

**QUARTERLY REPORT
PERIOD ENDED 31 DECMEBER 2014**

1. EXPLORATION

Namiquipa, Chihuahua, Mexico (Santana 100%)



Figure 1: Namiquipa Location Map

The Namiquipa Silver Deposit is located within a 4,400 ha concession owned 100% by Santana, 145 km west-northwest of Chihuahua City in Chihuahua (**Figure 1**).

A 2,511m (six hole) diamond core drill program was undertaken to test any Northern vein extensions, an area of potential silver deposition by the mixing of acid sulphate waters with magmatic fluids and other zones of interest.

The program did not establish a justification for the immediate continuation of drilling. An area of interest to the eastern most bounding fault line has been identified for additional interpretative and modelling work, as have areas where there is potential for supergene enriched silver. Future programs are also likely to seek to identify targets at depth under the existing old workings where there is potential for ore shoots (clavos).

Cuitaboca, Sinaloa, Mexico (Santana earning to 80%)

The Cuitaboca Project is located within concessions covering an area of 5,100ha approximately 100 km north east of the city of Los Mochis in Sinaloa (**Figure 2**).

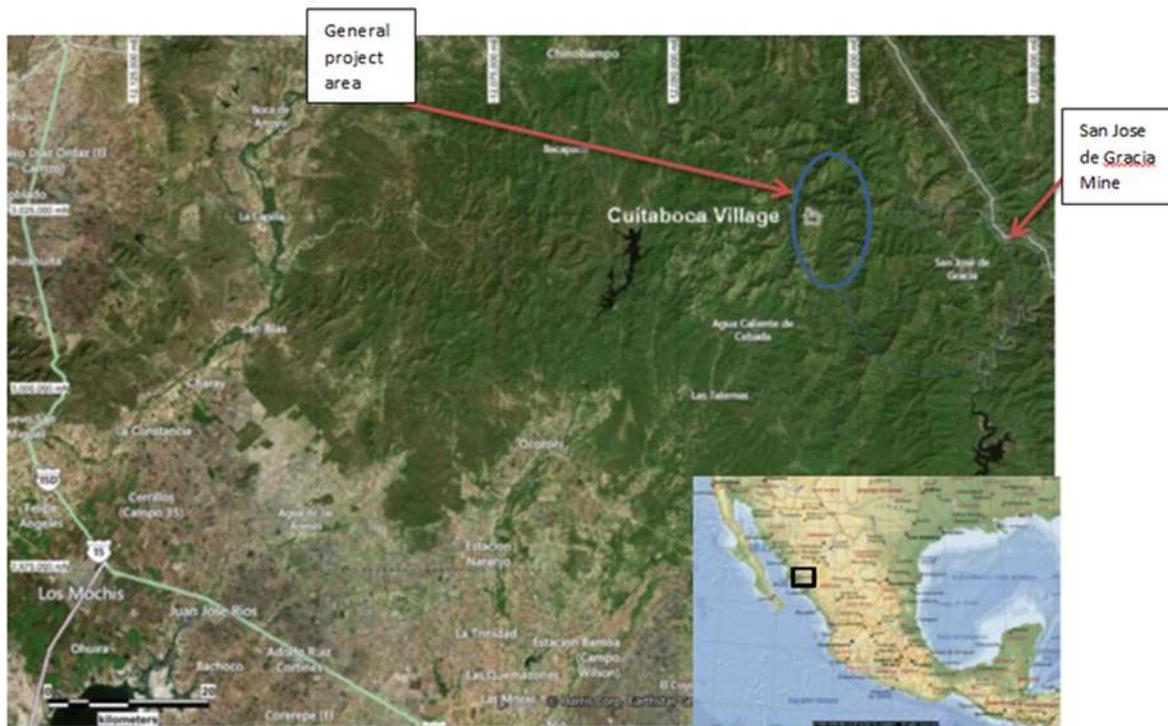


Figure 2: Cuitaboca Project Location

Local Geology

Cuitaboca lies in the foothills of the Sierra Madre Occidental dominated mostly by andesite flows and tuffs of the lower volcanic group, with minor rhyolites of the upper volcanic group at higher elevations. Gold-silver rich polymetallic mineralisation is hosted in the lower volcanic group andesites.

The Cuitaboca project area shows at least six well-known veins (**Figure 3**) with sulphide mineralisation carrying high grade silver and low grade lead, zinc and copper. Outcrops vary from 100 to 500m long with observable thicknesses from 0.5m to 4m wide. The main structures are La Lupita, Los Sapos and Chapotal veins in the northern part and the Mojardina, Santa Eduwiges, Jesus Maria and Colateral veins in the south.

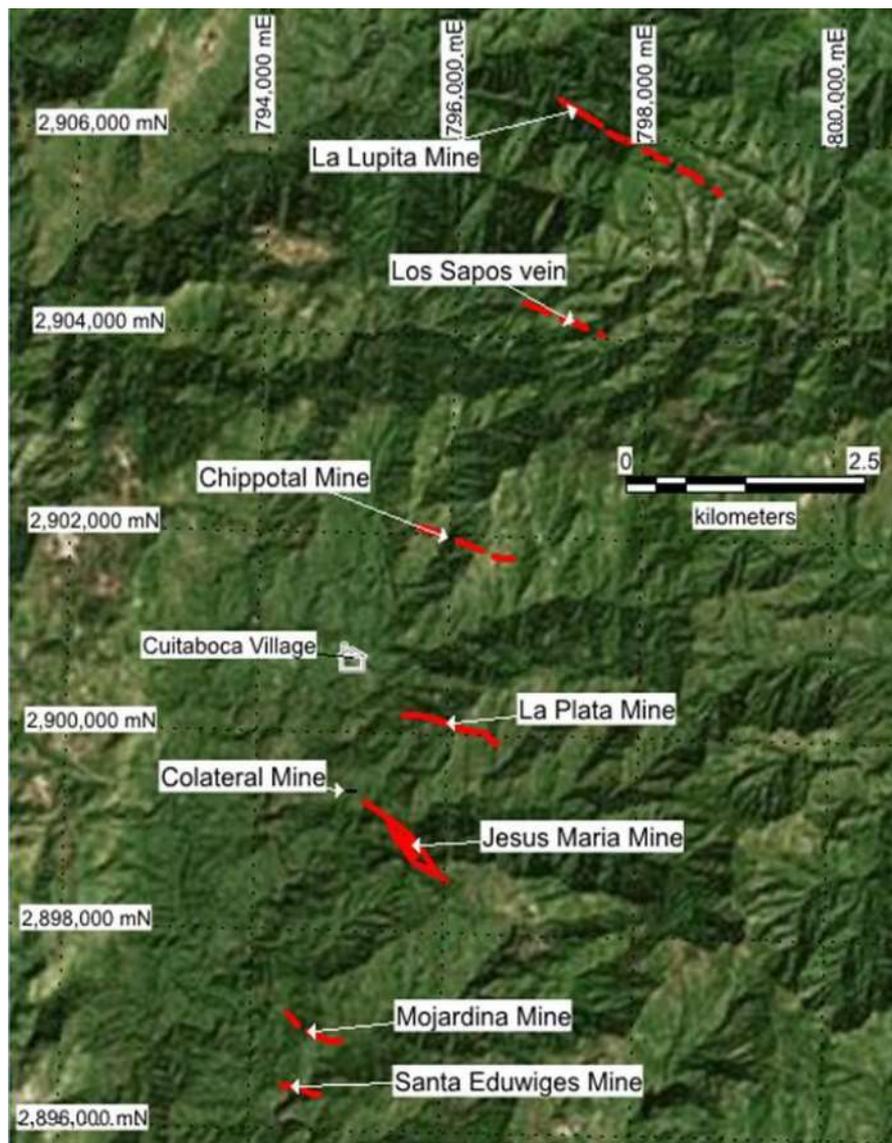


Figure 3: Regional scale map showing NW-SE veins in red and main mine locations

In December 2014 a 1,250m (approx.) 5 hole diamond core drill program commenced and three holes were bored into the Colateral Structure prior to the Christmas break. Drilling of the two remaining planned holes into the Jesus Maria vein structure will complete in January 2015 and further mapping and sampling of one or more of the vein structures within the Cuitaboca Project area will commence.

Positive assay results of the first three holes received after the end of the Quarter were reported to ASX on 20 January 2015. Each hole intersected two quartz-carbonate veins.

The primary zone tested for ore shoots below a zone that had reported elevated silver from underground samples. Drilling intersected 1 - 1.7m wide (down hole) colloform banded, chalcedonic quartz with massive galena, low temperature white sphalerite and fine-grained argentite over a strike length of 90m and down-dip extent of 150m from surface within competent andesite.

Grades are most encouraging:

- 0.9m @ **1.88g/t Au + 78g/t Ag + 1.26% Pb + 4.4% Zn** from 187.3m (DD14CT001)
- 1.1m @ **0.56g/t Au + 168g/t Ag + 6.11% Pb + 5.8% Zn** from 207.3m (DD14CT002)
- 1.7m @ **0.28g/t Au + 178g/t Ag + 2.1% Pb + 1.16% Zn** from 183.3m (DD14CT003)
(incl 1m @ **0.29g/t Au + 270g/t Ag + 0.38% Pb + 1.16% Zn** from 184m)

These three drill holes, along with historic workings and exploration, indicate the presence of a mineralised vein having a known strike length of 900 - 1,000m with down dip continuity of 150m from surface, open at depth and at each end. The drill holes intersected the Colateral vein some 50m (DD14CT001), 95m (DD14CT002) and 53m (DD14CT003) below the historic drive and drift; this drilling is the first ever exploration drilling at the Cuitaboca project. Data developed from this drilling should substantially improve our understanding of the geology and mineralisation with the aim of future exploration to search for wider vein structures. The along strike and down dip continuity of good grade mineralisation provides encouragement for future exploration.

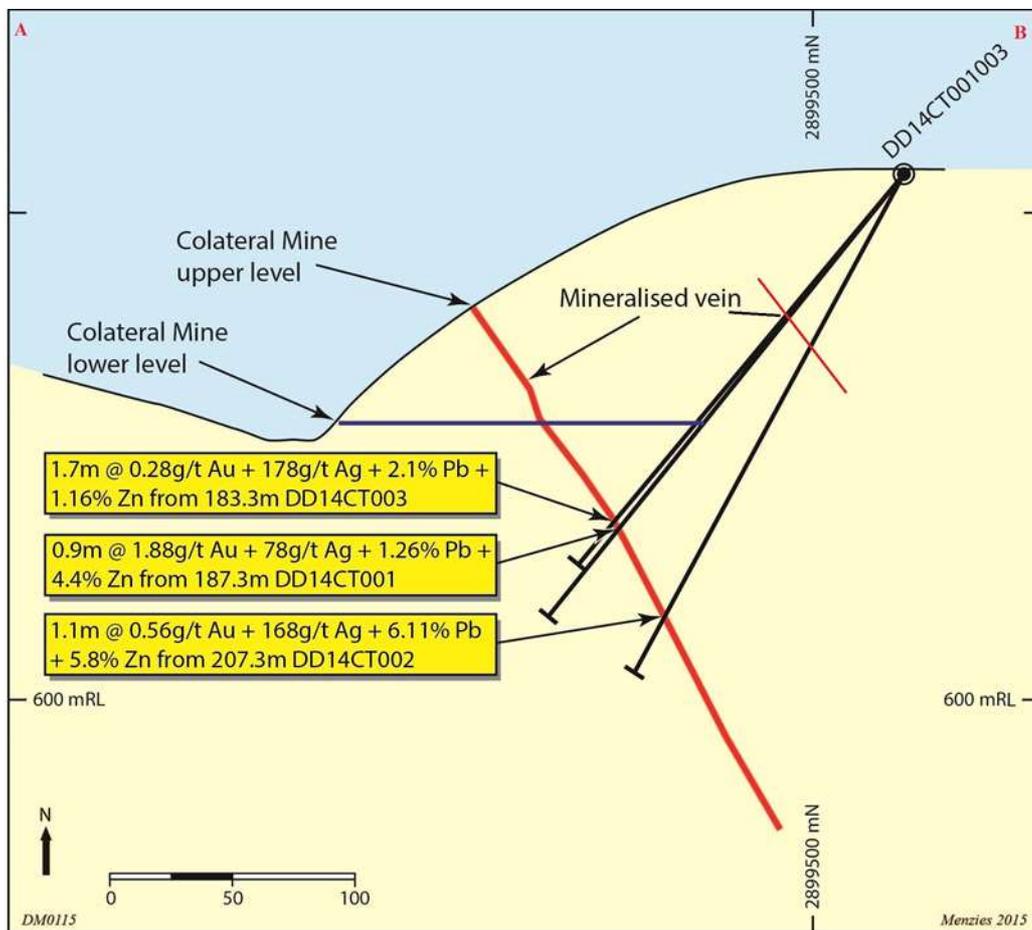


Figure 4: Cross-Section: DD14CT001 – 003 intersecting the Colateral vein

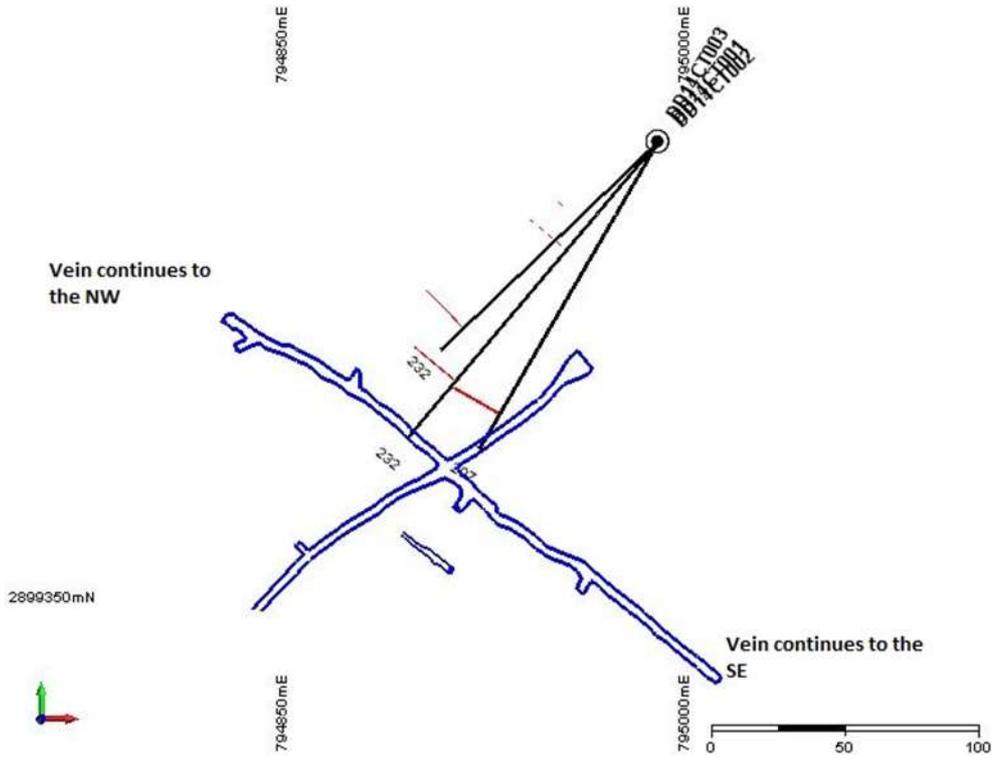


Figure 5: Drill Hole Location & Plan Projection of Colateral Vein intercept points (red) below historic drift

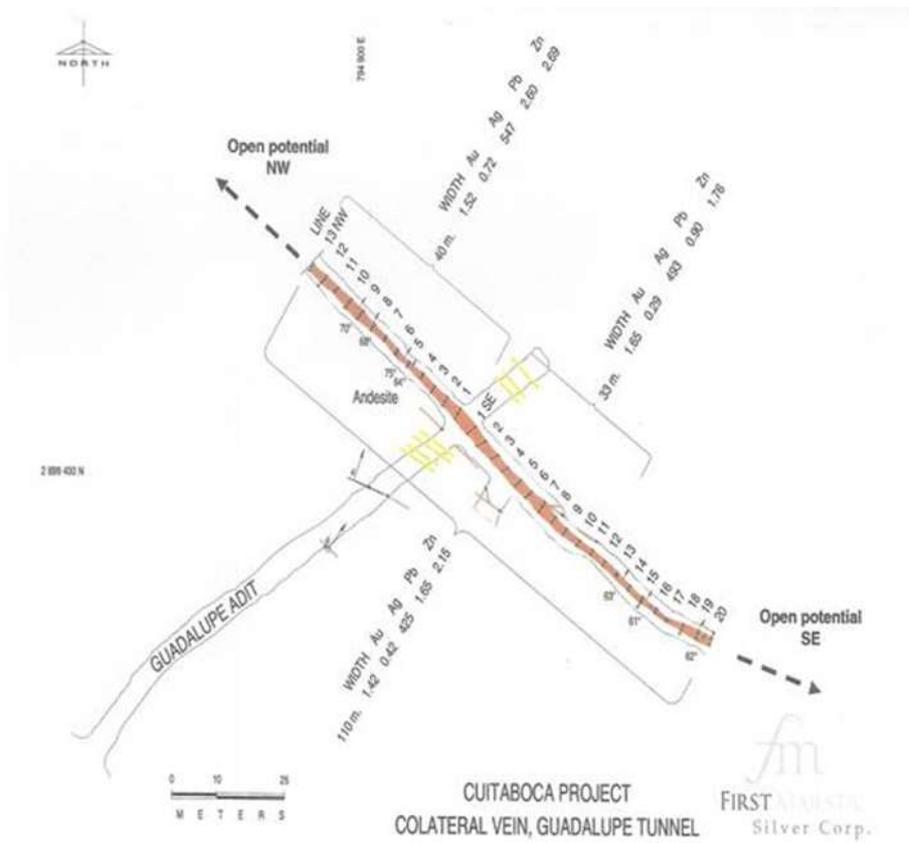


Figure 6: Historic exploration and cross-cut drift



2. CORPORATE

The company retains its shareholding in Hammer Metals Limited.

For further information, please contact:
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About Santana

Santana is a precious metals explorer focused on Mexico where it holds 100% of the Namiquipa Silver (+lead and zinc) Project in Chihuahua and has a right to earn up to an 80% interest in the Cuitaboca Gold-Silver polymetallic project in Sinaloa.

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

Name	Number	Status	Interest Held
Namiquipa, Mexico			
Tasmania	227076	Granted	100%
America	219975	Granted	100%*
Rolys	236046	Granted	100%
Parker Range, Western Australia			
	M77/52	Granted	30%^
	M77/893	Granted	30%^

* The America concession was acquired under an option agreement dated 22 July 2008 (and subsequently varied). All payments provided for under the agreement have been made and the formal transfer of the concession is pending.

^ 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

Not applicable.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

During the quarter the Company completed the 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.

Previous Disclosure - 2012 JORC Code

Information relating to Mineral Resources, Exploration Targets and Exploration Data associated with the Company's projects in this December 2014 Quarterly Report is extracted from the following ASX Announcement:

- ASX announcement titled "Positive First Drill Results at Cuitaboca Project, Mexico" dated 20 January 2015.

A copy of the report is available to view on the Santana Minerals Limited website www.santanaminerals.com. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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, 01/05/2013

Name of entity

SANTANA MINERALS LIMITED

ABN

37 161 946 989

Quarter ended ("current quarter")

31 DECEMBER 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(969) - - (280)	(1,322) - - (497)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (refund of Mexican IVA receivable)	108	108
Net Operating Cash Flows	(1,134)	(1,698)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Cuitaboca option payment and transaction costs)	(100)	(200)
Net investing cash flows	(100)	(200)
1.13 Total operating and investing cash flows (carried forward)	(1,234)	(1,898)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,234)	(1,898)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1	1,955
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs)	(1)	(59)
	Net financing cash flows	-	1,896
	Net increase (decrease) in cash held	(1,234)	(2)
1.20	Cash at beginning of quarter/year to date	2,413	1,180
1.21	Exchange rate adjustments to item 1.20	(1)	-
1.22	Cash at end of quarter	1,178	1,178

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	163
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 - Represents directors fees paid

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter the Company completed the transaction which allows it to earn an initial 80% interest in the Cuitaboca Project. Further details are by reference to the announcement of 29 July 2014.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	950

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	744	143
5.2 Deposits at call	434	2,270
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,178	2,413

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>Cuitaboca, Mexico</u> Titles: 217065; 214243; 208560; 210767; 205338; 222493; 222494; 226832 Further details are by reference to the announcement of 29 July 2014.	<u>Cuitaboca, Mexico</u> Nil	<u>Cuitaboca, Mexico</u> Nil, earning to an initial 80%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	146,594,062	146,594,062	
7.4	Changes during quarter			
	(a) Increases through issues	5,363	5,363	\$0.08
	(b) Decreases through returns of capital, buy-backs			\$0.08

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	3,900,000 24,426,041	Nil Nil	<i>Exercise price</i> \$0.275 \$0.08	<i>Expiry date</i> 24 April 2018 17 March 2016
7.8	Issued during quarter				
7.9	Exercised during quarter	5,363	Nil	\$0.08	17 March 2016
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:


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(Company secretary)

Date: 29 January 2015

Print name: Craig J. McPherson

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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