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30 July 2018

Company Announcements Office
ASX Limited

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 JUNE 2018

- Sampling and mapping at Watson's Well shows Vanadium potential along a 5km strike
- Peak rock chip assay returned 1.64% Vanadium Pentoxide (V₂O₅)
- 21 MagLag samples were taken and returned grades between 0.56% and 1.23% V₂O₅ (average grade 0.96% V₂O₅)
- Watson's Well drilling anticipated to commence in September quarter, 2018
- Slim-line RC drilling completed at Payneville Central and Fenceline with assay results due late July/early August 2018

During the quarter, Santa Fe Minerals Ltd (ASX: **SFM**) (SFM, the **Company**) continued exploration across four priority targets - Watson's Well (Vanadium), Payneville Central/Fenceline (Gold), Yarrambie (Magmatic Nickel) and Mitchelton (Gold). See Figure 1 below.

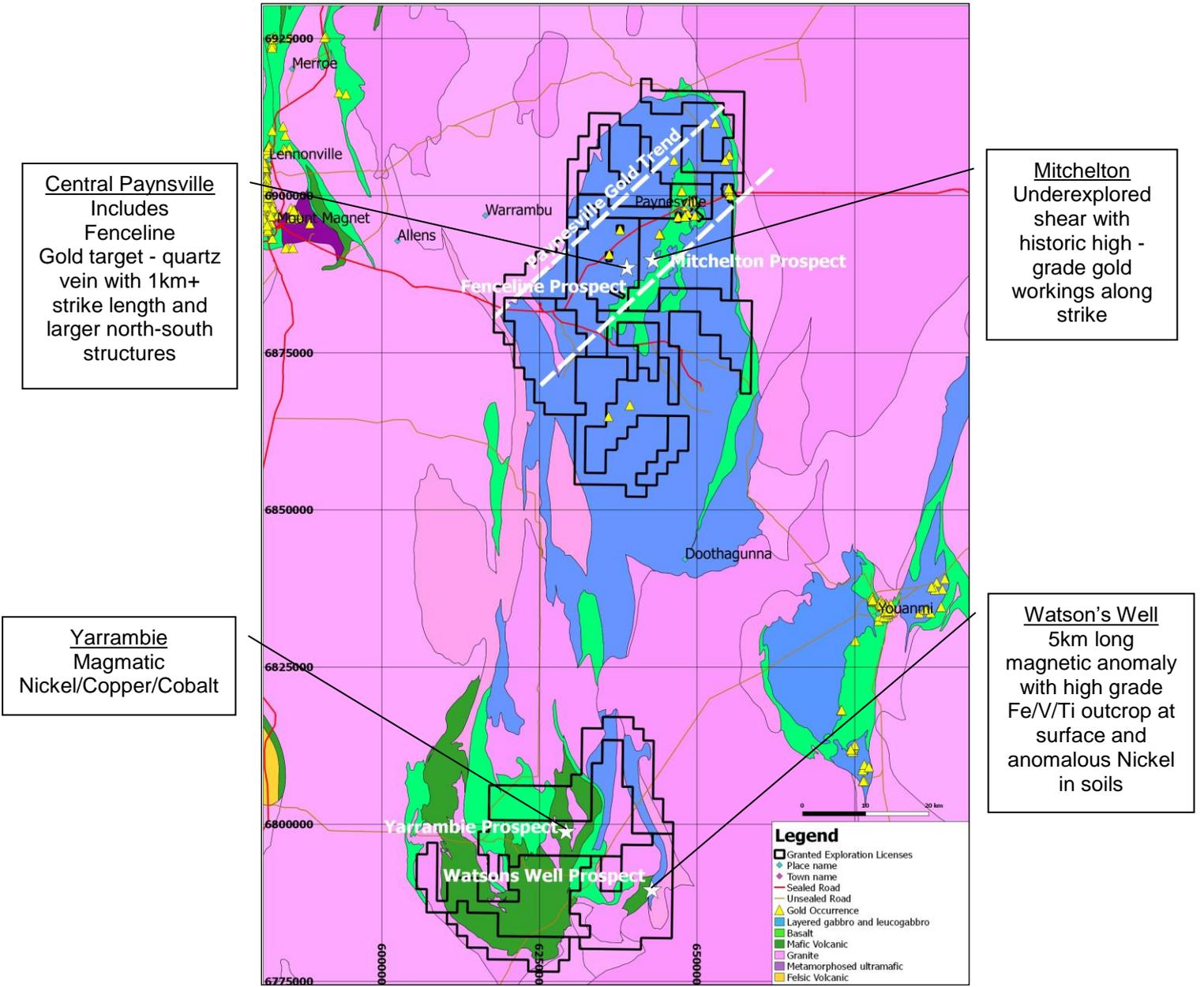


Figure 1 - Challa Project Area and prospects

Watson's Well - Vanadium

Very little historic work has been undertaken over this prospect except for early stage exploration conducted by WMC Resources Ltd (WMC) in 2004/5. Targeting Nickel Sulphide, WMC sampled the 5km long magnetic anomaly as part of a broader soil sampling program. The majority of the anomaly lies under thin alluvial cover.

Following the acquisition of the prospect earlier in the year, SFM conducted ground mapping and sampling to better understand the nature of the mineralisation.

As announced to ASX on 30 April 2018, initial mapping by the Company has discovered meta-gabbro outcrop and magnetite banding at Watson's Well. Unlike the Yarrambie prospect, outcropping rocks and float appear to be Mafic, rather than Ultra Mafic. SFM conducted a MagLag sampling program over a controlled grid and also sampled insitu magnetite layering at surface. Chemical assays received by SFM have shown peak values up to 1.64% V₂O₅ in rock chip samples.

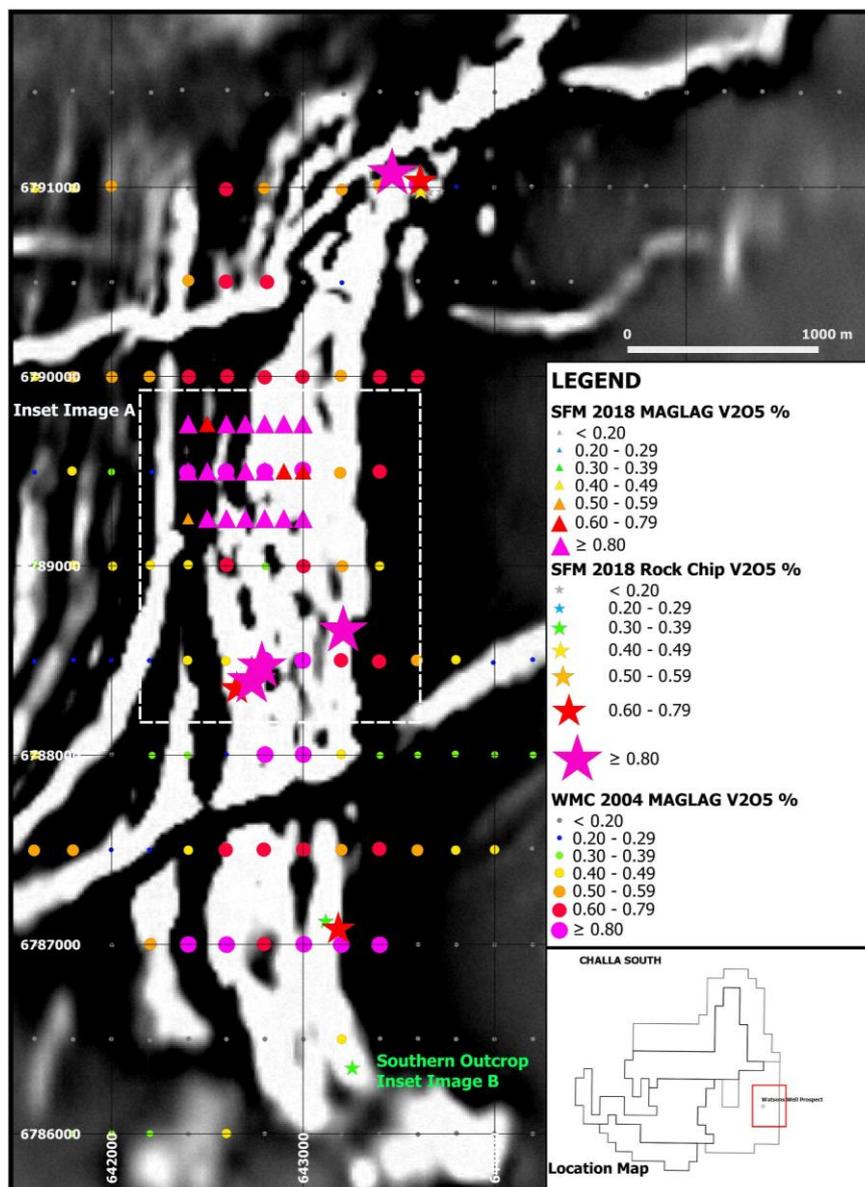
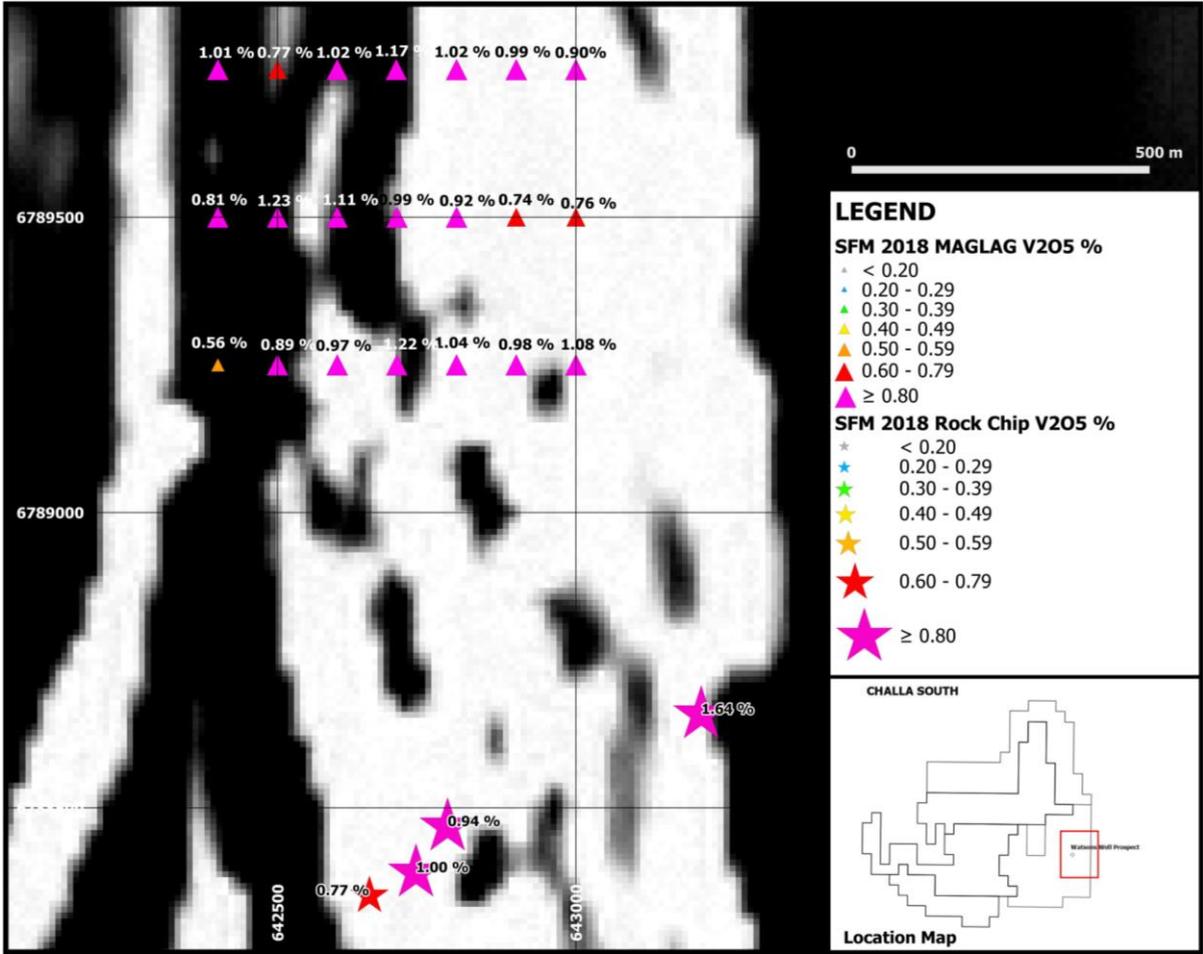
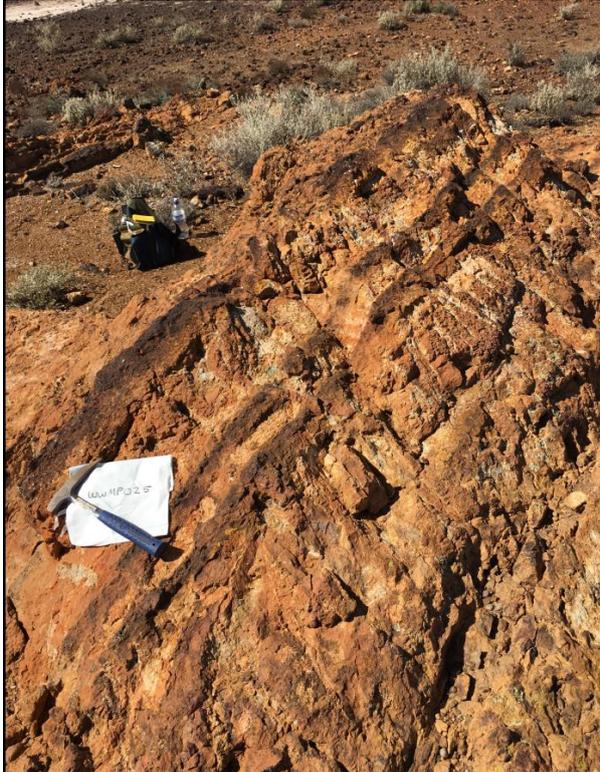


Figure 2 - V₂O₅ MagLag and Rock Chip sampling at Watson's Well Prospect



Inset image A - V2O5 MagLag and Rock Chip sampling at Watsons Well Prospect (SFM only)



Inset Image B - Southern Outcropping Magnetite banding



Figure 3 - Outcrop of Magnetite banding

The Company has investigated potential ground-based geophysical options over the target area and concluded that a field mapping exercise, followed by drilling is the best approach. Given that high resolution magnetic images are already available, no further geophysical surveys are required at this time. A separate exploration update will be provided on Watson's Well in the coming weeks.

Paynseville Central - Gold

As announced to ASX on 28 May 2018, the Company completed 1,563 metres of slim-line RC drilling at its Challa North Gold project area.



Figure 4 - Slimline Reverse Circulation (RC) drilling at Challa North

Drilling was conducted across three separate lines to test the 1km+ long quartz vein at the Fenceline prospect and the two much larger north-south and north-west – south-east striking structures that cut across the Paynesville gold trend.

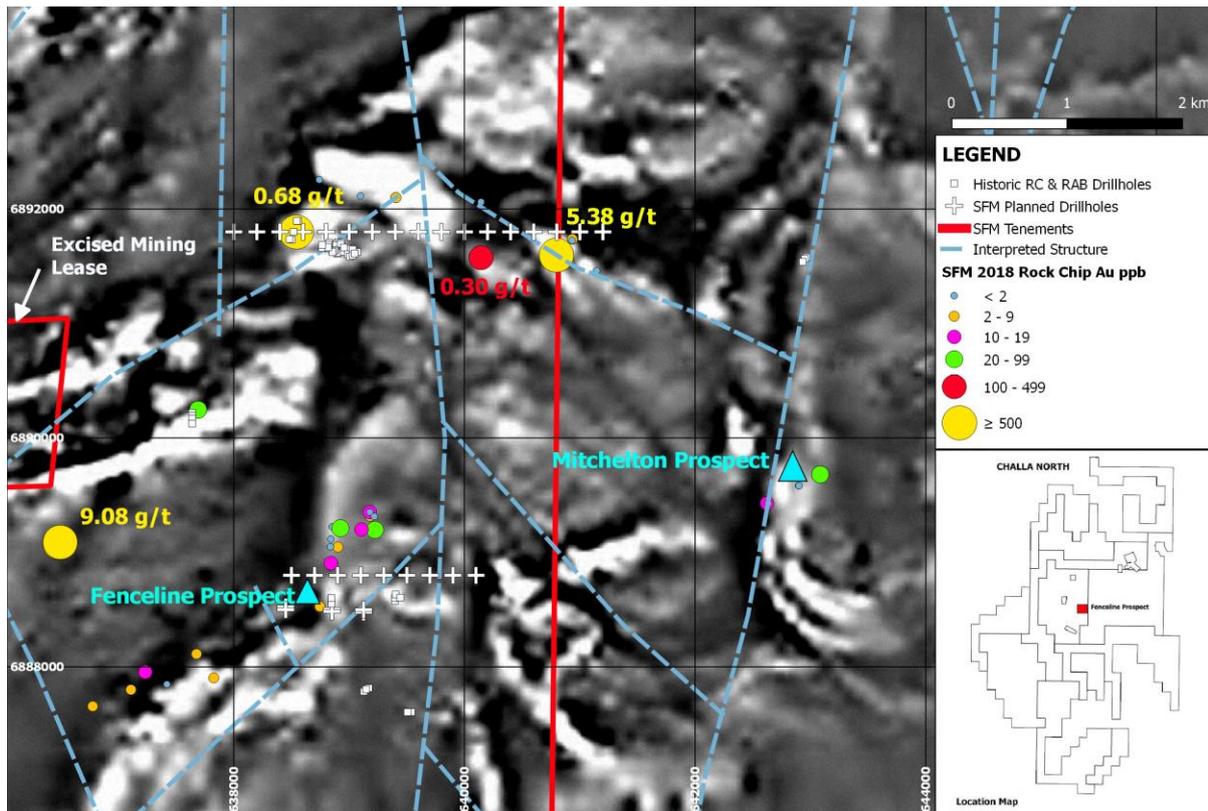


Figure 5 - Challa North project area with drill holes

High resolution Aeromagnetic imagery (Figure 5) shows the two larger structures. The Company believes that locations along these deep structures could potentially be the feeder system to the gold hosted quartz veins.

The Company expects to receive assay results within the next week.

Yarrambie (Nickel/Copper/Cobalt)

Yarrambie is a magnetic bullseye anomaly overlain by a co-incident Nickel/Copper/Cobalt geochemistry signature. Broad spaced soil sampling was conducted by WMC Resources Ltd (WMC) in 2004 - prior to WMC being taken over by BHP Billiton Ltd in 2005. The prospect was never drilled.

During the quarter, the Company conducted two mapping and rock chip/soil sampling programs over the prospect to further understand the structures and geochemistry. Peak Nickel values of 1,820 ppm Ni were recorded. Good continuity of nickel grade between historic WMC results and SFM samples was also achieved - see figure 6 below.

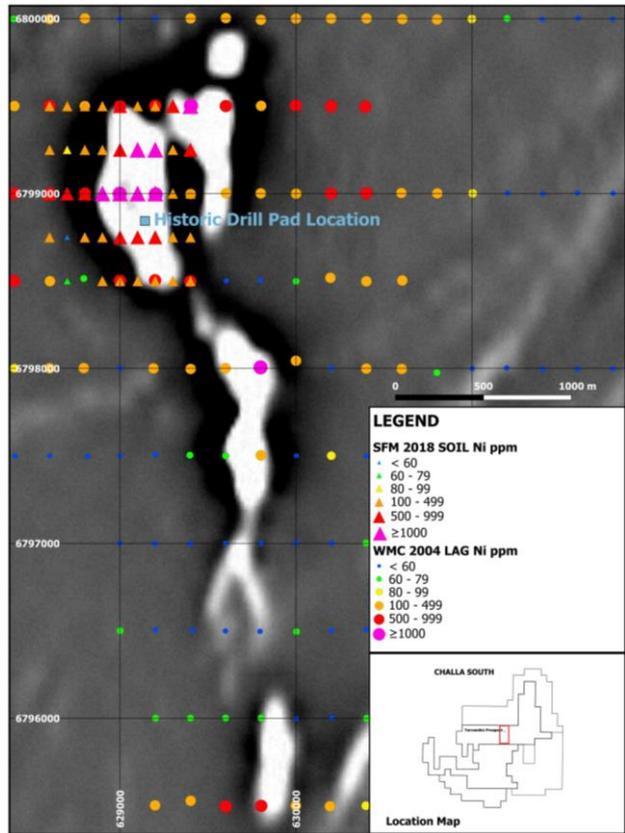


Figure 6 - Yarrambie prospect - Nickel Sampling

Copper assays from the Company's recent surface sampling with historic WMC Lag results are shown in Figure 7, below:

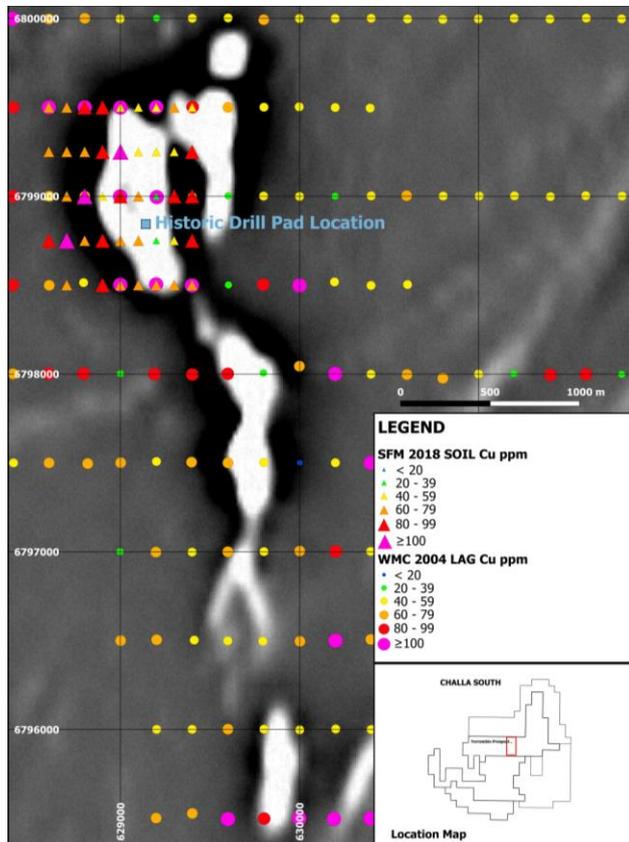


Figure 7 - Yarrambie prospect - Copper Sampling

While mapping the area, the Company discovered what appears to be historic earthworks for a drill pad - see location at figure 8. No physical signs of drilling or public records exist.



Figure 8 - Historic drill pad at Yarrambie prospect

The next phase of exploration will involve ground electro-magnetic surveys. Should SFM identify one or more conductors, the Company will follow up with RC drill testing.

Mitchelton

Mapping and sampling was conducted during the quarter. Further work is required to identify an adequate drill target.

Planned Work

Assay results from slim-line RC drilling conducted at Paynseville Central and Fenceline are due late July/early August 2018. Results will be analysed prior to planning further drilling.

Field mapping will be conducted at Watson's Well in early August in order to plan for a maiden drilling campaign. A separate exploration update will be provided on Watson's Well in the coming weeks.

Financial Position/Corporate

As at 30 June 2018, the Company had a balance of \$5,953,000 in liquid assets comprising of \$4,813,000 of cash and 2,000,000 shares held in Aurelia Metals Limited.

As announced to ASX on 28 May 2018, the Board agreed to extend the term of Doug Rose's Executive Service Agreement (ESA) for a further 2 years expiring on 30 June 2020. All other conditions of the ESA will remain the same.

The Company also continues to assess other potential exploration/development projects in the resources space.

Doug Rose

Managing Director

Santa Fe Minerals Limited

COMPLIANCE STATEMENT

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Mark Carder, a competent person who is a member of the Australian Institute of Geoscientists (AIG). The information has previously been announced to ASX on 15 May 2018 - "Exploration Update - Regional Field Activities", 28 May 2018 - "Drilling Commenced at Challa North - Paynesville Gold Trend" and 4 June 2018 - "Drilling Completed at Challa North - Paynesville Gold Trend". Santa Fe Minerals is not aware of any new information or data that materially effects the information provided in that announcement. Mark Carder is an employee of Santa Fe Minerals Limited. Mark has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken 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'. Mark Carder consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Schedule 1: Interests in Mining Tenements at the end of the quarter as required under ASX Listing Rule 5.3.3

Tenement	Holder¹	Interest	Location	Status
E58/472	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/500	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/501	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/502	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/503	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/504	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/511	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/526	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2124	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2125	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2226	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/485	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2257	Challa Minerals Pty Ltd	100%	Western Australia	Granted
E59/2259	Challa Minerals Pty Ltd	100%	Western Australia	Granted

¹Challa Resources Pty Ltd and Challa Minerals Pty Ltd are wholly owned subsidiaries of Santa Fe Minerals Limited.

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

Santa Fe Minerals Ltd

ABN

59 151 155 734

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(184)	(370)
(b) development	-	-
(c) production	-	-
(d) staff costs	(73)	(307)
(e) administration and corporate costs	(150)	(618)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	47	162
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST paid to be recouped)	2	(15)
1.9 Net cash from / (used in) operating activities	(358)	(1,148)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(68)
(b) tenements (see item 10)	-	(245)
(c) investments	(859)	(944)
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	108	291
(d) other financial assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	(751)	(966)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,000
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	-	(100)
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 (capital return to shareholders)	-	(2,748)
3.10 Net cash from / (used in) financing activities	-	(1,848)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,923	8,776
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(358)	(1,148)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(751)	(966)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(1,848)
4.5 Effect of movement in exchange rates on cash held	(1)	(1)
4.6 Cash and cash equivalents at end of period	4,813	4,813

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	341	317
5.2 Term deposits	4,472	5,606
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)	4,813	5,923

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	67
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	

Director fees and superannuation.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	3
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	

The Company rents office premises from a related entity. Normal commercial terms apply.

Mining exploration entity and oil and gas exploration entity quarterly report

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.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	-
9.3 Production	-
9.4 Staff costs	120
9.5 Administration and corporate costs	75
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	445

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	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

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.



Print name: Doug Rose
(Managing Director)

Date: 30 July 2018

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.