

## QUARTERLY REPORT

PERIOD 30 JUNE 2017

### Highlights

- Earthworks completed opening up access to southern extents of the Mojardina structure and Santa Eduvigis Junction.
- 18-hole drill program completed at the Mojardina Prospect confirming a new zone of mineralisation at Mojardina South and the continuation of mineralisation at depth and along strike across the controlling vein systems of Evangelina and Las Animas.
- Continued modelling of mapping, rock chip/diamond saw channel sampling and RC drilling results to further advance the Company's multiple prospects at Cuitaboca.

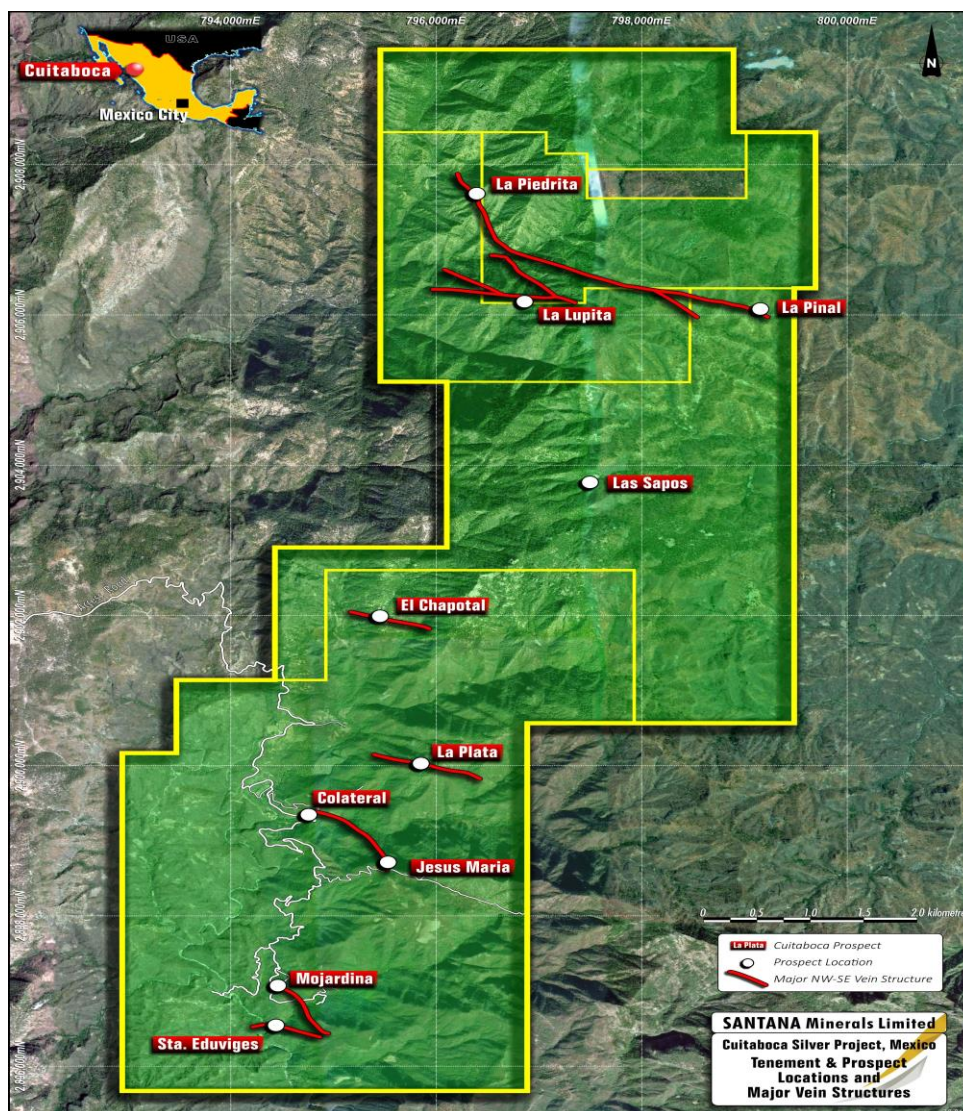


Figure 1 : Cuitaboca Project area

## **OPERATIONAL UPDATE**

### **CUITABOCA - SINALOA, MEXICO** (Santana earning to 80%) (**Figure 1**)

#### **Mojardina - RC drill campaign**

During the June quarter the Company's operations were predominantly focused on advancing the Mojardina Prospect. Two earlier RC drill programs had been conducted at Mojardina comprising 25 holes across ~3700m. Drilling across these first two programs had been limited to the north-western part of the Mojardina structure.

Previously undertaken surface mapping and diamond saw channel sampling at the southern extents of the Mojardina structure provided some evidence of the potential for continuing mineralisation. This resulted in new tracks being established to open up accessibility to this region, some 400-500m along strike from the previously identified mineralised zones of Las Animas and Evangelina toward the Santa Eduvigis Junction (**Figure 2**).

Upon completion of this work the Company commenced its Phase 3, 18-hole RC drill program at the Mojardina prospect. The initial holes of the program were designed to test the southernmost surface expressions of the Mojardina structure as identified by previous diamond saw channel sampling:

#### **Material intersections were as follows:**

- MSRC033            53m @47g/t Ag from 1m  
Including 23m @75g/t Ag from 30m;  
and **8m @ 157g/t Ag from 45m**  
(drilled below channel sample of 13m @96g/t Ag)
- MSRC034            15m@100g/t Ag from 3m  
Including **5m @197g/t from 12m**
- MSRC038            7m @53g/t Ag from surface

Grades across these reported holes (**Figures 2 and 3**) confirmed the existence of strong mineralisation at the southern extent of Mojardina and were in line with or better than diamond saw channel grades at surface. Further interpretation work and drill planning of Mojardina South is already underway.

Further to the north in the Tepomena region, holes MSRC037, MSRC039 and MSRC040 showed weak mineralisation over narrow widths. Hole MSRC038 intersected 7m @53g/t Ag from surface. Further review and 3D interpretative work will now help advance the understanding of this region.

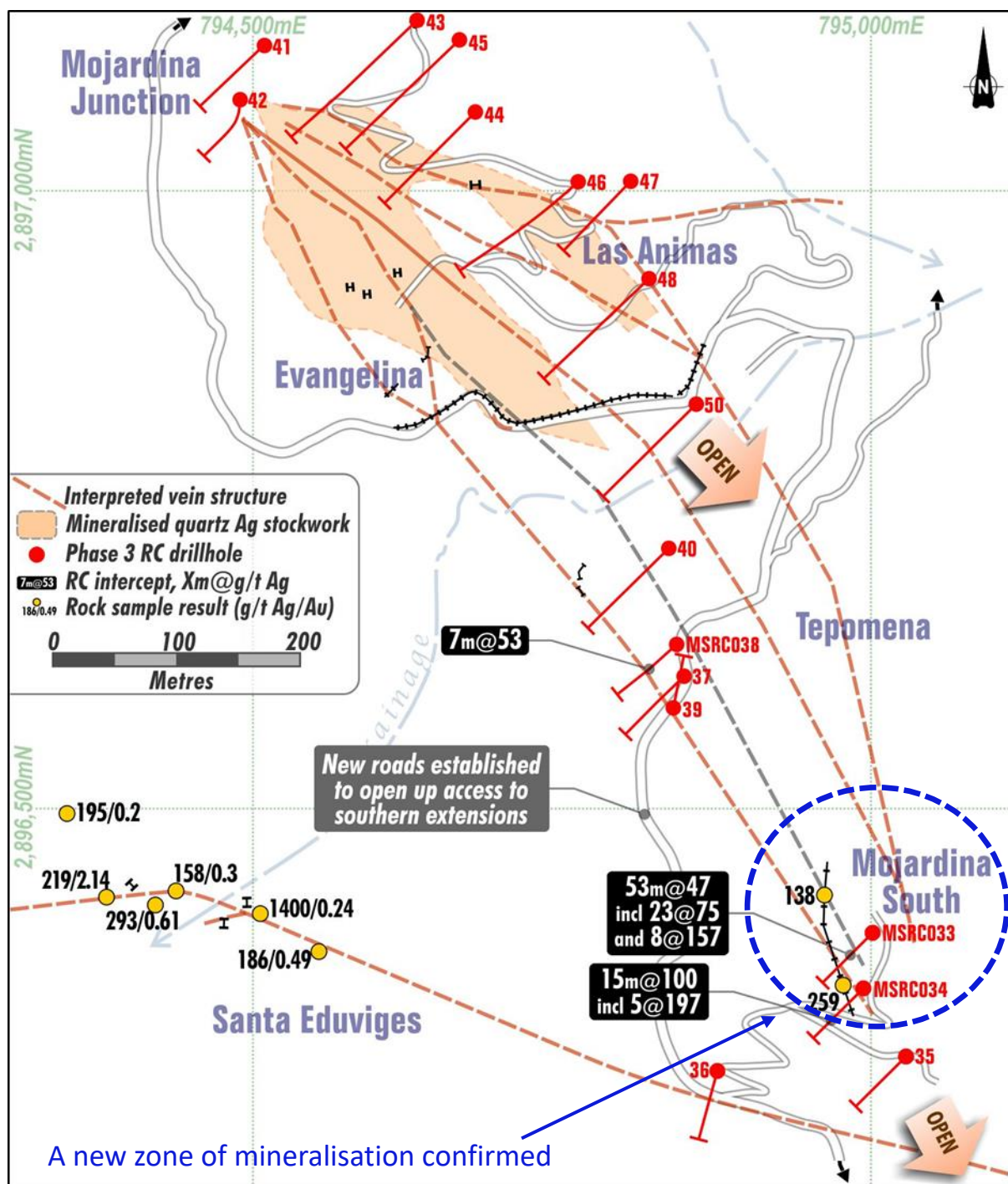


Figure 2: A new zone of mineralisation identified at Mojardina South



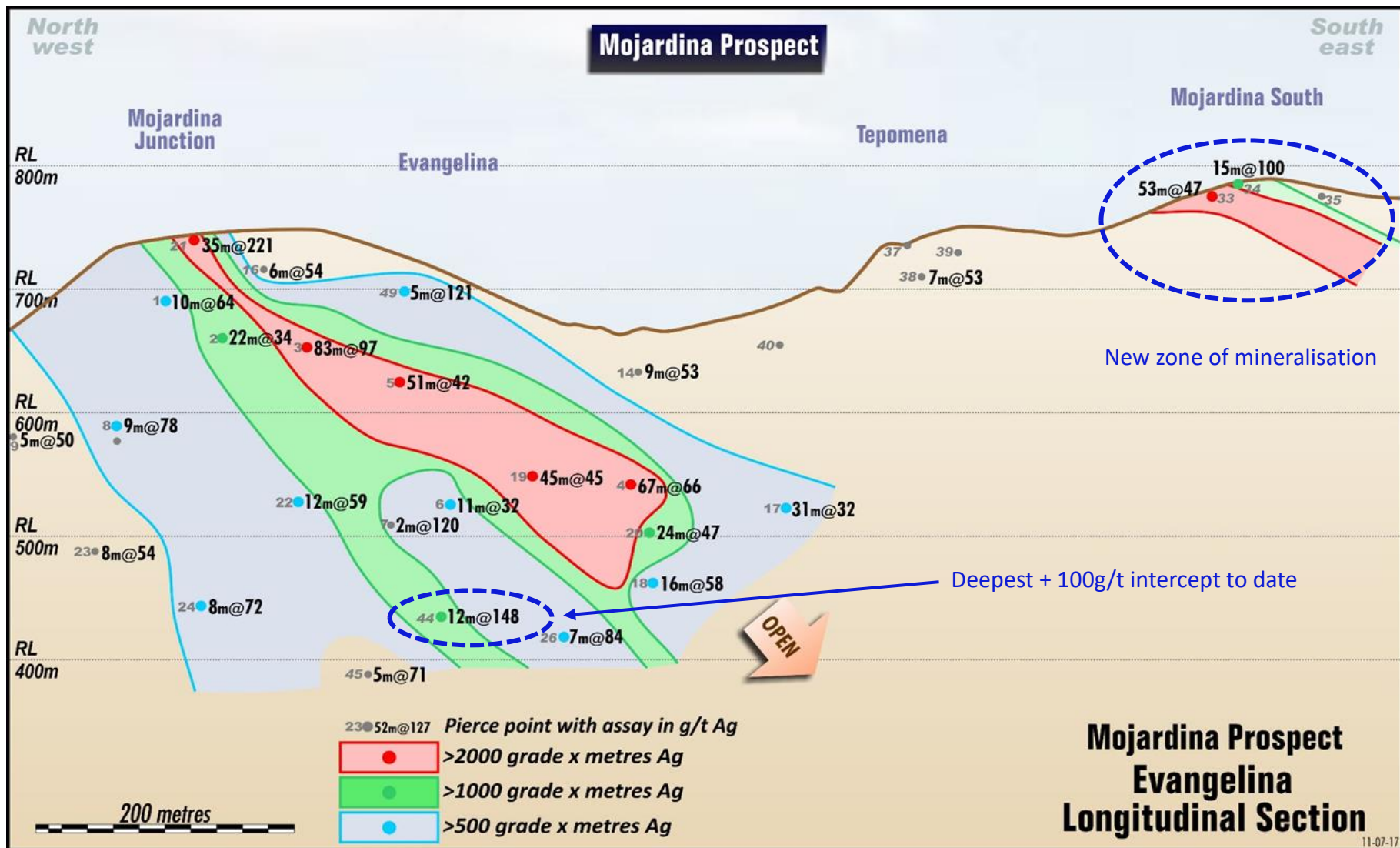


Figure 3 : Long Section of Mojardina system extending to Mojardina South

Having confirmed a new zone of near-surface silver mineralisation at Mojardina South in the first phase of the May-June 2017 drill program, the second phase of drilling (holes 41-50) was designed to test below the two previously identified controlling vein systems of Las Animas and Evangelina in the north-western part of the Mojardina structure.

The Company was pleased to report several significant intersections (**Figure 4 and 5**) that suggest mineralisation continues at depth across both of these vein systems.

**Material intersections were as follows:**

- MJRC044                      6m @ 100g/t Ag from 118m **and**  
   12m @ 148g/t Ag from 204m
  
- MJRC046                      32m @ 104g/t Ag from 98m  
   **including 19m @ 153g/t Ag and**  
   5m @ 93g/t Ag from 179m
  
- MJRC047                      12m @ 118g/t Ag from 99m  
   **including 6m @ 183g/t Ag**
  
- MJRC049                      5m @ 121g/t Ag from 15m

Drill hole MJRC044 intersected 6m @ 100g/t Ag from 118m and importantly continued on to intersect the footwall of the Evangelina structure, returning 12m @ 148g/t from 204m. This intercept is the deepest intercept to date within the Evangelina shoot. It remains open at depth and along strike.

Drill holes MJRC046 (32m @ 104g/t Ag, including 19m @ 153g/t) and MJRC047 (12m @ 118g/t Ag including 6m @ 183g/t) demonstrate significant levels of mineralisation and indicate a material extension of the previously identified Las Animas shoot. Initial interpretation suggests that a change in strike and increase in dip may be coincident with the increase in grade and widths, also resulting in an open zone of >100 g/t Ag at depth and along strike. Further interpretative work and future drill planning is already underway.

The Company was highly encouraged by the overall results of the drill program at Mojardina with a new zone of mineralisation identified at the southern extent of the structure and expansionary drilling below Evangelina and Las Animas confirming mineralisation remains open at depth and along strike. Each of the three RC drill programs undertaken at the Mojardina prospect have added significantly to its advancement and delivered material results that confirm the potential for a near surface, bulk tonnage silver resource.

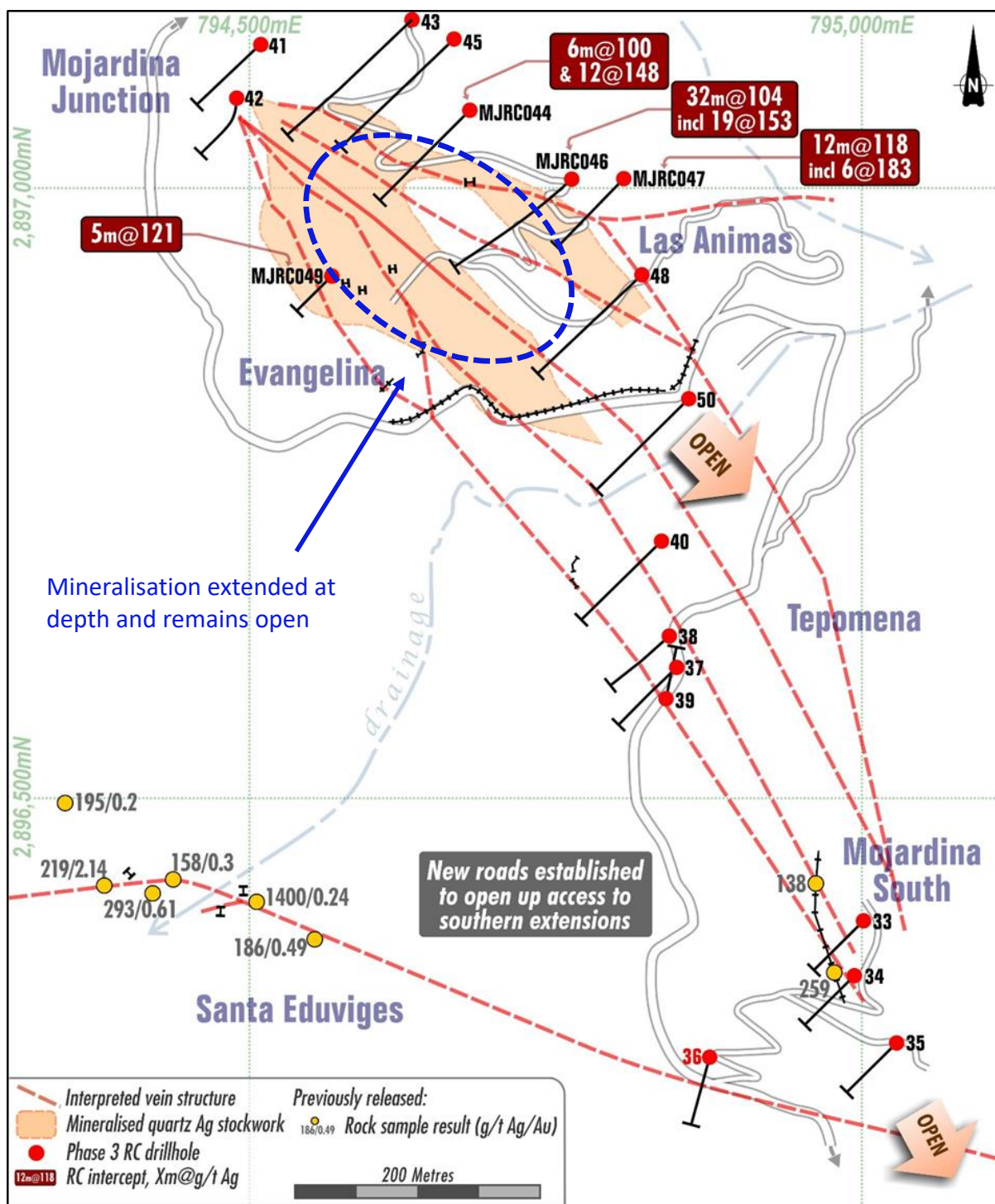


Figure 4: Mineralisation confirmed at depth across both Las Animas and Evangelina vein

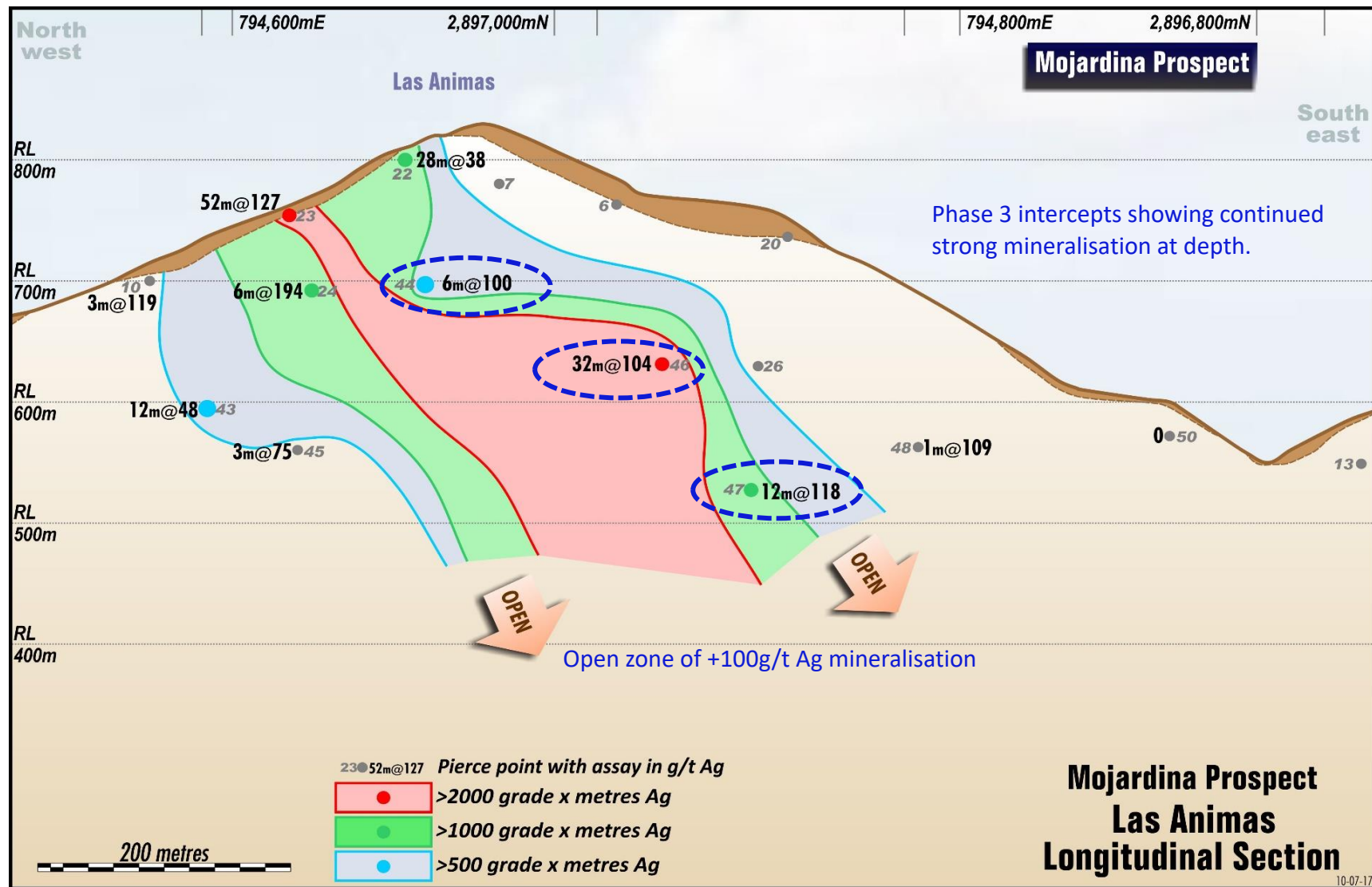


Figure 5: Las Animas Long Projection showing mineralisation continuing at depth



**NAMIQUIPA – CHIHUAHUA, MEXICO** (Santana 100%)

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

For further information, please contact:

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**About Santana**

Santana is a precious metals explorer focused on Mexico where it's primary focus is earning an initial 80% interest in the Cuitaboca Silver-Gold project in Sinaloa State. Santana also holds 100% of the Namiquipa Silver Project in Chihuahua.

Additional information about Santana and its projects is available on the website:

[www.santanaminerals.com](http://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
<b>Namiquipa, Mexico</b>			
Tasmania	227076	Granted	100%
America	219975	Granted	100%
Rolys	236046	Granted	100%
<b>Parker Range, Western Australia</b>			
	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")

30 JUNE 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(430)	(2,168)
(b) development	-	-
(c) production	-	-
(d) staff costs	(61)	(232)
(e) administration and corporate costs	(253)	(568)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	10
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(742)</b>	<b>(2,958)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	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)	(59)	(59)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(59)</b>	<b>785</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,013</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	1,994	1,321
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(742)	(2,958)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(59)	785
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	22	54
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,215</b>	<b>1,215</b>

5. <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	Current quarter \$A'000	Previous quarter \$A'000
5.1      Bank balances	423	718
5.2      Call deposits	792	1,276
5.3      Bank overdrafts	-	-
5.4      Other (provide details)	-	-
<b>5.5      Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,215</b>	<b>1,994</b>

**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 \$79k

**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**

-

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## Mining exploration entity and oil and gas exploration entity quarterly report

8.	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

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9.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	800
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	140
9.6	Other (provide details if material)	-
9.7	<b>Total estimated cash outflows</b>	<b>1,000</b>

10.	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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: ..... Date: 27 July 2017  
(Company secretary)

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.