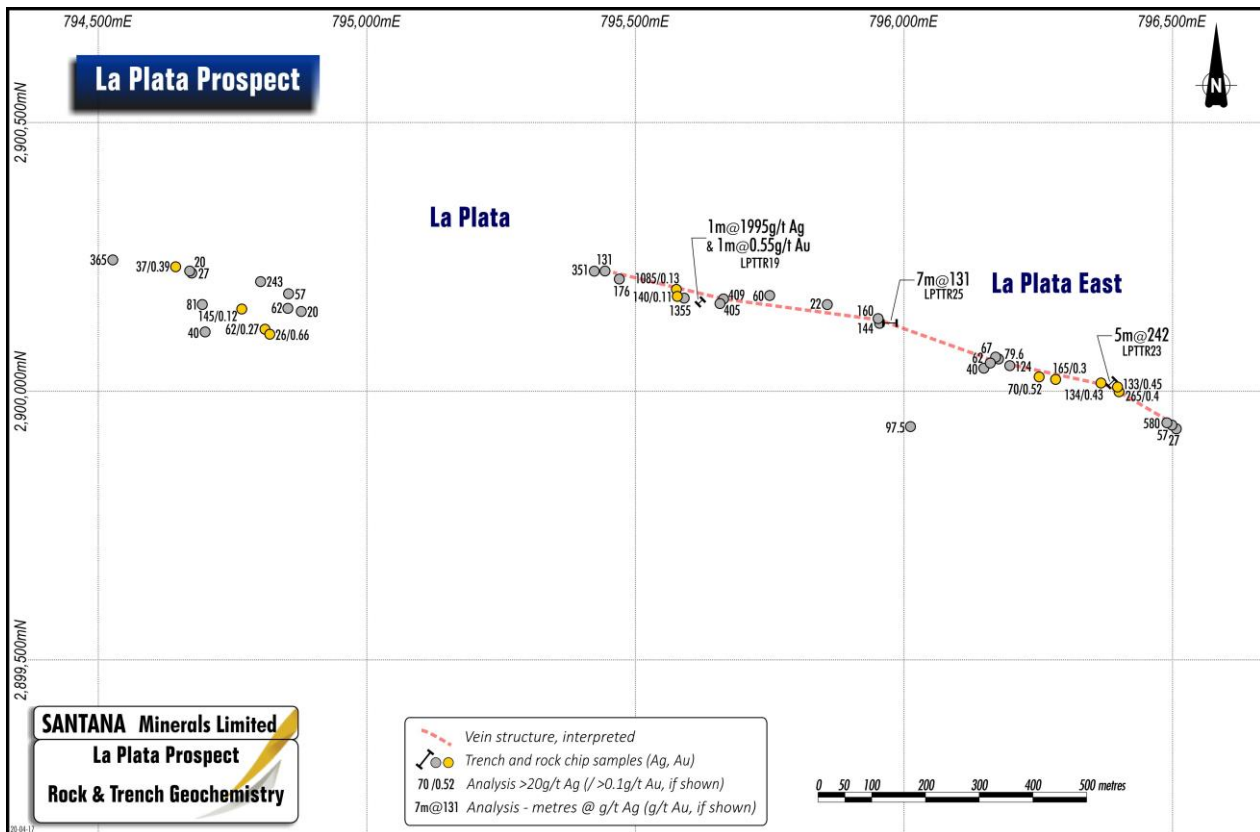


Figure 2: The La Plata zone showing significant rock chip and trench sample assay results.

At the Santa Eduvigis prospect (**Figures 1 and 3**) recent rock chip samples and diamond saw trenches have defined a high grade silver-gold flexure as well as what presents as a junction with the southern extent of the Mojardina prospect.

That juncture is part of the area to be tested in the upcoming drill program of the southern extensions of the Mojardina prospect. Other areas of Santa Eduvigis are intended to be tested in future drill programs.

- **STTR_04** **3m @ 2.9 g/t Au and 5m @ 95 g/t Ag**
- **STTR_05** **2m @ 176 g/t Ag**
- **SETR_04** **4m @ 178 g/t Ag**

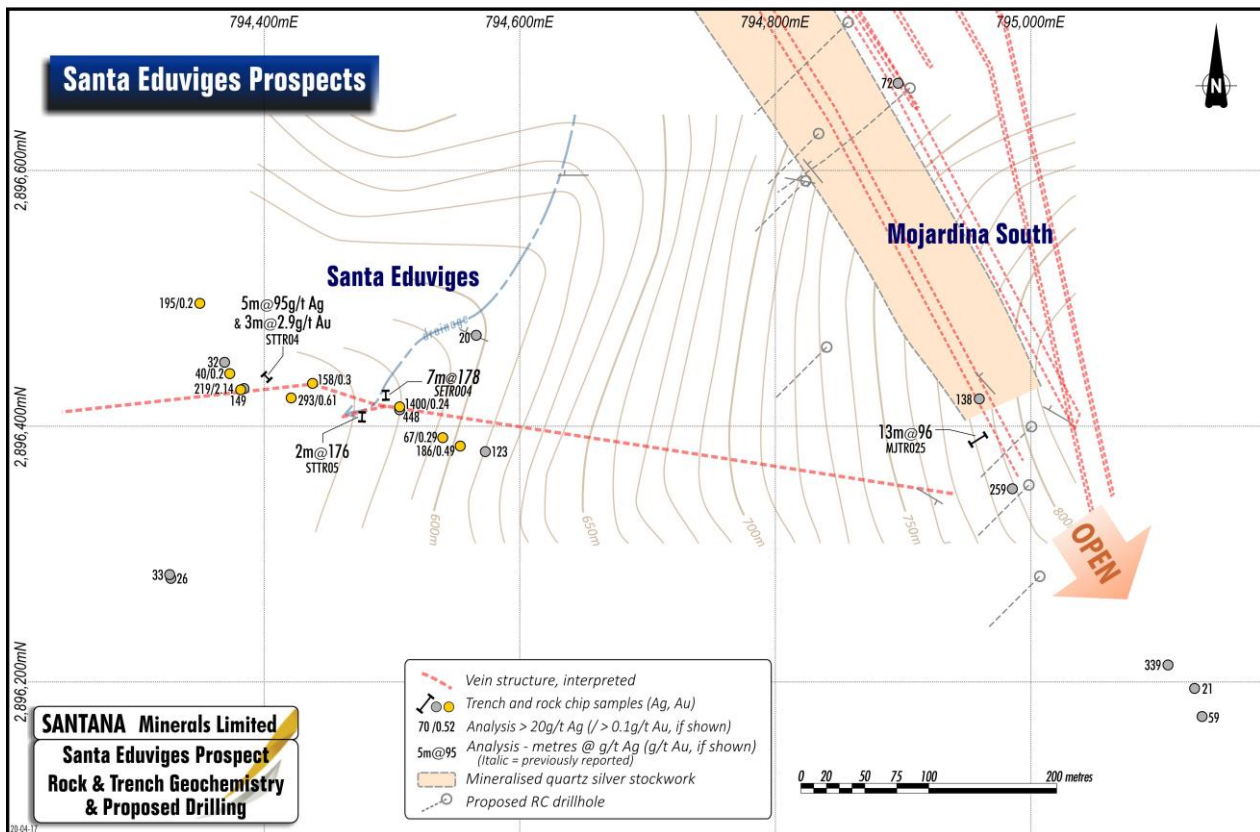


Figure 3: Santa Eduvigis/Mojardina Junction.

The results at the La Plata and Santa Eduvigis prospects is yet another demonstration of the highly prospective nature of the Cuitaboca Project.

Works at La Lupita and La Piedrita

As part of the Company's broader regional exploration endeavours a diamond saw was used to cut outcropping vein systems in an unbiased manner across the La Lupita and La Piedrita prospects with results suggesting the potential for a new silver dominant zone in the Project's north.

Significant Diamond sawn channels across the Lupita prospect (Figure 4) included:

- LUTR_05 7m @ 161 g/t Ag, 0.66% Pb + 0.82% Zn including
5m @ 222 g/t Ag, 0.83% Pb + 1.4% Zn
- LUTR_07 1.1m @ 158 g/t Ag, 2.3% Pb + 1.62% Zn
- LUTR_08 2.9m @ 281 g/t Ag, 3.1% Pb + 3.0% Zn
- LUTR_09 1.65m @ 514 g/t Ag, 6.8% Pb + 5.4% Zn

Significant Diamond Sawn channel across the La Piedrita prospect (Figure 4):

- LPTR_04 4.85m @ 135 g/t Ag, 2.2% Pb + 1.38% Zn

The reported results represent follow-up testing to gold mineralisation first detected by rock chip sampling on a structural junction of the La Lupita structure.

The La Lupita intercepts are significantly thicker than those to the SE along the same structure identified in earlier work programs and previously reported, namely;

- LUTR_01 0.7m @ 144 g/t Ag
- LUTR_02 2.1m @ 1.2 Au

Whilst these results are highly encouraging the Company's upcoming drilling campaigns will focus on further advancing the Mojardina prospect.

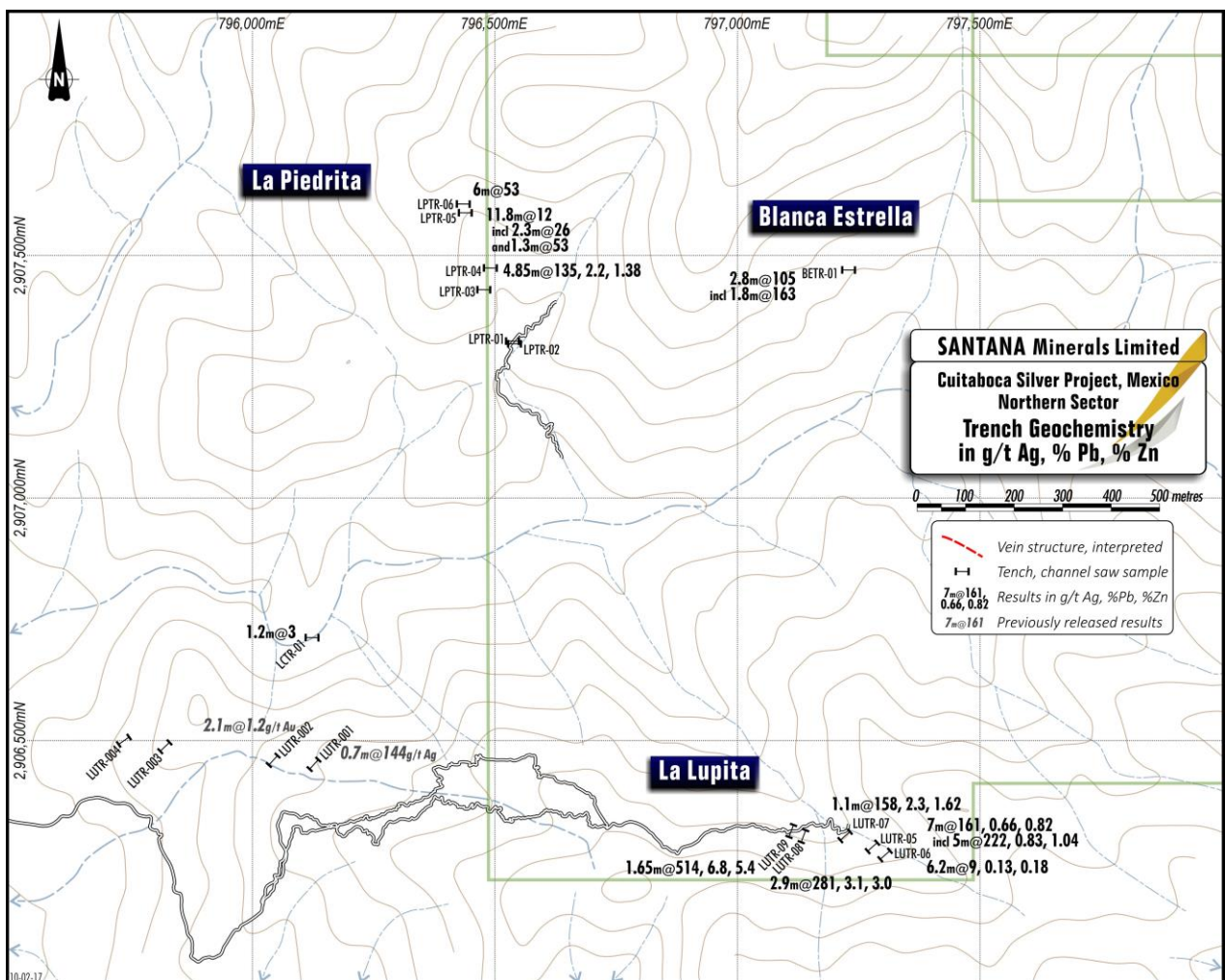


Figure 4: Diamond saw trenching channels at La Lupita and La Piedrita

Namiquipa, Chihuahua, Mexico (Santana 100%)

No significant work was undertaken at the Namiquipa Silver project during the quarter.

2. CORPORATE

Sale of Non-Core Assets

During the quarter the Company announced the divestment of two non-core Mexican subsidiary companies associated with the Namiquipa Project in Chihuahua and the previously relinquished interest in the Espiritu Santo project in Jalisco. Santana received net sale proceeds of approximately A\$750,000 from the disposal of these interests.

Santana has retained its 100% interest in the Namiquipa Project but has no further interest in at Espiritu Santo.

Site Visit and Investor Meetings

During March 2017 Managing Director Tony McDonald and members of the management team travelled to Cuitaboca, observed the geologic and earthworks ahead of the Company's upcoming RC drill campaign before conducting a series of investor update meetings with multiple brokerage firms and fund managers in the key North American financial centres of New York and Toronto.

Options Issue/Expiry

During the quarter Santana's Board approved the issue of 6.5m unlisted options under the Santana Minerals Limited Executive and Staff Option Plan to ensure alignment and incentivisation of key management with the Company's strategic objectives.

The Company also announced the expiry of 2.0m unlisted options.

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About Santana

Santana is a precious metals explorer focused on the Cuitaboca Silver-Gold polymetallic project in Sinaloa Mexico where it has a right to earn up to an 80% interest. Santana also holds 100% of the Namiquipa Silver (+lead and zinc) Project in Chihuahua.

Additional information about Santana and its projects is available on the website: www.santanaminerals.com

Competent Person/Qualified Person

The information in this report that relates to exploration targets, exploration results, mineral resources or ore reserve is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geoscientists. Mr Beckton is a part time consultant to Santana. Mr Beckton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additional ASX Listing Rule Information

Santana Minerals Limited (‘Santana’) provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

| Name | Number | Status | Interest Held |
|--|---------|---------|---------------|
| Namiquipa, Mexico | | | |
| Tasmania | 227076 | Granted | 100% |
| America | 219975 | Granted | 100% |
| Rolys | 236046 | Granted | 100% |
| Parker Range, Western Australia | | | |
| | M77/52 | Granted | 30%^ |
| | M77/893 | Granted | 30%^ |

^ Free carried to production.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

The Company has completed a transaction which allows it to earn an initial 80% interest in the Cuitaboca Project. The Company is earning, but has yet to earn, its initial interest. Further details are by reference to the announcement of 29 July 2014.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SANTANA MINERALS LIMITED

ABN

37 161 946 989

Quarter ended ("current quarter")

31 MARCH 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (370) | (1,738) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (56) | (171) |
| (e) administration and corporate costs | (87) | (315) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 2 | 8 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (511) | (2,216) |

| | | |
|--|------|------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (37) | (38) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | 799 | 882 |
| | (d) 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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | 762 | 844 |

| | | | |
|-------------|---|----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | 2,045 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | (32) |
| 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) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 2,013 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,695 | 1,321 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (511) | (2,216) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 762 | 844 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 2,013 |
| 4.5 | Effect of movement in exchange rates on cash held | 48 | 32 |
| 4.6 | Cash and cash equivalents at end of period | 1,994 | 1,994 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 718 | 43 |
| 5.2 Call deposits | 1,276 | 1,652 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,994 | 1,695 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

79

-

Executive and Non-Executive Directors Fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |
| | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 750 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 60 |
| 9.5 Administration and corporate costs | 190 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 1,000 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

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(Company secretary)

Date: 27 April 2017

Print name: Craig J McPherson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.