

QUARTERLY REPORT

PERIOD ENDING 30 SEPTEMBER 2019

OPERATIONAL UPDATE

Becker Gold Project, Chile (Santana right to earn 85% interest)

No exploration activities were conducted on the Becker Project during the September quarter.

Cuitaboca Project, Mexico (Santana 80%)

No exploration activities were carried out at the Cuitaboca Project during the September quarter.

CORPORATE

On 17 July 2019 the Company announced it had signed a binding term sheet (Agreement) with Mekong Minerals Limited (“Mekong”) to purchase Mekong’s interest in the Sayabouly Project in Lao and two Cambodian gold projects in which Mekong holds farmed out interests.

Subsequent to the end of the quarter a Notice of Meeting to approve the Mekong acquisition was sent to all Santana shareholders with the shareholder vote to be held on 15 November 2019. The Notice of Meeting documentation includes:

- (i) Meeting resolutions and explanatory memorandum;
- (ii) Independent Experts Report from BDO Corporate Finance (WA) Pty Ltd, inclusive of;
- (iii) Independent Technical Specialist Report by Minnelex Pty Ltd.

Mekong Mineral shareholders will also vote to approve the transaction on 15 November 2019.

Subject to both Santana and Mekong shareholder approval for the transaction it is the Company’s intention to immediately pursue its announced capital raising of \$3M-\$4M (to be led by Canaccord Genuity Patersons) with funds to be raised a condition precedent to completion of the transaction. Upon completion of the capital raising the Company will promptly commence an initial 2,000m drill program at the Sayabouly Project across several drill-ready targets.

For further information, please contact:

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About Santana

Santana is a precious metals explorer with projects in Mexico and Chile.

In Mexico the Company holds a right to earn-in to an 80% interest in the Cuitaboca Silver-Gold project in Sinaloa State.

In Chile the Company has acquired the rights to earn an 85% interest in the Becker Gold project in Region VII.

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

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

Not applicable.

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.

The Company has completed a transaction which allows it to earn an initial interest of 85% of the granted tenements (2,000ha) and 80% of further tenements and tenement applications (6,000ha) at the Becker Gold Project. The Company is earning, but has yet to earn, its initial interest. Further details are by reference to the announcement of 17 May 2018.

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 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(90)	(90)
(b) development	-	-
(c) production	-	-
(d) staff costs	(9)	(9)
(e) administration and corporate costs	(52)	(52)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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	(151)	(151)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Transaction Costs)	(19)	(19)
2.6 Net cash from / (used in) investing activities	(19)	(19)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1	1
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	-	-
3.5 Proceeds from borrowings	170	170
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	171	171

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	208	208
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(151)	(151)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(19)	(19)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	171	171
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	209	209

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	20	53
5.2 Call deposits	189	155
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)	209	208

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**

4

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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**

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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	170	170
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.		

8.1: Loan of \$145k from Trio Investments Pty Ltd (a related entity of director Mr McDonald) and an amount of \$25k from an unrelated third party. Both loan amounts are unsecured and repayable at call post the date for completion of the transaction announced 17 July 2019, and have a nil interest rate.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	35
9.2 Development	-
9.3 Production	-
9.4 Staff costs	5
9.5 Administration and corporate costs	50
9.6 Other (Transaction Costs)	115
9.7 Total estimated cash outflows	205*

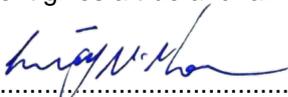
* Estimated cash outflows may vary during the quarter subject to completion of the transaction announced 17 July 2019 which is subject to shareholder consideration at a meeting to be held on 15 November 2019 and a subsequent capital raising.

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	Refer Annexure to Quarterly Activities Report			
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: 31 October 2019

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.