

14 November 2018

Company Announcements Office
ASX Limited

EXPLORATION UPDATE - WATSON'S WELL VANADIUM AND REGIONAL GOLD PROSPECTS

Following extensive surface sampling and mapping activities, Santa Fe Minerals Ltd (ASX: **SFM**) (SFM, the **Company**) is pleased to provide an exploration update across key targets.

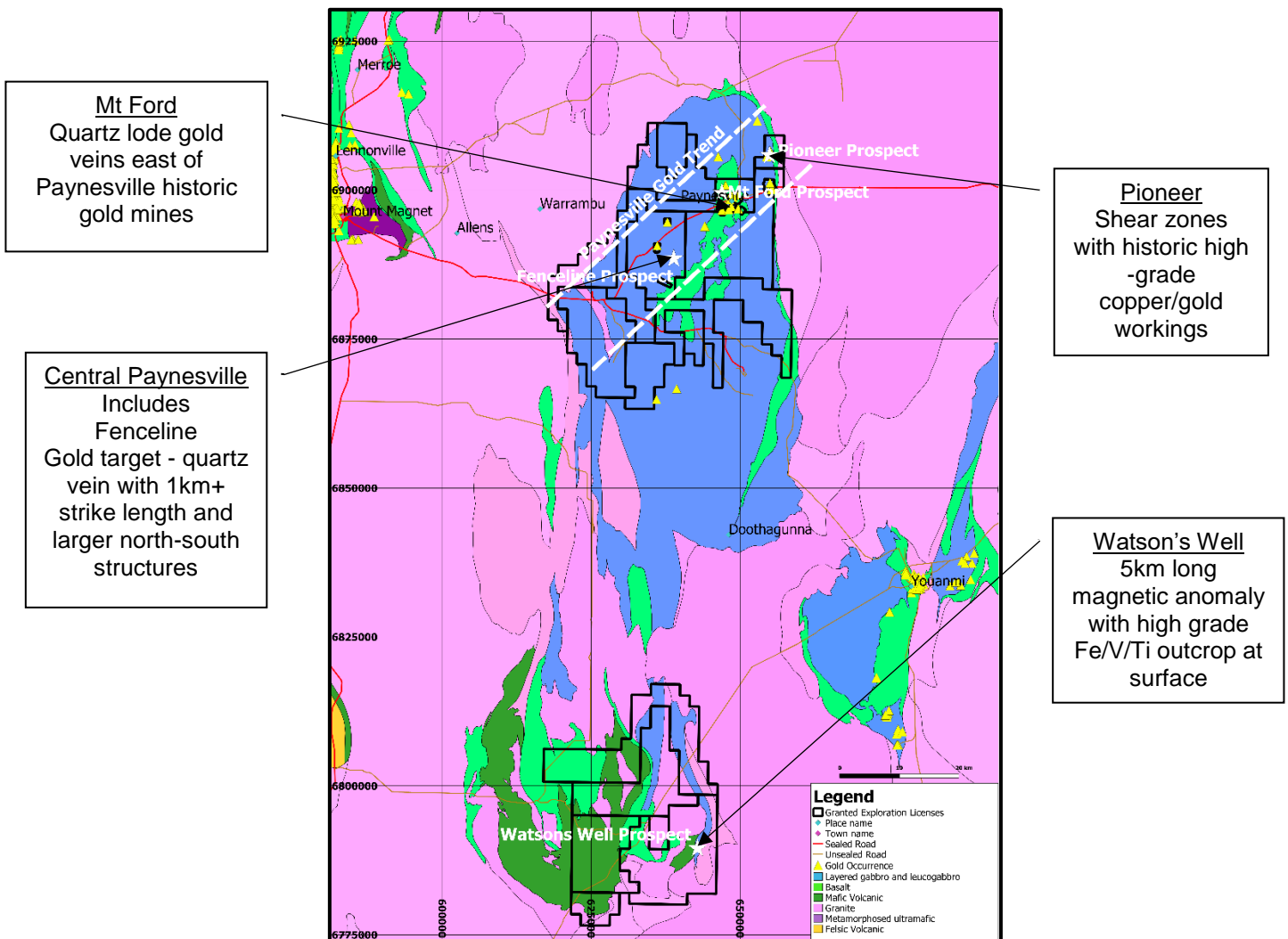


Figure 1 - Challa Project Area and prospects

Watson's Well - Vanadium

As announced on 30 April 2018, initial mapping by the Company discovered meta-gabbro outcrop and magnetite banding at Watson's Well. The Company also conducted a preliminary MAGLAG and rock chip sampling program with a peak rock chip assay returning 1.64% Vanadium Pentoxide (V_2O_5) - see ASX release dated 15 May 2018.

The Company has now concluded an extensive mapping and surface sampling program across the priority zones of the anomaly. Mag Lag sampling on a 250m by 100m grid was undertaken over a 2.4km² area. Rock chip samples were also taken from outcropping magnetite. Assay results for the September program are shown in Figures 2 and 3 below.

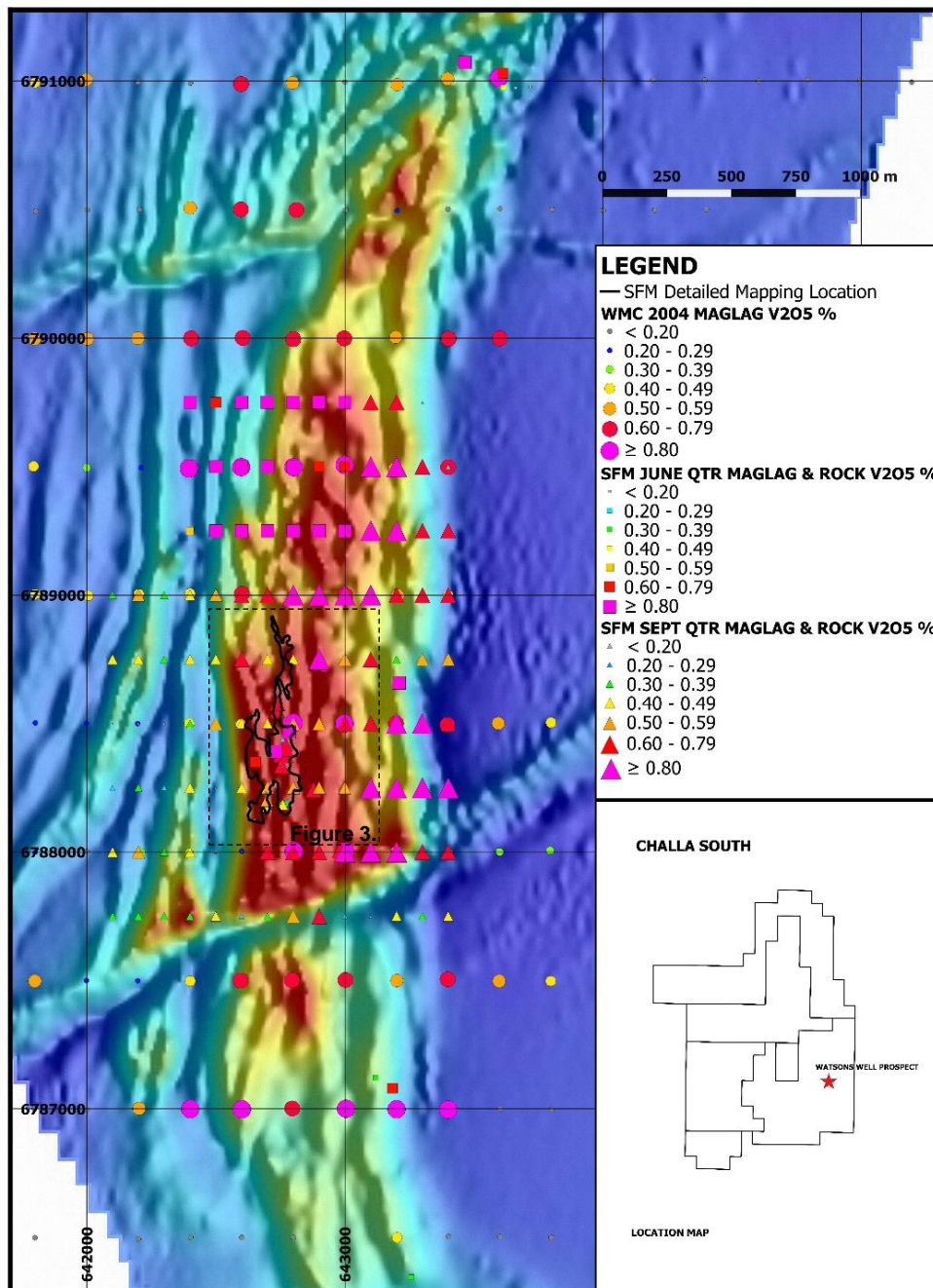


Figure 2 - Recent V_2O_5 MagLag and Rock Chip sampling assay results and location of detailed mapping location at Watson's Well Prospect

Detailed mapping of available outcrop along the south western section of the magnetic surface anomaly confirmed multiple 0.1 to 0.5m true thickness and strike continuous magnetite layers within layered 3m to 10m thick meta-gabbro and several late-stage strike continuous pegmatite sills. The majority of the magnetic anomaly area is covered by transported alluvium and duricrust consisting of transported cover and residual magnetite scree.

Multiple outcrops across the magnetic anomaly of resistant quartz and pegmatites confirm the lateral continuity of the pegmatites. There is no continuous outcrop across the magnetic anomaly to create a complete stratigraphic profile of the magnetite rich layers; only drilling beneath the transported cover will be able to define the geology profile of the package.

The latest surface geochemical data (MAGLAG and Rock Chip V_2O_5 content) does not show a direct correlation with the magnetic intensity image. The strongest magnetic intensity is not associated with the highest V_2O_5 assay grade and is more likely reflecting regolith dispersion of the magnetite scree by weathering and surface transport processes.

The MAGLAG samples recently completed across the magnetic anomaly display a consistent elevated $>0.60\%$ V_2O_5 anomaly. Grade variation from insitu rock chip data collected to date for the cumulate magnetite layers vary between 1.64% and 0.31% V_2O_5 (22 samples); meta-gabbro containing minor magnetite vary between 0.09% to 0.03% V_2O_5 (9 samples) and meta-gabbro containing common magnetite vary between 0.69% to 0.13% V_2O_5 (12 samples).

Based on recent field mapping the magnetite layering is dipping at -75 degrees towards the West; if the unit is not structurally overturned, the lower magnetite units are on the eastern side of the magnetic anomaly.

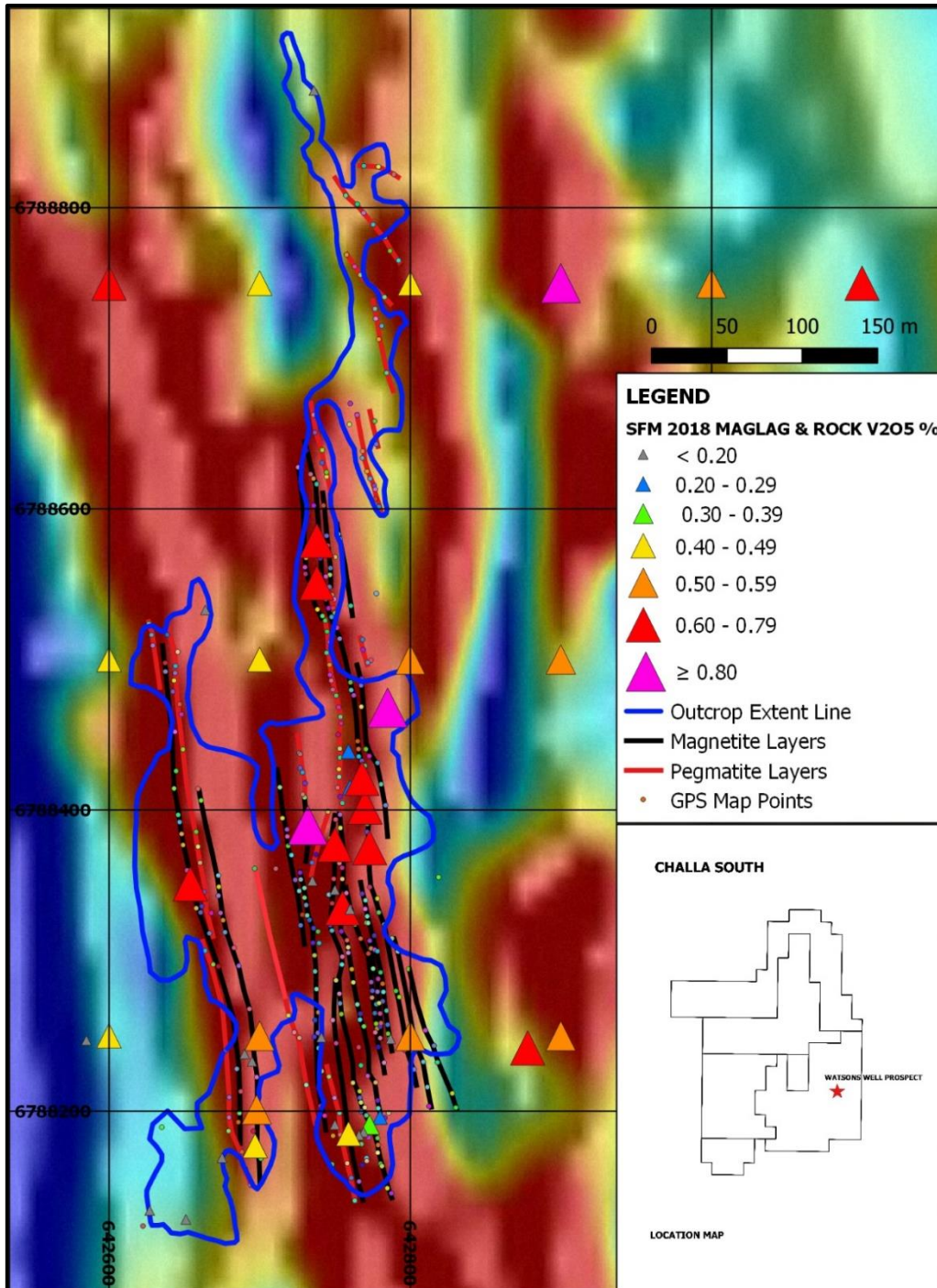


Figure 3 - Recent V_2O_5 MagLag and Rock Chip sampling assay results and detailed outcrop mapping at Watson's Well Prospect

The eastern side of the magnetic anomaly is proposed to represent the lower section of the Shephards Discordant Zone (SDZ) that contains higher V_2O_5 weight content magnetite relative to TiO_2 weight content. Due to the transported cover and surface dispersion of the residual soils, the magnetic image is not reflecting the true location or intensity of the highest $V_2O_5\%$ grade magnetite layers. The lower zone of the SDZ on the eastern side of the magnetic anomaly has the potential of being the more prospective side; however only drill testing can confirm the interpretation and provide representative assay data. The exposed western magnetite layers may represent the more evolved upper magnetite units with potentially lower V_2O_5 weight content relative to TiO_2 weight content magnetite units of the SDZ.

The Company has engaged a geological consultant to assist with conceptual geological interpretation and plan the next phase of exploration.

Pioneer/Windsor - Gold

A staggered 100m by 200m surface LAG sampling grid and a rock chip sampling program were recently completed. Field mapping also identified another high-grade small mine working to the north of the Pioneer North site. A total of three high grade historic mine workings with best grades: **19.0g/t**, **8.9g/t** and **25.3g/t** (new site) have been mapped within a 2.2km Gold-Copper-Bismuth mineral system. 100m spaced magnetic data highlights at least two north-south structures with the eastern shear forming the contact between the Windimurra Igneous Complex (WIC) from the Yaloginda Formation and Big Bell Granites to the East. The western north-south shear appears to be the same structure that hosts the Windsor Castle mine workings 3.8 km to the south.

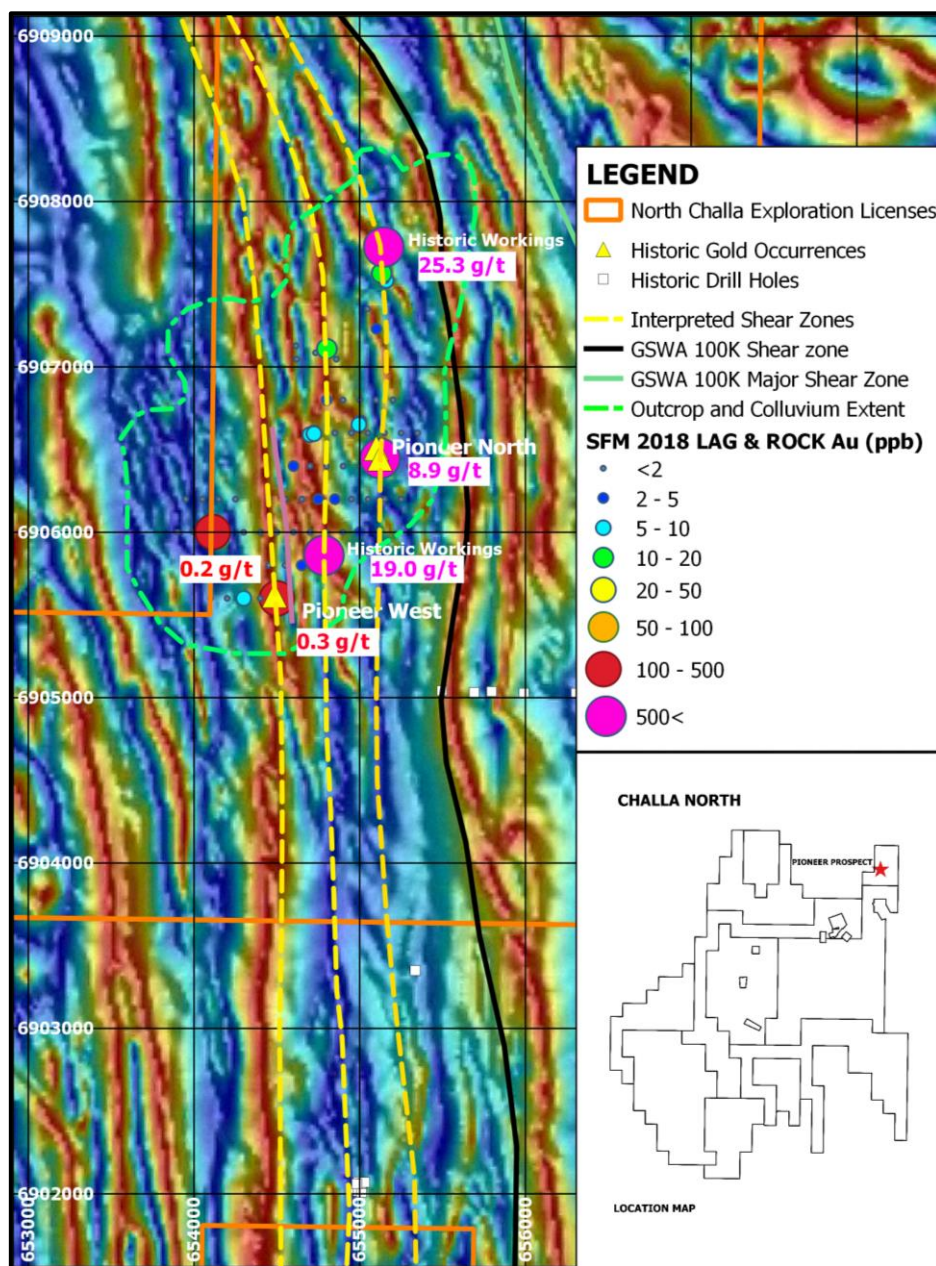


Figure 4 - Recent Lag and Rock Chip results at Pioneer Prospect over UTS 100m multiclient aeromagnetic data showing interpreted shear zones.

The Leucogabbro country rock hosting the shear structures is classified as part of the lower zone of the Windimurra Igneous Complex (WIC). Field observations indicate that the fabric is distinctly massive and coarse grained away from the finite shear zones hosting the quartz veins and mineralisation. The main shear hosting the quartz veining appears to be strike continuous approximately north-south and narrow 2 - 4m wide; gold mineralisation within the system is likely to be focused along these narrow (conduits) shears. The country rock appears to be resistant to deformation and hence any locality where the structure needs to deviate slightly along the main shear corridor may act as a dilation point for gold mineralisation. The mineralisation occurs within a discrete 600m wide zone and is untested 1km to the north and 3.6km to the south of the surface outcrop due to shallow transported cover.

A program to infill surface sample across the outcropping area plus Aircore drilling and/or detailed magnetics to vector in on structural targets beneath the transported cover is planned.

Central Paynesville - Gold

As announced on 28 May 2018, the Company completed 1,563 metres of slim-line Reverse Circulation (RC) drilling at its Challa North Gold project area with composite assay results being received during the September Quarter. The Company completed a total of 27 shallow slimline RC drill holes separated by 100 - 200m spacing along two east-west drill lines and 6 shallow slimline RC drill holes targeting the Fenceline quartz vein.

The east-west drill lines were sampled on 3m composites and designed to intercept both the interpreted major north-south striking and the northwest-southeast structures highlighted in the UTS Geophysics Pty Ltd (UTS) 100m multi-client aeromagnetic data.

Six of the east-west shallow slimline RC holes intercepted >20ppb Au values and all of these holes were recently re-assayed to the 1m primary sample retained in green poly bags. All six holes returned >50ppb assays with the best 1m composite of 389ppb at 22m down hole for PCRC10015 and 348ppb at 44m down hole for PCRC10023; indicating an open gold system.

Table 1 below summarizes all 50ppb and above significant intercepts for the Paynesville drilling program on 1m composite samples. The table also contains three holes (PCRC10028, PCRC10029 and PCRC10033) drilled by the Company and previously reported, targeting the Fenceline quartz vein.

Table 1: 2018 Paynesville and Fenceline RC Drilling Results – Challa North – Paynesville Gold Trend

RC drill hole intersections tabulated below are calculated with a 50ppb Au lower cut for the entire drill program. These represent the intersections from individual 1m sample results and include 1m of internal dilution. The samples are routinely collected as 1m sample intervals from the cyclone or field reject.

Hole ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Dip	Azimuth	Hole Depth (m)	Depth From (m)	Depth To (m)	Downhole Intersection (m)	Au Value (ppb)
PCRC10010	6891803	639403	489	-60	90	72	6	8	2	108
Including							6	7	1	164
PCRC10010	6891803	639403	489	-60	90	72	10	11	1	51
PCRC10011	6891803	638902	480	-60	90	39	19	20	1	76
PCRC10013	6891803	638703	480	-60	90	36	17	18	1	152
PCRC10015	6891795	638527	481	-60	90	48	16	18	2	52
PCRC10015	6891795	638527	481	-60	90	48	20	27	7	153
Including							22	23	1	389
Including							25	26	1	243
PCRC10021	6888800	638830	478	-60	90	45	21	24	3	87
Including							21	22	1	164
PCRC10023	6888798	639398	477	-60	270	66	44	49	5	134
Including							44	45	1	348
PCRC10028	6888483	638848	479	-60	360	72	17	19	2	68
Including							17	18	1	104
PCRC10029	6888506	638850	479	-60	360	48	16	23	7	66
Including							16	17	1	182
PCRC10033	6888525	638450	478	-60	360	48	18	20	2	1890
Including							18	19	1	3740

Of the 33 holes completed during the Paynesville drilling program, 9 drill holes with elevated (>50ppb) gold intercepts occurred within a 1km wide zone running parallel to a major north-south magnetic structural line. Historic surface samples also show a sharp grade transition away from the north-south contact; gold mineralizing fluids may be associated with this structure; no historic drilling has tested this contact between the two recent east-west drill lines. The majority of gold occurrences observed on surface are associated with discrete dilation quartz veins and stacked en-echelon shear veins. The abundant occurrences of these finite gold hosted bucky quartz veins proximal to the north-south shear structure indicate that a larger gold provenance may occur at depth along the north-south shear structure; preventing simple grade vectoring methods using surface sampling.

Multispectral remote sensing of spectrally active alteration minerals along the north-south shear contact is planned to guide future RAB/Aircore line drilling within the zone of best drill intercepts corridor.

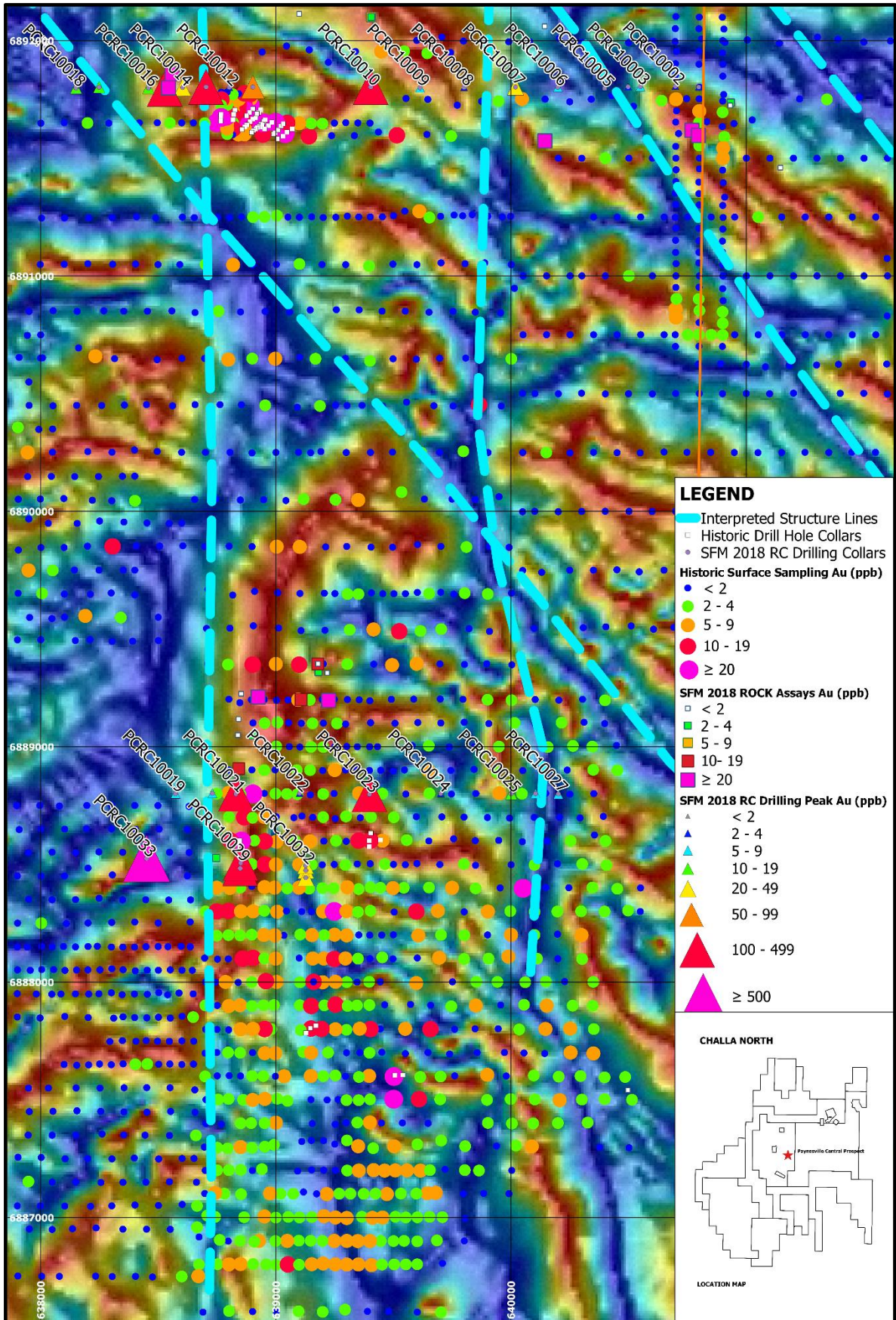


Figure 5 - Drill Hole Location plan over UTS 100m multiclient aeromagnetic data showing recent RC drilling relative to interpreted structures. Historic surface sampling and recent Rock Chip results shown.

Mt Ford - Gold

The Mt Ford prospect is located adjacent to the historic Paynesville mine workings (excised). During the September quarter, the Company undertook two LAG sampling grids and Rock Chip sampling on two localities across the Mt Ford prospect; refer to Figure 6 below. The locality has good exposure of the host rock which consists of equigranular felsic volcanic and sedimentary rocks of the Kantie Murdana Volcanics (KMV) Member, that occurs as a local roof pendant to the folded Windimurra Igneous Complex (WIC). The KMV unit displays ubiquitous north south axial planar foliation parallel to the WIC fold hinge. Shear planes parallel to the north-south axial foliation have produced discrete sites of an echelon dilation quartz veins often hosting gold mineralisation.

Of the two recent surface LAG grids completed at Mt Ford prospect, the eastern grid displayed an open Au anomaly to the north with a best grade anomaly of 72ppb, individual rock chip assays also show above background Au values. A discrete northeast linear trend is also evident on the western grid with a best grade anomaly of 0.34g/t, further mapping and rock chip sampling is required to determine if the trend is significant. Planned work will include infilling and extending the eastern surface LAG grid to the north across the open target zone; refer to Figure 6 below.

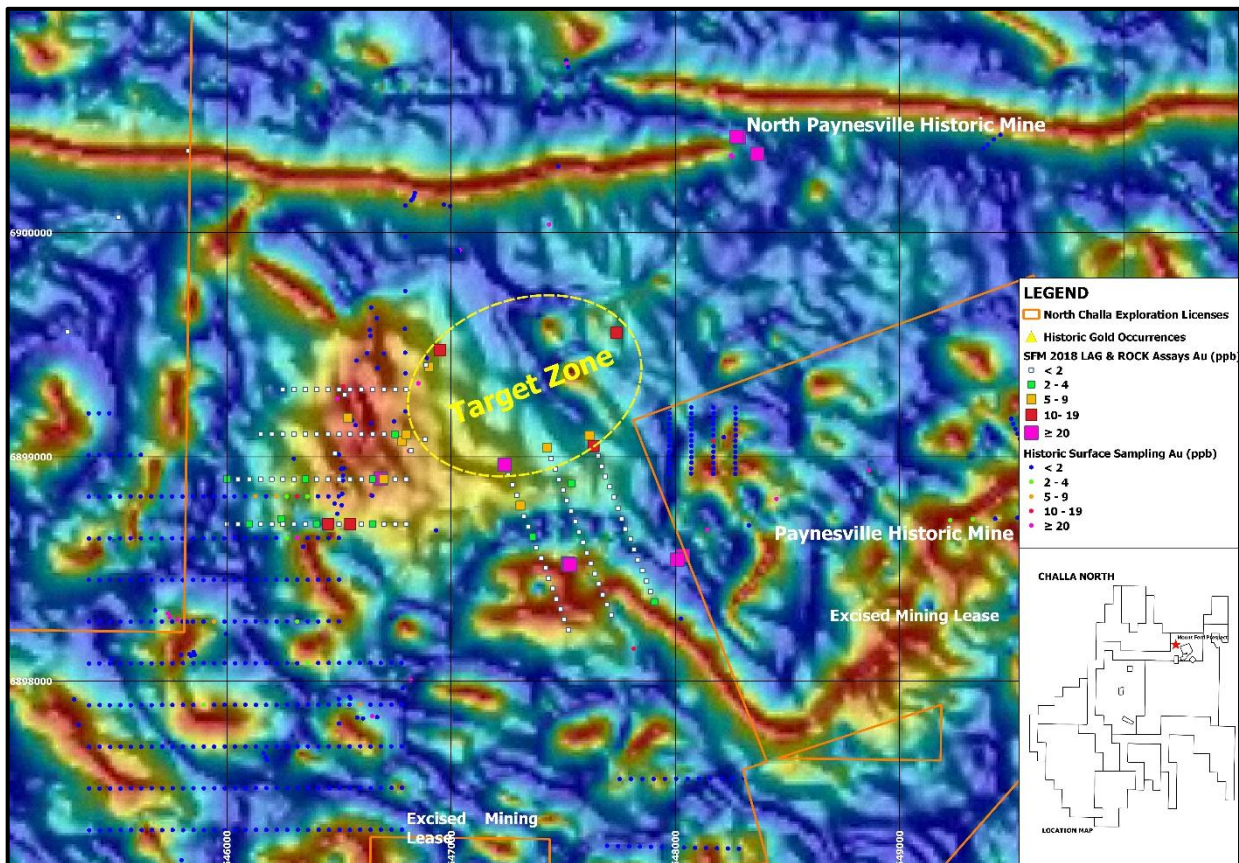


Figure 6 - Recent Lag and Rock Chip results at Mt Ford Prospect over UTS 100m multiclient aeromagnetic data showing open target zone. Historic surface sampling and gold occurrences shown.

Future Work Program

Priority targets at Watson's Well, Pioneer/Windsor and Paynesville Central are being assessed for future field activities, most likely RC Drilling (Watson's Well) and Aircore drilling (Pioneer/Windsor and Paynesville Central) will be undertaken.

Assay results submitted for surface LAG sampling grids completed in the September quarter for Yard Well, Saffron East and Wagoo Hills areas are expected shortly.

For Investor enquiries, please contact:

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COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Mark Carder who is a Member of the Australian Institute of Geoscientists. Mr. Carder is an employee of Santa Fe Minerals Limited and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Carder consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Challa North: Central Paynesville, Mt Ford and Pioneer Prospects: RC re-sample, Rock-chip, LAG sampling and mapping conducted by employees of Santa Fe Minerals. Samples collected by Santa Fe Minerals and assayed at Bureau Veritas (Perth Laboratory) using technique AR101 (40g charge)/ICP-MS/OES. Total sample (<3kg) pulverized. Central Paynesville and Mt Ford Prospects: historic surface sampling collected and assayed by Apex Minerals NL in 2002, 2003 and 2005 and assayed at Genalysis (Perth Laboratory) using BLEG (500g charge). • Challa South: Watson’s Well Prospect: Rock-chip, Mag Lag sampling and mapping conducted by employees of Santa Fe Minerals. Samples collected by Santa Fe Minerals and assayed at Bureau Veritas (Perth Laboratory) using technique MA101 (0.2g charge)/ICP-MS/OES. Total sample (<300g) pulverized. Lag sampling and geochemistry conducted by WMC Resources Ltd in 2004-2005. Samples collected and assayed by WMC Resources Ltd at Ultratrace Perth using technique 00MXB. No other details recorded in WMC WAMEX open file report. • Challa North and South: Multiple rock-chip samples (1-3kg) collected of representative rock-textures in the target lithology (e.g. quartz vein, sheared rock, magnetite cumulates). -6mm +2mm, soil, deflation lag and maglag collected (200-300g sample). Nominal sample spacing 400m by 100m. • Challa South: Watson’s Well Prospect: Lag sampling and geochemistry also conducted by WMC Resources Ltd in 2004-2005. Nominal sample spacing 200m by 500m.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • Drilling results referred to in this announcement please refer to ASX EXPLORATION UPDATE – PAYNESVILLE GOLD TREND DRILLING RESULTS AND WATSON’S WELL VANADIUM EXPLORATION PROGRAM dated 6 August 2018.

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • Drilling results referred to in this announcement please refer to ASX EXPLORATION UPDATE – PAYNESVILLE GOLD TREND DRILLING RESULTS AND WATSON'S WELL VANADIUM EXPLORATION PROGRAM dated 6 August 2018.
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Drilling results referred to in this announcement please refer to ASX EXPLORATION UPDATE – PAYNESVILLE GOLD TREND DRILLING RESULTS AND WATSON'S WELL VANADIUM EXPLORATION PROGRAM dated 6 August 2018.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Not applicable. No core drilling results are referred to in this announcement. • Re-sampling of previous 3m composites into 1m intervals directly from retained 1m field rejects using PVC sample spear into green poly bags. Pre-numbered calico bags containing the samples were dispatched to the laboratory for assay. • The sample preparation of the RC re-samples follows industry best practice, involving oven drying, pulverizing, to produce a homogeneous sub-sample for analysis. • Along with submitted samples, standards and blanks were inserted with the numbers 10, 30, 50, 70 and 90. Standards were certified reference material prepared by Geostats Pty Ltd.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> 	<ul style="list-style-type: none"> • Challa North: Central Paynesville, Mt Ford and Pioneer Prospects: Santa Fe Minerals samples digested with Aqua Regia for optimal extraction of gold and assayed using ICP-MS; other multi-elements assayed with ICP-OES. The analytical technique is considered by Santa Fe Minerals to be appropriate for

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li data-bbox="357 875 887 1055">• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <li data-bbox="357 1088 887 1267">• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p data-bbox="967 253 1461 432">reconnaissance exploration assessment of rock chip samples. Apex Minerals NL 2002, 2003 and 2005: -2mm soil samples and LAG assayed bulk cyanide digest (BLEG) for gold only with a 0.01ppb detection limit.</p> <ul style="list-style-type: none"> <li data-bbox="927 465 1469 835">• Challa South: Watson's Well Prospect: Santa Fe Minerals samples extended digest with a Hydrofluoric, Nitric, Hydrochloric and Perchloric four acid mix for optimal extraction for a near total digest of most elements and assayed using ICP-MS and ICP-OES. The analytical technique is considered by Santa Fe Minerals to be appropriate for reconnaissance level exploration targeting. WMC 2004 Data: Unable to determine from historical WMC reports. <li data-bbox="927 869 1469 925">• No geophysical results are referred to in this announcement. <li data-bbox="927 958 1469 1440">• Challa North: Central Paynesville, Mt Ford and Pioneer Prospects: No field repeats, blanks or reference materials were submitted by Santa Fe Minerals with the reconnaissance surface samples. Santa Fe Minerals samples were subjected to Bureau Veritas (Perth Laboratory) internal repeat assay rate of 1 in 10 and subjected to Bureau Veritas internal reference material rate of 1 in 15; The quality control by Bureau Veritas is considered by Santa Fe Minerals to be acceptable for assay accuracy and precision. Apex Minerals NL 2002, 2003 and 2005 Data: Unable to determine from historical Apex Minerals NL WAMEX reports. <li data-bbox="927 1473 1469 1955">• Challa South: Watson's Well Prospect: No field repeats, blanks or reference materials were submitted by Santa Fe Minerals with the reconnaissance stage surface samples. Santa Fe Minerals samples subjected to Bureau Veritas (Perth Laboratory) internal repeat assay rate of 1 in 10 and subjected to Bureau Veritas internal reference material rate of 1 in 15; The quality control by Bureau Veritas is considered by Santa Fe Minerals to be acceptable for assay accuracy and precision. WMC 2004 Data: Repeat samples collected at the rate of 1 in 20 by WMC. No assessment of assay variability reported.

Criteria	JORC Code explanation	Commentary
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Challa North: Central Paynesville, Mt Ford and Pioneer Prospects: Bureau Veritas (Perth Laboratory) internal replicate assay values were used to verify the high-grade assays and reviewed by an alternative Santa Fe Minerals personnel. No assessment for the data reported by Apex Minerals NL 2002, 2003 and 2005. Challa South: Watson's Well Prospect: Bureau Veritas (Perth Laboratory) internal replicate assay values were used to verify the high-grade assays and reviewed by an alternative Santa Fe Minerals personnel. No assessment for the data reported by WMC. No holes were twinned. Santa Fe Minerals Data System: Field mapping and assay data in the form of excel spreadsheets was collated and uploaded into the Santa Fe Minerals main access database that is saved to a web-hosted server. Original documentation, mapping data, primary assay files and database upload files are scanned and saved to the web-hosted server. Challa North: Central Paynesville, Mt Ford and Pioneer Prospects: No adjustment of assay data undertaken. Challa South: Watson's Well Prospect: Primary elemental V values have been converted to V2O5 using elemental ratio adjustment factor of 1.785.
<i>Location of data points</i>	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Challa North and South: All sample locations determined by hand-held GPS. Challa North and South: GDA-94 Zone 50. Challa North and South: +/- 10m. No RL data recorded. Topographic data purchased from Landgate 10m resolution DEM.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> 	<ul style="list-style-type: none"> Challa North: Central Paynesville Prospect: Hole spacing at nominal 200m centres on the 090° orientated drill lines and nominal 20m centres on the 360 orientated drill lines. Mt Ford and Pioneer Prospects: Nominal 400m by 100m spacing for Santa Fe Lag samples. Nominal 100m and 200m by 50m spacing for Apex Minerals NL 2002, 2003 and 2005 Soil samples.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Challa South: Watson's Well Prospect: Nominal 100m by 250m spacing for Santa Fe Mineral lag samples. Nominal 200m by 500m spacing for WMC lag samples. • Data spacing considered to be appropriate for reconnaissance exploration. • Challa South: Watson's Well Prospect: Deflation lag collected and substituted with maglag in areas where insufficient deflation maglag material available.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Challa North: The east-west orientated drill traverses considered effective to evaluate the roughly North-South and North-West trending interpreted geophysical structures. • Challa North: Central Paynesville, Mt Ford and Pioneer Prospects: Surface Sampling: E-W sample density higher (100m) than N-S density (400m) due to the overall N-S strike of the dominant lithological units and faults. • Challa South: Watson's Well Prospect: Surface Sampling: E-W sample density higher (100-200m) than N-S density (250-500m) due to the overall N-S strike of the dominant lithological units and faults.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Challa North and South: The chain of custody for the samples included transport and direct delivery to Bureau Veritas (Perth Laboratory) by Santa Fe Minerals staff. The chain of custody for the Apex Minerals NL and WMC samples was not detailed in the available WAMEX reports.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Challa North and South: No audits or review have been completed at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> Challa Resources Pty Ltd (100%) – E58/472, E58/485, E58/500, E58/501, E58/502, E58/503, E58/504, E58/511, E58/526, E59/2124, E59/2125, E59/2226 Challa Minerals Pty Ltd (100%) E59/2257, E59/2259 No National Parks. Current Pastoral Leases. No Native Title other than E59/2257 – Native Title claim WC2017/007 (Registered). The tenements are in good standing and no other known impediments exist.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Challa North: Location and orientation of Exploration (Drilling) conducted at Central Paynesville Prospect by Apex Minerals Pty Ltd, 2003 (WAMEX Open file report); Exploration (Soil Sampling) conducted at Central Paynesville and Mt Ford Prospects by Apex Minerals Pty Ltd between 2002, 2003 and 2005 (WAMEX Open file report). Location and orientation of Exploration (Drilling) conducted at Pioneer Prospect by Maximus Resources, 2006 (WAMEX Open file report). Challa South: Previous exploration (Lag and Mag Lag sampling) conducted at Watson's Well Prospect by WMC Resources Pty Ltd, 2005 (WAMEX Open file report). Soil sampling across Watson's Well by Apex Minerals Pty Ltd in 2007 (WAMEX Open file report) was deemed not applicable due to the sampling method used.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Challa North: Mesothermal gold-quartz lodes hosted by mafic igneous rocks of the Windimurra Igneous Complex and Kantie Murdana Volcanics of the Murchison Domain, Youanmi Terrane being targeted. Challa South: Vanadium hosted in cumulate magnetite layers of the Shephards Discordant Zone (SDZ) of the Windimurra Igneous Complex being targeted.

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Table containing drill hole collar, survey and intersection data for material (gold intersections ≥ 50ppb Au with a maximum of 2m internal dilution) drill holes are included in the Table in the body of the announcement. • No Information has been excluded.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • All report grades have been length weighted. High grades have not been cut. A lower cut-off of 50 ppb Au has been used to identify significant results (intersections). • Where present, higher grade values are included in the intercepts table and assay values equal to or >150 ppb have been stated on a separate line below the intercept assigned with the text 'includes'. • Reported RC results have been calculated using 1m split samples. No metal equivalent values or formulas used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Exploration results referred to in this announcement please refer to ASX EXPLORATION UPDATE – PAYNESVILLE GOLD TREND DRILLING RESULTS AND WATSON'S WELL VANADIUM EXPLORATION PROGRAM dated 6 August 2018.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should</i> 	<ul style="list-style-type: none"> • Appropriate diagrams summarizing key data interpretations included in the body of this announcement.

Criteria	JORC Code explanation	Commentary
	<p><i>include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Significant assay results are provided in Table 1 for the Santa Fe Minerals RC drill program. • Drill holes with no significant results are not reported. • The interpretations expressed in the announcement are not considered to be overstated or misleading.
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • DMP 1:100k interpreted bedrock geology polygons, 2017 used in Figure 1. • First vertical derivative reduced to pole magnetics image (WatsonWell_tmirtptdr_over_1vd_im_psc 090045_mga50, 2018) used in Figures 2 and 3. Registered geophysics index for WA: Watson Well. Reg #: 60224. • First vertical derivative reduced to pole magnetics image (Windimurra_merged_tmirtptdr_over_h dtdr_im_psc_mga50, 2018) used in Figures 4, 5 and 6. Registered geophysics index for WA: Windimurra 100m NS. Reg #: 60727. • All meaningful and material information of a regional nature that relates to the exploration potential and initial target areas has been summarized and documented in the announcement.
<p><i>Further work</i></p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The appropriate next stage of exploration planning is currently underway and noted in the body of the report. • Refer to figures in the body of this announcement.