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30 April 2020

Company Announcements Office
ASX Limited

QUARTERLY ACTIVITIES REPORT **FOR THE PERIOD ENDED 31 MARCH 2020**

During the quarter, Santa Fe Minerals Ltd (“**Santa Fe**”, “**SFM**” or “**the Company**”) continued the systematic reevaluation of the Challa Project exploration potential with respect to gold and copper/zinc mineralisation.

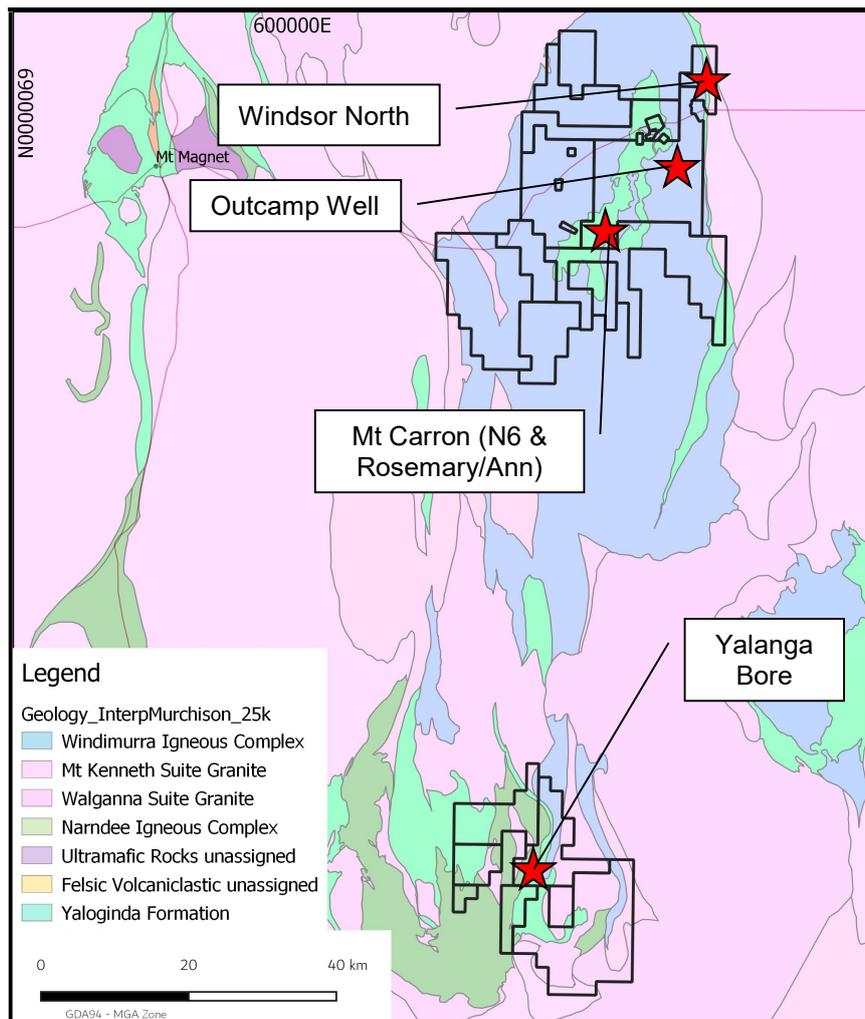


Figure 1 - Challa Project area

Reverse Circulation (RC) drilling was completed at the Mt Carron and Yalanga Bore copper-zinc Volcanic Massive Sulfide (VMS) targets in the March 2020 quarter. Assay results indicated anomolous copper-zinc mineralization (refer to ASX announcement on 19 February 2020).

Yalanga Bore - Copper/Zinc



Figure 2 - Yalanga Bore MLEM conductor SFM RC collar positions.

A Moving Loop Electromagnetic (MLEM) survey completed at Yalanga Bore by the Company in the September 2019 quarter identified a steeply dipping conductor adjacent to historic shallow drilling with reported strongly anomalous copper and zinc (refer to ASX announcement dated 16 September 2019). The modelled position of the MLEM conductor would not have been tested by the previous drilling.

During the March 2020 quarter, YBRC001 and YBRC001A were drilled to test YB MLEM C1 modelled conductor plate. YBRC001 was abandoned at 45m depth due to a drift in the hole azimuth which would result in the hole missing the target. YBRC001A was collared with a corrected azimuth and intersected immediately below the modelled plate position. Disseminated pyrite, pyrrhotite and trace chalcopyrite was logged from 112m to 117m corresponding with the best result of 8m from 112m @ 0.24% Cu and 0.2% Zn.

Table 1 - Yalanga Bore RC drill hole results

| Hole ID | Collar N (MGA) | Collar E (MGA) | Collar RL | Dip | Azimuth | Total Depth | Depth From (m) | Depth To (m) | Downhole Intersection (m) | Au (ppb) | Ag (ppm) | Cu (ppm) | Zn (ppm) | S (ppm) |
|-----------|----------------|----------------|-----------|-----|---------|-------------|----------------|--------------|---------------------------|-----------|----------|----------|----------|---------|
| YBRC 001A | 6796841 | 632432 | 458 | -60 | 135 | 149 | 112 | 120 | 8 | 15 | 2.5 | 2405 | 2003 | 40350 |
| YBRC 001 | 6796841 | 632434 | 458 | -60 | 130 | 28 | Hole abandoned | 28 | | No assays | | | | |

Mt Carron (N6 & Rosemary/Ann) - Copper Zinc

A total of 4 RC drill holes for 361m were completed at the Mt Carron copper - zinc target. RC holes, MCRC001 to 004, were drilled to test a 500m long combined Fixed Loop Electromagnetic (FLEM) target (refer to figure 3 below).

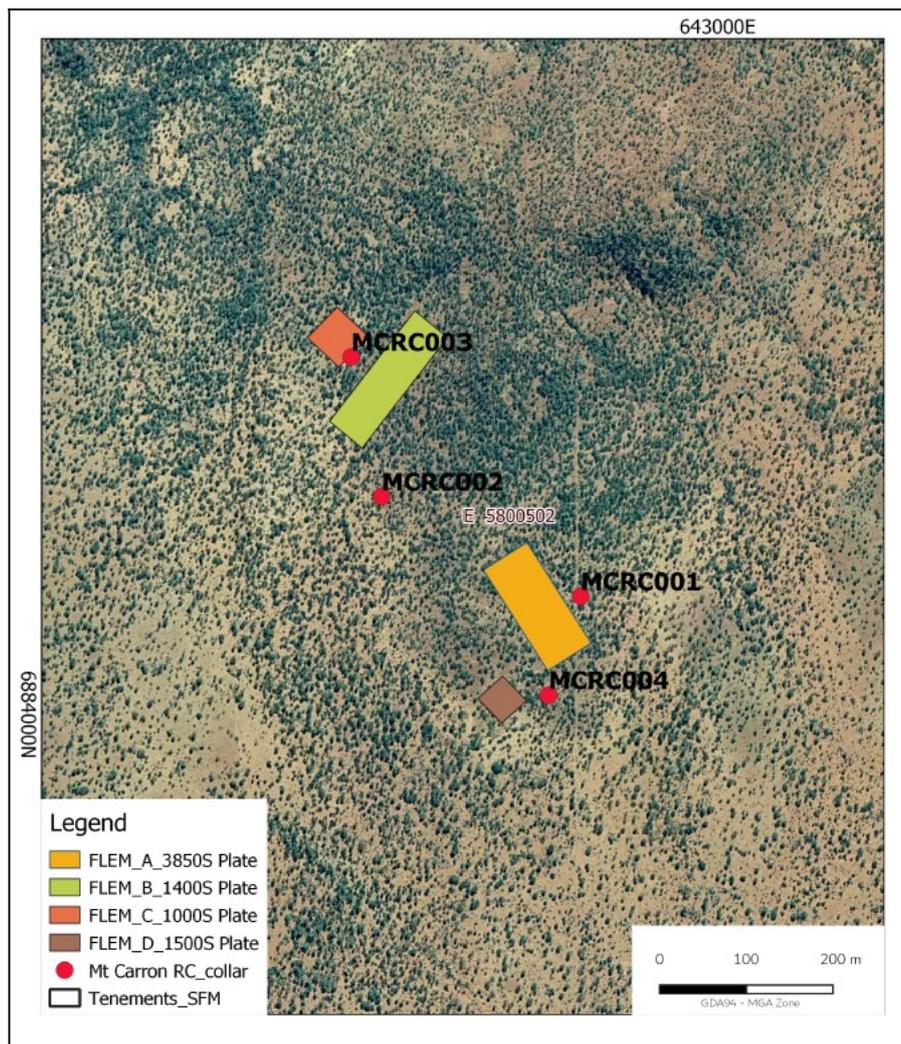


Figure 3 - Mt Carron FLEM conductor plates and SFM RC drill holes.

A Fixed Loop Electromagnetic (FLEM) survey completed over the Mt Carron (N6) target in the September 2019 quarter (refer to ASX report dated 16 September 2019) returned two strong and two moderate conductors in an area of 500m x 200m. The top of the modelled conductors range from 50-100m depth. The Mt Carron target had not previously been drilled and is located 1.4km south of the outcropping Rosemary and Ann copper zinc prospects.

MCRC001 was drilled to intersect FLEM A modelled plate at 100m depth. The drill hole intersected the approximate middle of the modelled plate with disseminated to patchy pyrite and pyrrhotite logged from 84m to 108m hosted in chert and shale above a altered felsic volcanic unit. Zinc mineralisation of 0.54% was intersected in the upper part of the sulphide zone from 84m to 96m.

MCRC002 was drilled to intersect FLEM B modelled plate at 80m depth. The hole trajectory steepened from the planned dip and was drilled under the south western side of the modelled plate position. A narrow zone of pyrite and pyrrhotite logged from 56-72m is at the approximate depth of the projected plate position considered to represent similar mineralisation to that expected within the modelled plate.

MCRC003 was drilled to intersect FLEM C modelled plate at 50m depth. Due to access issues the hole collar was moved to the south eastern edge of the plate and drilled vertically. MCRC003 intersected the edge of the modelled FLEM C plate about 25m north east of the upper edge of FLEM B plate. Disseminated to patchy pyrite and pyrrhotite was logged at the expected position from 48-64m hosted in chert and shale above an altered felsic volcanic unit.

MCRC004 was drilled to test FLEM D modelled plate at 120m down hole depth. Due to drill rig technical issues, the hole was abandoned at 45m.

Table 2 - Mt Carron RC drill hole results

| Hole ID | Collar N (MGA) | Collar E (MGA) | Collar RL | Dip | Azimuth | Total Depth | Depth From (m) | Depth To (m) | Downhole Intersection (m) | Au (ppb) | Ag (ppm) | Cu (ppm) | Zn (ppm) | S (ppm) |
|----------|----------------|----------------|-----------|-----|---------|-------------|----------------|--------------|---------------------------|----------|----------|----------|----------|---------|
| MCRC 001 | 6884139 | 642842 | 480 | -60 | 270 | 124 | 84 | 96 | 12 | 19 | NSR | NSR | 5477 | 26433 |
| MCRC 002 | 6884256 | 642614 | 461 | -50 | 350 | 110 | 44 | 48 | 4 | 87 | 5.5 | 1480 | 4690 | 6050 |
| MCRC 002 | | | | | | | 64 | 68 | 4 | NSR | NSR | NSR | 1610 | 17500 |
| MCRC 003 | 6884420 | 642579 | 455 | -90 | 360 | 82 | 48 | 64 | 16 | NSR | NSR | NSR | NSR | 19275 |
| MCRC 004 | 6884023 | 642805 | | -60 | 270 | 45 | Hole abandoned | | | NSR | NSR | NSR | NSR | NSR |

Greenfields exploration and ground rationalisation

During the quarter, the Company conducted extensive desktop studies across its existing tenure. A number of potential prospects have been identified for follow up work. The Company is also reviewing prior targets with the aim of rationalising the existing land portfolio. Further updates will be provided to the market in due course.

Financial Position and Corporate

As at 31 March 2020, the Company had a balance of \$4,515,565 in liquid assets comprising of \$4,470,546 of cash and shares held in listed entities with a market value of \$45,019.

The Company continues to assess a number of opportunities in the resources sector.

Extension to Managing Director's Executive Services Agreement

Subsequent to the end of the quarter, the Board also agreed to an extension of term for Douglas Rose's Executive Services Agreement (ESA). The existing ESA was due to expire on 30 June 2020. Mr Rose and the Board have agreed to renew the agreement on a rolling basis. All remuneration and termination conditions remain unchanged.

COVID-19 Response

During the quarter, the Board put in place various policies in response to the current COVID-19 pandemic. The Company continues to follow State and Federal Government guidelines and at this stage has seen minimal disruption to its existing operations. While future disruptions are not currently anticipated, the Company is continuing to actively evaluate the situation and updates will be provided should the situation change.

This ASX announcement has been authorised for release by the Board.

- ENDS -

For further information, please contact:

Doug Rose
Managing Director
+61 409 465 511

COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Reginald Beaton who is a Member of the Australian Institute of Geoscientists. Mr. Beaton 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. Beaton 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. All technical information in this report has previously been released to ASX, see the following announcements: 19 February, 2020 - "Exploration Update - Challa Base Metals Targets", 15 January, 2020 - "Drilling Completed at Challa Base Metal VMS Targets", 19 December, 2019 - "Drilling Commences at Challa Base Metal VMS Targets", 16 September, 2019 - "Strong Electromagnetic Conductors Identified at Challa". The Company is not aware of any new information or data that materially affects the information included in the above.

Appendix 1: Disclosures in accordance with ASX Listing Rule 5.3

Summary of Mining Tenements

| Tenement | Holder ¹ | 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 |
| E59/2124 | Challa Resources Pty Ltd | 100% | Western Australia | Granted |
| E59/2125 | 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.

No interests in mining tenements were acquired or disposed of during the quarter.

Related Party Payments

During the quarter ended 31 March 2020, the Company made payments of \$60,225 to related parties and their associates. These payments relate to existing remuneration arrangements being director fees and superannuation.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Santa Fe Minerals Limited

ABN

59 151 155 734

Quarter ended ("current quarter")

31 March 2020

| 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 (if expensed) | (109) | (448) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (56) | (180) |
| (e) administration and corporate costs | (69) | (216) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 16 | 63 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (GST paid recouped) | - | (6) |
| 1.9 Net cash from / (used in) operating activities | (218) | (787) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | (3) |
| (d) exploration & evaluation (if capitalised) | - | - |
| (e) investments | - | (808) |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | 590 | 1,292 |
| | (e) 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 | 590 | 481 |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 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 | - | - |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 4,097 | 4,775 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (218) | (787) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 590 | 481 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | 1 | 1 |
| 4.6 | Cash and cash equivalents at end of period | 4,470 | 4,470 |

| 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 | 1,977 | 213 |
| 5.2 | Call deposits | 2,493 | 3,884 |
| 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) | 4,470 | 4,097 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 60 |
| - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments:

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (218) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (218) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 4,470 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 4,470 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 20.5 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 30 April 2020

Authorised by: By the Board of Santa Fe Minerals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.