SANTANA MINERALS LIMITED

ANNUAL REPORT 2015

Content

Chairman's Letter

Dear Shareholders

The junior explorer market has lacked attention as investor risk appetite has waned. The ability to raise capital has been restricted yet experience dictates that sentiment will in time change to a positive.

Santana has advanced its silver-gold-lead-zinc project in the Cuitaboca District of Sinaloa State in Mexico. Even in these early stages of exploration Cuitaboca displays good grades of mineralisation in drill core and in rock chip samples to confirm and add to the historical work undertaken by others. It is a large area under exploration and Santana's drilling, mapping and sampling programs have identified highly prospective opportunities in a large and relatively underexplored district in a State renowned for its silver-gold production.

Your Board and management remain focused on adding value through all of its expenditure. Funding will be the determinant of timing to advance the projects.

Your continued support is appreciated.

Sincerely,

Norman Seckold

Management Review – Operations

Mexico

Santana Minerals Limited ("Santana" or "Company") is focused on precious metals exploration. Mexico is considered to have good potential for large mineral discoveries.

Santana owns a 100% interest in the Namiquipa Project in Chihuahua State of Mexico and is earning an 80% interest in the Cuitaboca Project in Sinaloa State of Mexico.

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

Acquisition of the Cuitaboca Project

In July 2014 Santana entered into agreements allowing it to manage and earn 80% of the Cuitaboca Project. Santana made an initial payment of A$100,000 and agreed to meet 100% of expenditure.

Santana has the right (but not an obligation) to effectively acquire the Cuitaboca Project mining concessions from Consorcio Minero Latinoamericano S.A. de C.V (Concession Holder) by paying option fees totalling US$3,500,000, with those option fees payable on a six monthly basis up to 31 January 2019. That date has subsequently been extended to 31 July 2020. A balance of US$3,125,000 in option fees remains payable to the Concession Holder at the date of this report.

Santana is required to meet all expenditure during the term of the agreements (including option fees to the Concession Holder, concession rentals to the Mexican Government plus exploration expenditure as Santana determines). The Vendors hold an effective 20% free carried interest in the concessions and once the payments to the Concession Holder are completed the expenditure and ownership of the concessions will effectively revert to 80% Santana and 20% to the Vendors. At that time the 20% holders will be required to contribute or dilute their interest.

Santana retains the right to withdraw from the Cuitaboca Project at any time in which case it will not retain any interest and its expenditure obligations will have been satisfied.

An entity associated with Norman Seckold was one of the Vendors of the Cuitaboca Project and retains part of the effective 20% interest. He was at the time of the transaction and still is a Director of Santana. He was therefore a related party within the definitions of the Corporations Act. The acquisition was, in the opinion of the non-related Directors, a transaction being undertaken on arms-length commercial terms and pursuant to an exception under Section 210 of the Corporations Act.

The arrangements are regulated by a series of agreements which were summarised in announcements made by Santana through the ASX announcements platform on 29 July 2014, a copy of which can also be located on the Company's website.

Location

The Cuitaboca Project is located within mining concessions covering an area of 5,100ha approximately 100 km north east of the city of Los Mochis in Sinaloa (**Figure 1**). Application for a further 400ha mining concession has been made. North to South the Project is some 25km. It presents a 'whole of district' exploration opportunity for Santana.

Figure 1: Cuitaboca Project Location

Regional Geologic Setting

Cuitaboca is situated on the western margin of the Sierra Madre Occidental (SMO) geological domain, a 1500 by 250 km volcanic province formed during late Mesozoic to early Cenozoic subduction off the west coast of Mexico. The basement consists of plutonic and sedimentary rocks overlain by two groups of extrusive volcanic rocks. The lower volcanic group comprises mostly intermediate composition andesite and dacite flows and is overlain by the upper volcanic group dominated by felsic composition rhyolites, rhyolite tuffs and felsic ignimbrites (Staude and Barton, 2001). Most of the major Au-Ag deposits in the SMO lie within the lower volcanics (McDowell and Clabaugh, 1981) (**Figure 2**).

Local Geology

The Cuitaboca District 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 evidences multiple known veins (**Figure 3**) with sulphide mineralisation carrying high grade silver and low grade lead, zinc and copper. Outcrops vary from 100m to >3km long with observable thicknesses from 0.5m to 4m wide.

The San Jose de Gracia deposit (owned by Dyna Resources Inc) which is located only 20km SE of Cuitaboca (**Figure 1**) along strike from the Cuitaboca La Lupita vein (**Figure 3**), has been ascribed an inferred resource of 741,000 oz of Au with historic production of circa 1M oz Au suggested in the 1800's.

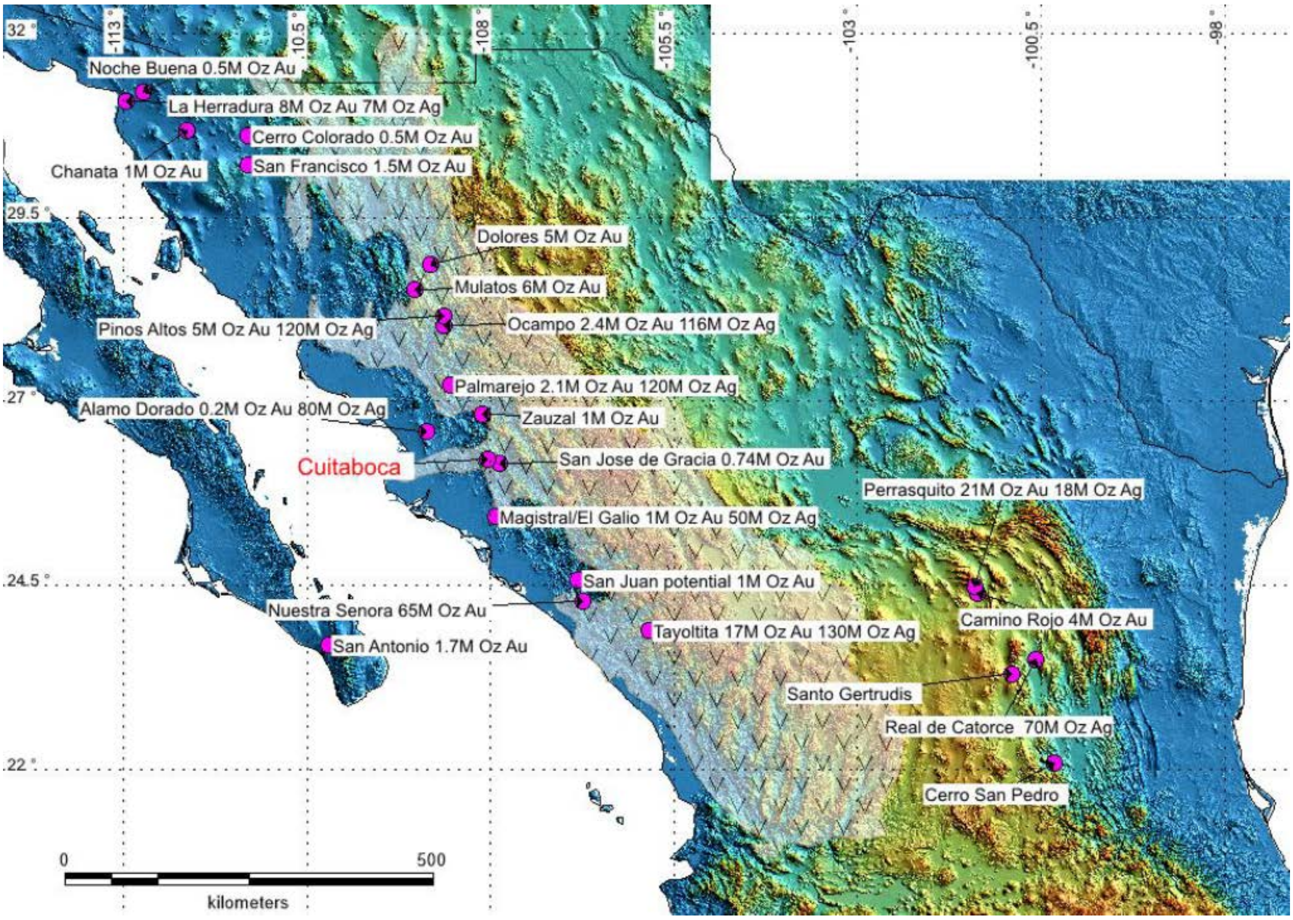

Figure 2. Mexico terrain model showing Cuitaboca in relation Au-Ag epithermal mines, and the Sierra Madre Occidental Volcanics (hatched) (using data from Dyna Resources, 2012).

Historic Work

The District saw some small scale mining in the 1800's which appears to have been limited to the high-grade oxidized ore, likely because of the limit to technologies to treat sulphide ore at the time.

For several years from 1974 Penoles undertook a number of reconnaissance mapping and sampling programs. In the course of that work they identified five separate sub-parallel veins with several hundred metres of separation.

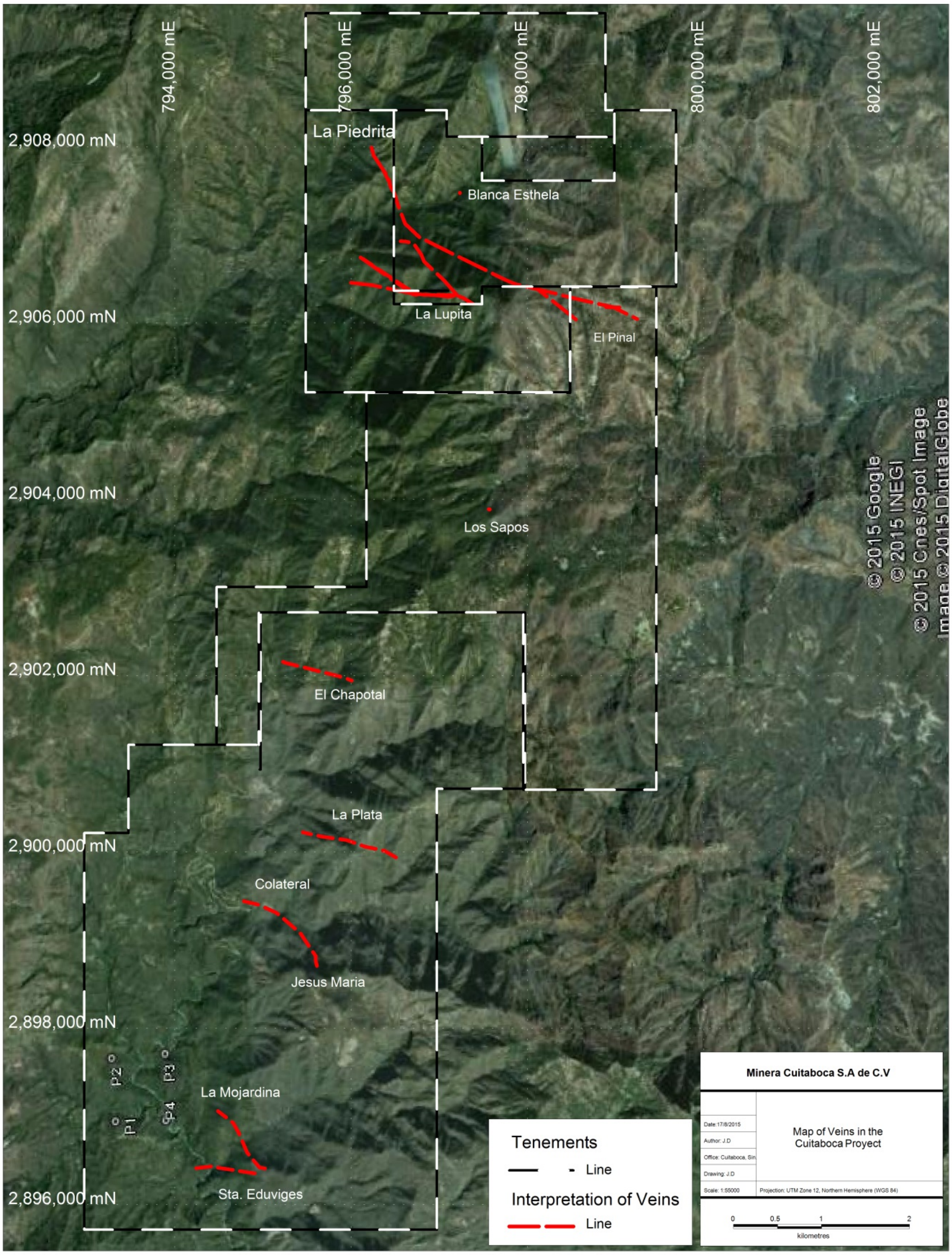

Figure 3. Regional scale map showing NW-SE veins in red and main mine locations

2004 – 2008

During this period First Silver Reserve, Inc and First Majestic Silver Corp undertook mapping, sampling and other activities at Cuitaboca. Features of the work included cutting a 26km road access to the Colateral/Jesus Maria veins. A 100m long underground crosscut (adit) was developed from the side of the hill to access the Colateral vein, from which a 110m long exploration drift (drive) was completed along the vein (**Figure 4**). During this exploration vein samples were taken every 3m, the assays for which are shown in **Table 1** as reported by First Majestic Silver Corp.

This area is part of what Santana refers to as the Central Zone of the Cuitaboca Project. The Central Zone also consists of the Los Sapos, Chapotal, La Plata veins.

Table 1. Highlights of samples from the 110 metre drift

Line Number	Width Metres	Au g/t	Ag g/t	Pb %	Zn %
Line 1 NW	2.30	0.12	251	0.85	4.98
Line 2 NW	1.60	0.18	464	1.64	1.78
Line 3 NW	1.50	0.24	480	0.74	1.44
Line 4 NW	1.10	0.29	169	1.08	1.54
Line 5 NW	1.15	0.20	870	4.05	3.82
Line 6 NW	0.50	1.47	202	0.53	0.78
Line 7 NW	1.10	1.38	1,359	6.76	3.68
Line 8 NW	1.50	1.41	1,240	3.55	4.03
Line 9 NW	2.10	1.28	395	2.56	2.93
Line 10 NW	2.30	0.93	741	5.30	3.03
Line 11 NW	1.35	1.49	756	1.66	2.05
Line 12 NW	1.70	0.25	77	1.06	0.79
Line 13 NW	1.60	0.68	291	3.34	1.84
Line 1 SE	2.00	0.05	216	0.75	1.10
Line 2 SE	2.00	0.08	722	0.84	2.13
Line 3 SE	1.70	0.05	652	0.83	2.25
Line 4 SE	1.50	0.18	718	1.05	1.28
Line 5 SE	1.70	0.51	823	0.80	2.08
Line 6 SE	1.80	1.01	637	1.50	3.39
Line 7 SE	2.20	0.39	413	0.55	1.08
Line 8 SE	1.50	0.41	677	1.84	3.98
Line 9 SE	1.50	0.27	53	0.65	0.39
Line 10 SE	1.20	0.12	37	0.59	0.42
Line 11 SE	1.00	0.04	276	0.38	0.64
Line 12 SE	1.00	0.01	2	0.04	0.08
Line 13 SE	0.70	0.01	6	0.09	0.15
Line 14 SE	1.00	0.01	20	0.07	0.12
Line 15 SE	1.15	0.01	3	0.03	0.04
Line 16 SE	0.60	0.01	4	0.07	0.18
Line 17 SE	0.50	0.04	12	0.17	0.45
Line 18 SE	1.05	0.03	9	0.20	0.30
Line 19 SE	1.70	0.08	72	2.72	6.05
Line 20 SE	1.40	0.01	29	3.39	3.18
Average over 110 m length	**1.42**	**0.42**	**425**	**1.65**	**2.15**

The information in the above table is extracted from a news release by First Majestic Silver Corp. dated November 13, 2007. The news release was reviewed by Baltazar Solano-Rico, M.Sc., President of Behre Dolbear de Mexico, S.A. de C.V. who was the Qualified Person for the release as defined in the standards for disclosure of mineral projects within Canada (NI 43-101). Full details of the news release are available on Sedar.

The information in the above table was prepared in accordance with the standards for disclosure of mineral projects within Canada (NI 43-101) and not in accordance with the JORC code. A competent person has not done sufficient work to classify the information reported within the news release in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the reported information will be able to be reported in accordance with the JORC Code.

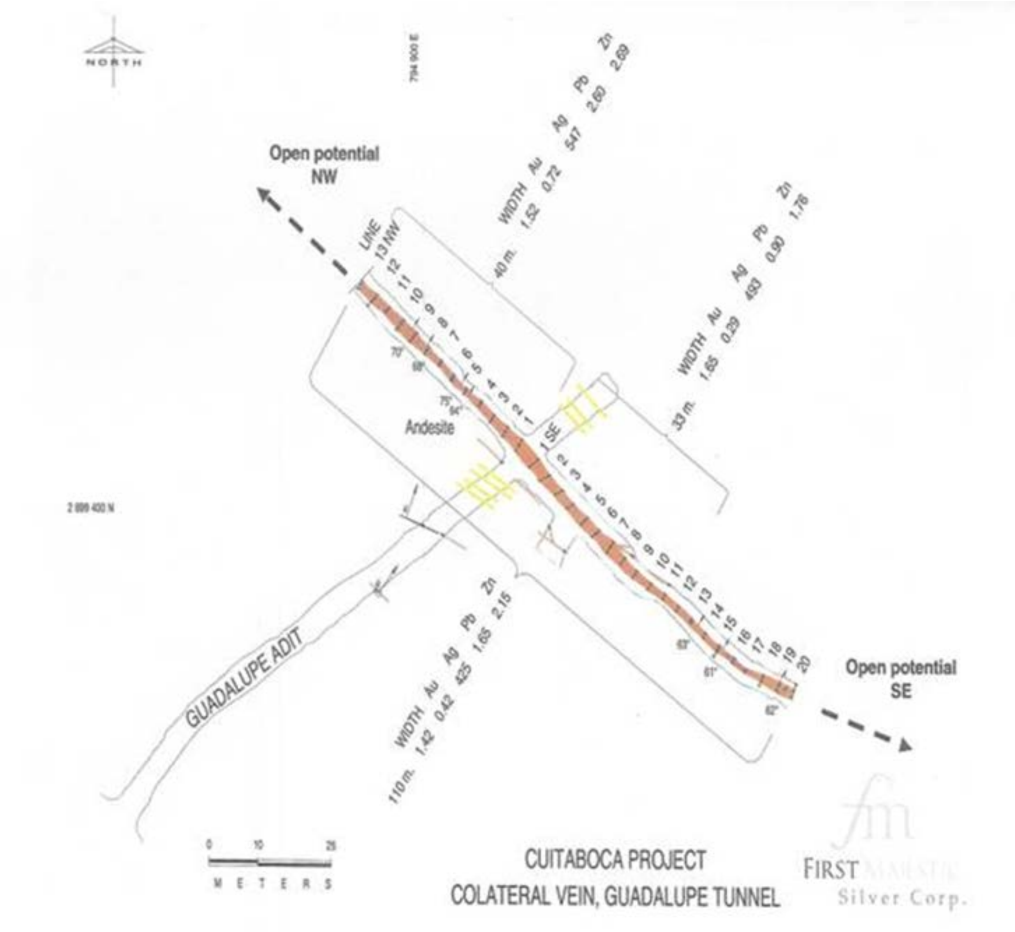

Figure 4: Historic exploration and cross-cut drift

Santana's Work

The **Central Zone** of the Cuitaboca Project was the location of the first of Santana's work programs: a 5 diamond core drill hole program into the Colateral (3) (**Figures 5 and 6**) and Jesus Maria (2) veins.

This zone was the main focus of the December 2014 – January 2015 work program which included a 1,250m (approx.) 5 hole diamond core drill program with three holes bored into the Colateral structure and two holes bored into the Jesus Maria vein structure.

The results of the program were confirmatory of the historical workings and grades of the Colateral drift referred to above (under the heading 2004-2008).

Grades reported in the **Colateral vein** drilling:
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)

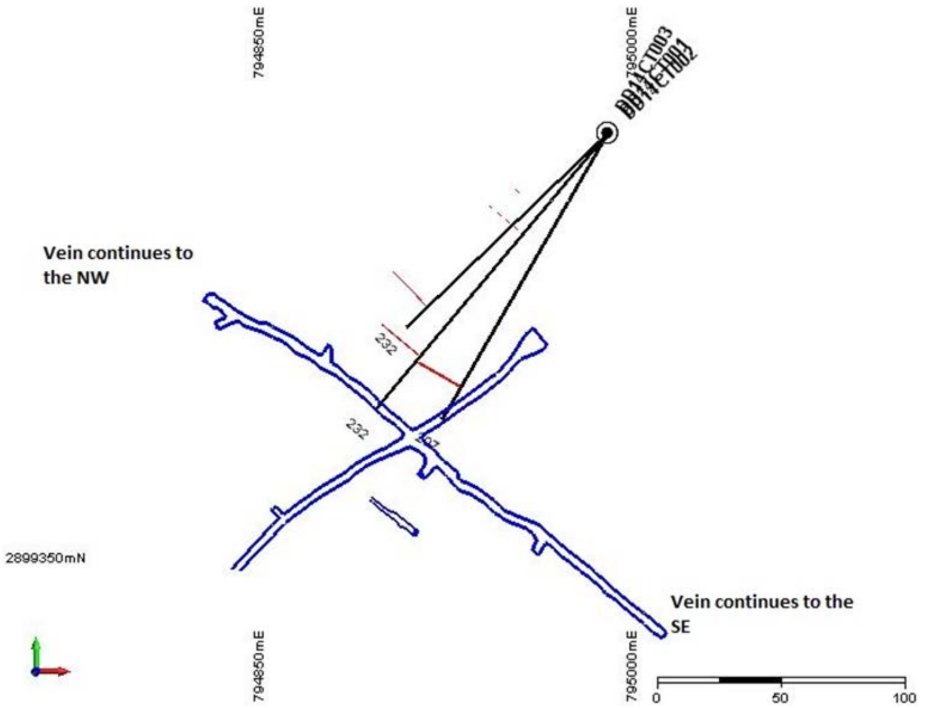

Figure 5: Drill Hole Location & Plan Projection of Colateral Vein intercept points (red) below historic drift

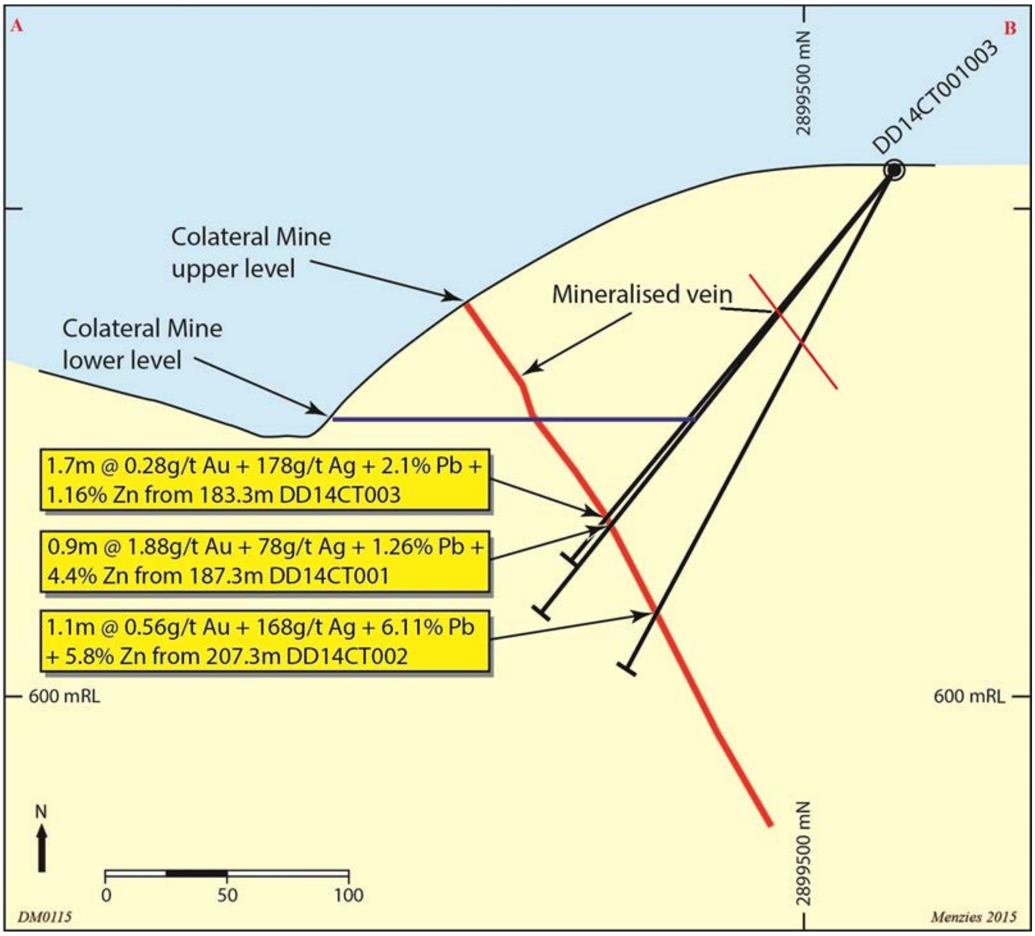

Figure 6: Cross-Section: DD14CT001 – 003 intersecting the Colateral vein

Grades reported in the **Jesus Maria vein** drilling:
1.73m @ **351g/t Ag + 0.21% Pb + 0.62% Zn** from 293m (DD15CT004)
(**incl** 0.82m @ **634g/t Ag + 0.26% Pb + 0.88% Zn** from 293.91m)

The veins demonstrated good down dip continuity from surface (+150m) in competent andesite rock and good mineralised vein strike length of circa 1,000m, open at depth and at both ends. This serves to confirm the potential to explore for wider developments of vein hosted Ag-rich polymetallic mineralisation over the significant strike length.

Rock-chip sampling of the central zone subsequent to the drilling program demonstrate consistency with historic exploration results and with the drilling results. **Table** 2 shows location and results of all rock chip samples taken in the Central zone.

Table 2: Central Zone rock chip sample location and results

Sample No	East	North	Width m.	Au g/t	Ag g/t	Cu %	Pb %	Zn %
CB-0271	796072	2896978	1	0.01	2	<0.01	<0.01	<0.01
CB-0272	796067	2896978	1	0.01	2	<0.01	<0.01	<0.01
CB-0273	795153	2896978	0.6	0.1	443	0.03	0.65	1.33
CB-0274	795152	2896978	1	0.1	1190	0.03	0.40	0.20
CB-0275	795145	2896978	1	0.1	107	0.03	0.42	0.90
CT-0279	797575	2896978	0.65	0.01	119	<0.01	0.10	0.44
CT-0280	797564	2896978	0.5	0.01	171	<0.01	0.13	0.32
CT-0295	795257	2896978	0.6	0.04	284	<0.01	0.10	0.28
CT-0296	795228	2896978	0.9	0.01	1	<0.01	0.04	0.01
CT-0297	795895	2896978	0.5	0.34	294	0.01	0.43	0.17
CT-0298	795969	2896978	1.1	0.07	587	0.01	0.37	0.28
CT-0299	795969	2896978	0.7	0.02	989	0.04	0.23	0.26
CT-0300	795959	2896978	0.5	0.31	69	0.03	1.02	3.66
CT-0301	795935	2896978	1.8	0.17	448	0.04	0.42	1.54
CT-0302	795925	2896978	0.5	0.64	108	0.06	0.69	0.71
CT-0303	795925	2896978	1.8	0.01	6	0.02	0.09	0.25
CT-0304	795925	2896978	1.1	0.04	141	0.04	0.24	0.41
CT-0305	795343	2896978	1.3	0.02	8	0.22	0.23	0.13
CT-0306	795373	2896978	0.9	0.1	28	0.02	0.16	0.15
CT-0307	795460	2896978	1.5x1.5	0.03	6	0.03	0.38	0.22
CT-0308	795973	2896978	0.5	0.07	661	<0.01	0.16	0.06
CT-0309	796009	2896978	1.1	0.01	293	0.01	0.10	0.06
CT-0310	797625	2896978	0.5	0.01	785	<0.01	0.07	0.03
CT-0311	797688	2896978	0.4	0.01	680	<0.01	0.09	0.10
CT-0312	795612	2896978	1.5	0.01	98	<0.01	0.02	<0.01
CT-0313	795599	2896978	0.9	0.02	520	0.02	0.17	0.18
CT-0314	795609	2896978	1.6	0.04	280	<0.01	0.05	0.03
CT-0315	795606	2896978	1.3	0.01	275	0.02	0.08	0.04
CT-0316	795600	2896978	0.8	0.03	317	0.01	0.38	0.03
CT-0317	795599	2896978	1.2	0.01	163	0.01	0.09	0.03
CT-0318	795614	2896978	0.4	0.22	412	0.01	0.24	0.67
CT-0319	795607	2896978	0.4	0.55	201	0.02	0.31	0.17
CT-0320	794527	2896978	5x5m	0.19	365	<0.01	0.10	0.10
CT-0321	794644	2896978	3x0.6 m	0.01	37	<0.01	0.06	0.12
CT-0322	794667	2896978	4x1 m	0.01	27	<0.01	0.07	0.09
CT-0323	795416	2896978	2x2	0.1	351	<0.01	0.24	0.36

Sample No	East	North	Width m.	Au g/t	Ag g/t	Cu %	Pb %	Zn %
CT-0324	795453	2896978	2x2	0.03	131	<0.01	0.11	0.10
CT-0325	795583	2896978	0.3	0.11	910	<0.01	0.05	0.03
CT-0326	795583	2896978	1.2	0.04	14	<0.01	0.16	0.07
CT-0327	795661	2896978	0.25	0.01	405	<0.01	0.06	0.01
CT-0329	795749	2896978	1.5x1.5	0.06	60	<0.01	0.17	0.18
CT-0330	795955	2896978	1.8	0.01	160	0.02	0.11	0.08
CT-0331	795955	2896978	1.6	0.01	144	0.02	0.04	0.04
CT-0332	796168	2896978	1.5x1.5	0.01	67	0.04	0.43	0.25
CT-0333	796382	2896978	1	0.4	265	0.07	1.93	3.49
CT-0334	796509	2896978	1x1	0.07	57	0.08	1.67	0.73

Post drilling Santana undertook mapping and sampling programs across the district which has yielded further material and encouraging results.

The **Northern Zone** (**Figure 7**) hosts the La Lupita – El Pinal prospects and the Santana's work has identified La Piedrita and Blanca Esthela prospects. The location of these northern zone prospects at a high elevation (1,000-1,500m) in the upper part of the Sierra Madre Occidental volcanics suggests good continuous depth potential to host polymetallic low sulphidation epithermal Au-Ag mineralisation.

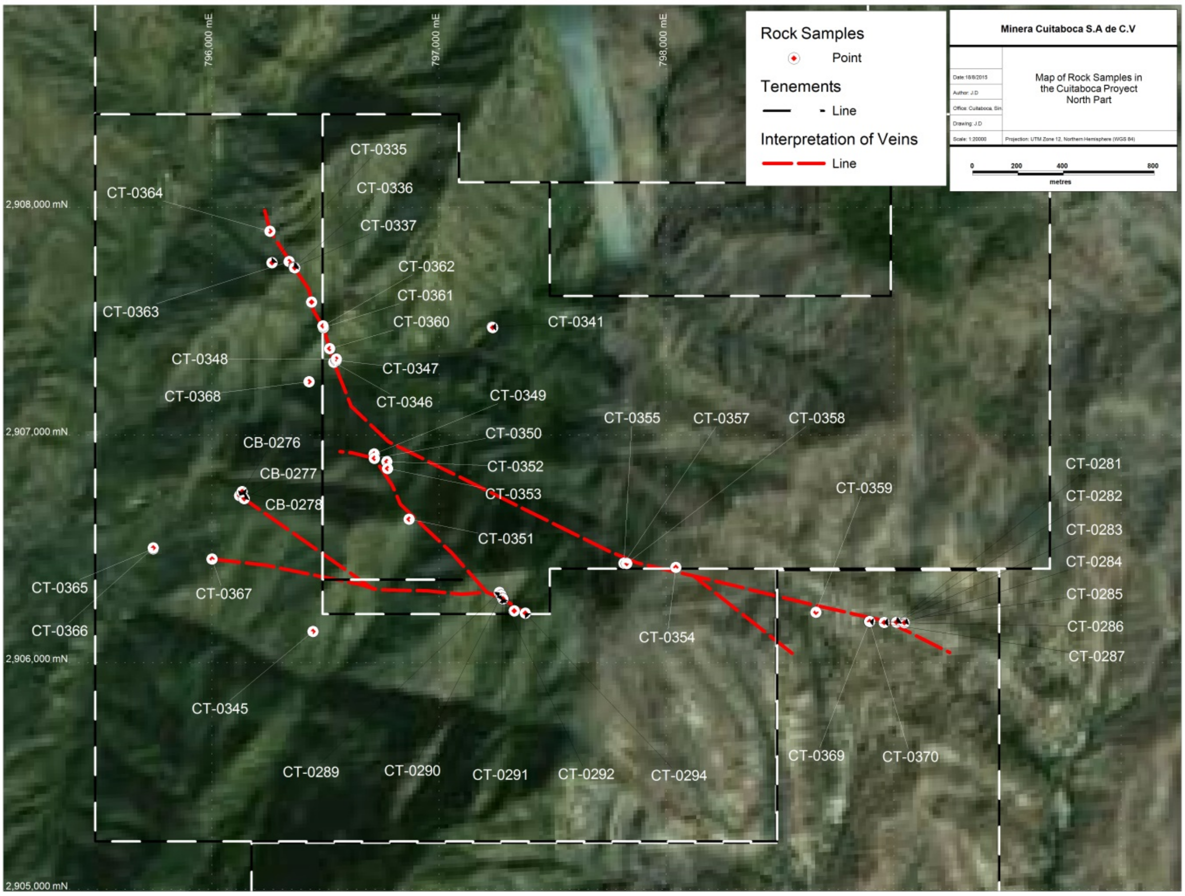

Figure 7: Northern Zone rock chip sample location plan

Table 3 shows location and results of all rock chip samples: Table 3A from the program reported in March 2015; Table 3B from the program reported in June 2015 and Table 3C from the program reported in August 2015. Together they demonstrate the high geologic prospectivity of this northern zone of the Cuitaboca district.

Table 3: Northern Zone rock chip sample location and results:

Table 3A: Program reported March 2015

Sample No.	East	North	Width m.	Au g/t	Ag g/t	Cu %	Pb %	Zn %
118	796733	2906318	1	0.01	54	0.09	0.54	0.99
119	796946	2906314	0.7	0.04	14	0.05	0.78	0.22
120	796985	2906318	0.6	0.49	35	0.11	1.12	0.08
121	797083	2906313	0.7	0.05	27	0.05	0.33	1.37
122	797083	2906313	0.5	0.12	85	0.59	1.80	1.09
123	797103	2906309	1.6	0.18	434	0.44	5.26	6.76
124	797130	2906316	1.2	0.13	381	0.75	6.34	2.93
125	797130	2906316	0.8	0.15	684	0.11	4.68	4.45
126	796666	2906343	0.7	0.12	34	0.02	0.60	0.16
127	795815	2906489	3-4	3.39	15	0.13	0.35	0.41
128	796688	2906350	0.5	0.01	3	-	0.04	0.05

Table 3B: Program reported June 2015

Sample No.	East	North	Width m.	Au g/t	Ag g/t	Cu %	Pb %	Zn %
CB-0276	796122	2906733	1	0.01	1	0.03	0.01	0.04
CB-0277	796143	2906720	0.9	0.27	16	0.62	0.02	0.07
CB-0278	796133	2906750	0.6	2.2	4	0.14	0.04	0.06
CT-0281	799013	2906176	1	0.01	35	0.06	0.41	0.19
CT-0282	799013	2906176	0.25	0.01	490	0.02	1.67	0.38
CT-0283	799013	2906176	0.7	0.01	22	0.05	1.15	0.60
CT-0284	799047	2906174	1x1	0.01	1485	0.06	13.30	0.35
CT-0285	798959	2906175	0.2	0.01	1230	0.12	3.47	2.18
CT-0286	798959	2906175	0.4	0.03	719	0.18	2.22	2.17
CT-0287	798894	2906179	0.7	0.02	267	0.23	0.89	1.38
CT-0289	797265	2906307	1.1	0.06	517	0.01	0.21	0.46
CT-0290	797274	2906294	1.3	0.06	91	0.10	0.47	0.97
CT-0291	797282	2906279	1.2	0.01	3	0.01	0.09	0.19
CT-0292	797281	2906279	0.4	0.21	34	0.16	1.35	0.29
CT-0293	797331	2906226	0.7	0.93	61	0.08	5.12	0.37
CT-0294	797379	2906216	1.1	0.02	17	0.02	0.14	0.08
CT-0335	796265	2907758	3x5	0.12	1760	0.28	4.33	14.35
CT-0336	796362	2907738	0.3	0.14	204	0.13	2.57	7.16
CT-0337	796362	2907738	0.7	0.11	486	0.12	1.32	3.09
CT-0338	796363	2907736	0.5	1.06	461	0.28	3.15	8.41
CT-0339	796365	2907736	0.5	1.17	192	0.14	2.03	5.00
CT-0340	796439	2907585	0.4	0.65	834	0.21	5.67	8.32
CT-0341	797234	2907475	1	0.11	93	0.14	5.77	1.05
CT-0342	797239	29074770	1.1	0.09	31	0.03	0.76	0.30
CT-0343	797236	2907473	0.2	0.87	89	0.16	2.98	4.88

Table 3C: Program reported August 2015

Sample No.	East	North	Width m.	Au g/t	Ag g/t	Cu %	Pb %	Zn %
CT-0345	796445	2906135	0.60	0.01	1	-	0.01	0.01
CT-0346	796537	2907320	0.60	1.82	122	0.39	1.08	5.56
CT-0347	796548	2907329	1.00	1.17	104	0.59	7.78	0.24
CT-0348	796548	2907334	0.80	0.28	7	0.17	0.05	0.04
CT-0349	796714	2906916	0.70	0.44	4	0.32	0.05	0.02
CT-0350	796715	2906897	1.00	0.1	7	0.76	0.04	0.02
CT-0351	796868	2906629	0.65	0.21	7	0.15	0.18	0.25
CT-0352	796770	2906883	0.70	0.26	2	0.05	-	0.02
CT-0353	796773	2906852	0.60	0.19	23	0.10	0.25	0.26
CT-0354	798042	2906417	0.60	0.01	21	-	0.02	0.04
CT-0355	797813	2906436	0.60	0.06	103	0.02	0.74	1.25
CT-0357	797813	2906436	0.60	0.01	48	0.01	0.02	0.05
CT-0358	797826	2906435	0.60	0.33	73	0.03	1.41	1.20
CT-0359	798658	2906220	0.60	0.01	227	0.02	2.68	0.36
CT-0360	796519	2907380	1.1	0.11	4	0.04	0.10	0.57
CT-0361	796491	2907473	0.6	0.1	676	1.20	8.70	2.02
CT-0362	796489	2907480	0.4	0.07	524	0.43	7.61	1.99
CT-0363	796340	2907763	0.3	0.19	80	0.09	1.16	2.13
CT-0364	796256	2907897	0.5	0.27	11	0.15	0.06	0.32
CT-0365	795742	2906499	1.4	0.02	4	0.26	0.16	0.10
CT-0366	795742	2906503	1.4	0.01	5	0.13	0.08	0.03
CT-0367	796001	2906454	0.6	0.05	11	0.12	0.16	0.10
CT-0368	796428	2907234	0.9	0.01	1	0.01	0.02	0.07
CT-0369	798893	2906178	0.6	0.04	15	0.02	0.06	0.43
CT-0370	798893	2906179	0.9	0.01	3	0.01	0.06	0.18

In the S**outhern Zone** of the Cuitaboca mining concessions (**Figure 8)** the La Mojardina/Santa Eduiweges prospect hosts two polymetallic epithermal Ag-Au veins, up to 1m wide having an identified 400+m strike, that reported an average grade of 0.09g/t Au, 678g/t Ag, 0.56% Pb, 3.8% Zn over 0.9m, from 6 samples.

Table 4 shows location and results of all rock chip samples taken.

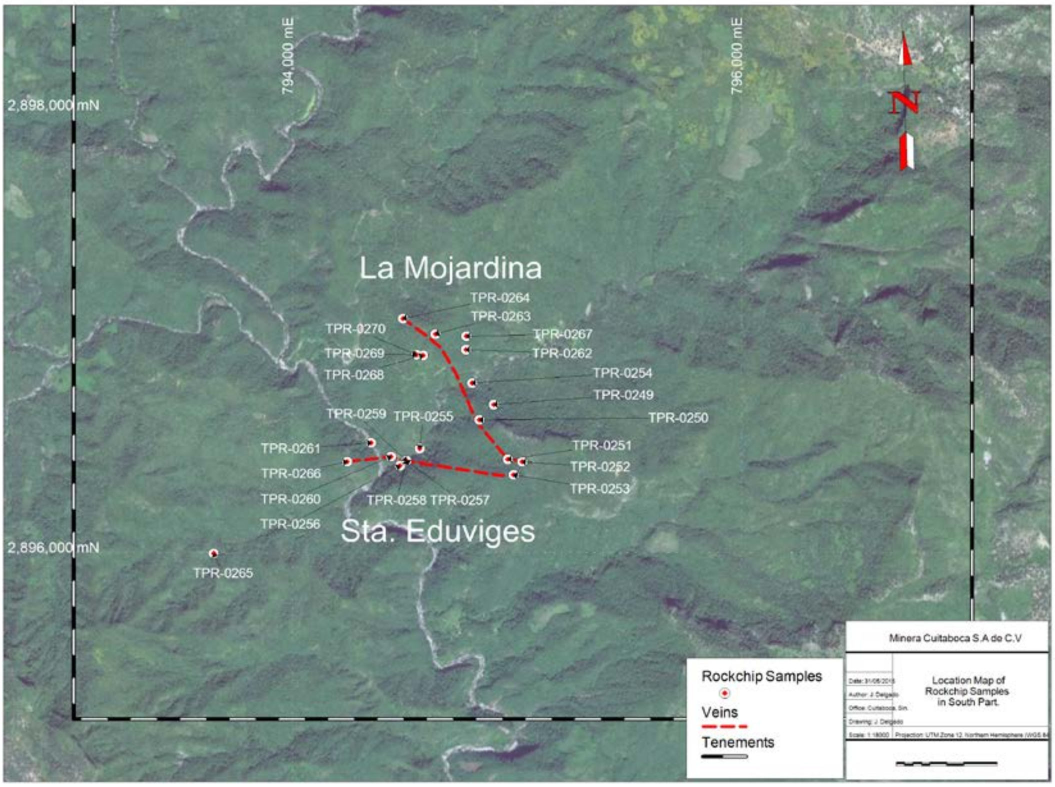

Figure 8: Southern Zone rock chip sample location plan

Table 4: Southern Zone rock chip sample location and results

Sample No	East	North	Width m.	Au g/t	Ag g/t	Cu %	Pb %	Zn %
TPR-0249	794896	2896668	0.7	0.01	72	<0.01	0.05	0.05
TPR-0250	794831	2896600	1	0.12	11	<0.01	0.05	0.34
TPR-0251	794959	2896421	Dump sample	0.01	138	<0.01	0.03	0.04
TPR-0252	795022	2896410	1	0.01	14	<0.01	<0.01	0.01
TPR-0253	794985	2896351	0.8	0.02	259	<0.01	0.04	0.09
TPR-0254	794799	2896767	1	0.01	13	<0.01	0.02	0.06
TPR-0255	794566	2896471	0.8	0.01	20	0.01	0.04	0.03
TPR-0256	794477	2896393	1	0.01	2	<0.01	0.02	0.05
TPR-0257	794506	2896415	1	0.05	1400	0.37	1.74	4.24
TPR-0258	794506	2896415	1	0.03	443	0.07	0.44	1.07
TPR-0259	794506	2896415	1	0.24	448	0.11	0.16	0.60
TPR-0260	794438	2896433	1	0.3	158	<0.01	0.06	0.20
TPR-0261	794350	2896496	1	0.2	195	<0.01	0.19	0.47
TPR-0262	794772	2896918	0.7	0.02	912	0.01	0.08	0.19
TPR-0263	794637	2896987	0.7	0.01	544	0.01	0.09	0.05
TPR-0264	794491	2897058	1.1	0.03	500	0.03	0.31	0.25
TPR-0265	793649	2895996	1	0.01	5	<0.01	<0.01	<0.01
TPR-0266	794242	2896411	1	0.01	7	<0.01	0.07	0.02
TPR-0267	794774	2896978	1	0.01	497	0.01	0.11	0.27
TPR-0268	794582	2896892	1	0.1	836	0.02	0.76	1.59
TPR-0269	794551	2896895	1	0.39	783	0.01	2.00	1.46
TPR-0270	794551	2896895	1	0.01	201	<0.01	0.08	0.07

Namiquipa, Chihuahua, Mexico (Santana 100%)

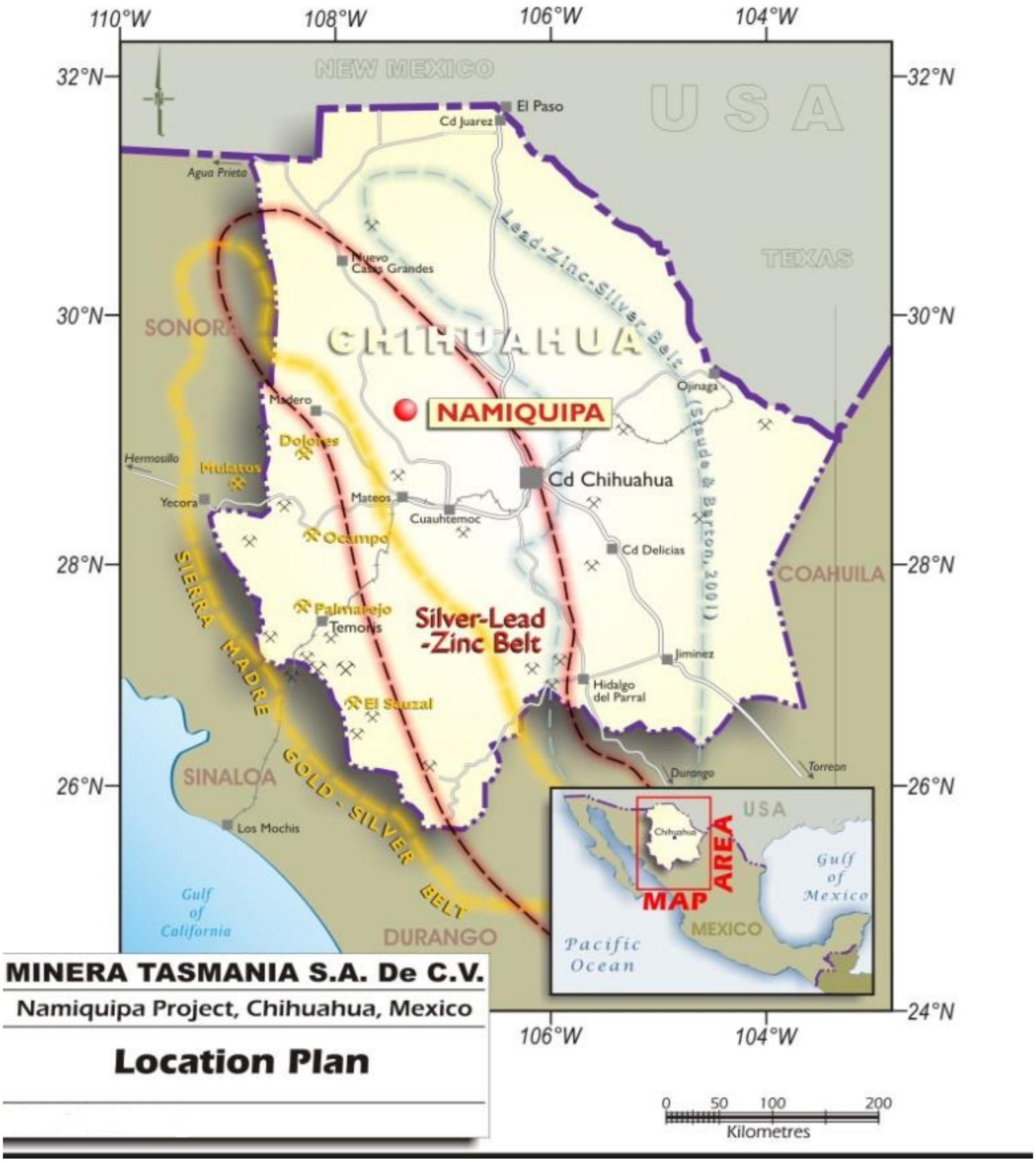

Figure 9: Namiquipa Project Location Map

Location

The Namiquipa silver project is located within three mineral concessions totalling 4,400 ha owned 100% by Santana, 145 km west-northwest of Chihuahua City in Chihuahua State (**Figure 9**).

History and Geology

The concessions include the La Venturosa silver mine where the reported historic production was 14.37Moz silver + 32,550t lead + 43,530t zinc. Two principle veins were mined over a strike length of 1,250m and to a depth of 250m in the Americas vein and to 150m in the Princesa vein.

In 2011 and 2012 drilling tested the Princesa and America veins to approximately 500m depth. 86 diamond holes (32,151 metres) were bored in the project area predominantly focused on the Princesa vein. A small number of drill holes also tested the America and other veins.

Santana's Work

Following a comprehensive review of all available data and establishing a geologic model for the control of mineralisation at Namiquipa an area of potential silver deposition by the mixing of acid sulphate waters with magmatic fluids, was identified. A six hole (2,511m) diamond core drill program was designed to test for any northern vein extensions and other identified zones of potential extensions of the vein systems.

The program did not establish a justification for the immediate continuation of drilling in those areas which tested the northern and southern extension potential. Subsequent to balance date an application has been made to surrender approximately 2,000 ha of the total 4,400 ha. 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 may seek to identify targets at depth below old workings where there is potential for ore shoots.

As a result, the company has impaired the recoverable amount of the exploration and evaluation expenditure capitalised in relation to the Namquipa project.

Competent Person/Qualified Person

The information in this report that relates to exploration targets, exploration results, mineral resources or ore reserve is based on information compiled by Mr Richard Keevers, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Keevers is a non-executive director of Santana. Mr Keevers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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". Mr Keevers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mining Tenement Schedule at 24 September 2015

Name	Number	Area	Status	Interest
Cuitaboca, Sinaloa, Mexico#				
El Chapotal	210765	126ha	Granted	Earning to 80%
San Rafael	214243	528ha	Granted	Earning to 80%
Nuestra Señora Del Carmen	208560	79.47ha	Granted	Earning to 80%
San Pedro	210767	29.15ha	Granted	Earning to 80%
Jesús Maria	205338	13.62ha	Granted	Earning to 80%
San Rafael II	222493	540ha	Granted	Earning to 80%
Cuitaboca	222494	2,401ha	Granted	Earning to 80%
Los Sapos	226832	1,386ha	Granted	Earning to 80%

Minera Cuitaboca S.A. de C.V. has the right to acquire the above concessions under an option agreement (**Concession Option Agreement**) with Consorcio Minero Latinoamericano S.A. de C.V (**Concession Holder**). The Concession Option Agreement provides for the acquisition of a 100% interest in the concessions from the Concession Holder by paying option fees totalling US$3,500,000, with those option fees payable on a six monthly basis up to 31 July 2020.

The Consolidated Entity can initially earn 80% of the Project Company by meeting expenditure and the remaining option fees under the Concession Option Agreement.

Name	Number	Area	Status	Interest
Namiquipa, Chihuahua, Mexico				
Tasmania	227076	4,226.20ha	Granted	100%
America	219975	136.36ha	Granted	100%*
Rolys	236046	37.44ha	Granted	100%*

* The America and Roly's Concession are pending formal transfer into the name of Minera Tasmania SA de CV, Santana's wholly owned subsidiary.

** Since balance date an application to surrender part (2000 Ha) of the Tasmania Concession has been lodged.

Number	Area	Status	Interest
Parker Range, Western Australia			
M 77/52	51ha	Granted	30%^
M 77/893	427ha	Granted	30%^

^ Free carried to production

Corporate Governance Statement

This statement describes the corporate governance practices of the Company and any of its Subsidiaries ('Consolidated Entity') as at the date of this report.

The board of directors is responsible for the overall corporate governance of the Consolidated Entity, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The Consolidated Entity provides this statement disclosing the extent to which it has followed, as at the date of this report, the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition with 2010 amendments) ('Recommendations'). This statement also provides details on the extent to which those Recommendations have not been followed and reasons for not following them.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Consolidated Entity complies with those recommendations.

Principle 1 - Lay solid foundations for management and oversight

Board and Management

The Board acts in the best interests of the Consolidated Entity as a whole and is accountable to shareholders for overall direction, management and corporate governance.

The Board has adopted a Board Charter, complying with Recommendation 1.1 of the Corporate Governance Council, which formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.

The Board is responsible for setting the strategic direction of the Consolidated Entity and, without intending to limit the general role of the Board, for the management of the Consolidated Entity including:

- oversight of control and accountability systems;
- appointing and removing the Managing Director and Company Secretary;
- monitoring any Executive Officer's performance and implementation of strategy;
- monitoring developed strategies for compliance with best practice corporate governance requirements;
- approving and monitoring developed strategies for major capital and operating expenditure (including annual operating budgets), capital management, acquisitions and divestitures;
- monitoring developed strategies for compliance with all legal and regulatory obligations and ethical standards and policies;
- reviewing any systems of risk management (which may be a series of systems established on a per-project basis), internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- monitoring developed reporting strategies for reporting to the market, shareholders, employees and other stakeholders.

The board has delegated responsibility for operation and administration of the Consolidated Entity to the Chief Executive Officer and executive management.

In accordance with Recommendation 1.2, the Board Charter provides that the Board is responsible for undertaking appropriate background checks before appointing a person, or putting forward a candidate for election, as a Director. In addition, that all material information in the Board's possession, relevant to whether or not to elect or re-elect a Director, shall be provided to Shareholders.

Having regard to the size of the Board, written agreements with each director setting out the terms of their appointment have not been implemented in accordance with Recommendation 1.3. A written agreement has been implemented with the Chief Executive Officer.

In accordance with Recommendation 1.4, the Board Charter provides that the Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Diversity

The Consolidated Entity fosters a governance culture that embraces diversity in the composition of directors, executives and employees together with the appropriate skill mix, personal qualities, expertise and diversity of each position. Due to the size of the Consolidated Entity and the number of officers and employees a formal Diversity Policy with set measurable objectives for achieving gender diversity has not been implemented as per Recommendation 1.5 of the Corporate Governance Council.

The Consolidated Entity has 20% (approx.) female participation in the organisation. There are no females employed in senior executive positions or on the board.

Performance Review and Evaluation

The Board Charter provides that the Board must review the Board Charter annually and perform an evaluation of its performance at intervals considered appropriate by the Chairman. Throughout the period the Board conducted a review of its Board Charter however a performance evaluation of the Board was not undertaken.

The Board Charter also provides that the Board is responsible for monitoring any executive officer's performance, and has in place procedures relevant to the size of the Consolidated Entity to assess the performance of the Chief Executive Officer and executive team.

Given the Consolidated Entity's size and number of executive officers, the board has adopted an informal and continuous performance evaluation process. Evaluation of performance as described has been conducted throughout the period.

The Consolidated Entity has followed Recommendation 1.6 and 1.7 through the above disclosures.

A copy of the Board Charter is available on the Company's website, www.santanaminerals.com.

Principle 2 – Structure the Board to add value

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Consolidated Entity's current size, scale and nature of its activities.

Board nominations

Having regard to the size of the Board, the same efficiencies of a nomination committee would not be derived from a formal committee structure. The responsibility for examination of the selection and appointment practices of the Company to ensure that it has the appropriate balance of skills, knowledge, experience, independence and diversity rests with the Board and a nomination committee has not been established in accordance with Recommendation 2.1.

The Board has not developed a formal program for inducting new directors or for professional development in accordance with Recommendation 2.6, given that no new appointments have been made in recent periods. The board will consider a formal program for induction at the appropriate time.

Skills, knowledge and experience

The Board considers the mix of skills and the diversity of board members when assessing the composition of the Board. Directors are appointed based on the specific corporate and governance skills and experience required by the Consolidated Entity. The Board seeks to maintain a relevant blend of personal experience across commercial and technical disciplines relevant to the business of the Consolidated Entity.

The Board does not maintain a formal Board Matrix in accordance with Recommendation 2.2. However, the Board is comprised of highly experienced senior business personnel from a variety of professional and enterprise backgrounds. They each meet the fundamental requirements and, collectively, possess the skills, experience and diversity considered necessary to appropriately govern the Consolidated Entity.

The skills of each individual director that comprise the Board have been outlined in the director's report on page 26..

Assessment of independence

An independent director, in the view of the Consolidated Entity, is a non-executive director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Consolidated Entity, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Consolidated Entity, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Consolidated Entity, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Consolidated Entity other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Consolidated Entity; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Consolidated Entity.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of directors required for the Board to properly perform its responsibilities and functions.

Independent directors

Due to the size and scale of the Consolidated Entity's current activities, the Board does not consist of a majority of independent directors. However, although the Board does not follow Recommendation 2.4, to facilitate independent decision-making, the Board has agreed procedures for directors to have access in appropriate circumstances to independent professional advice.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.

The board of directors has one executive and three non-executive directors. In accordance with Recommendation 2.3 the names of the directors of the Company in office at the date of this report, specifying who are independent together with their length of service and relevant personal particulars, are set out in the directors' report commencing on page 25 of this report.

Chairman and Chief Executive Officer

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chief Executive Officer is responsible and accountable to the Board for the Consolidated Entity's management.

The office of Chairman is held by Norman A. Seckold, who is not considered independent in accordance with Recommendation 2.5 of the Corporate Governance Council. However the board considers that the office of Chairman is best served by Mr Seckold due to his extensive experience in the industry.

In accordance with Recommendation 2.5 of the Corporate Governance Council the role of Chief Executive Officer and Chairman are not exercised by the same person.

Professional advice and access to information

Directors have the authority to seek any information they require from the Consolidated Entity and any Director may, at the Company's cost, take such independent legal, financial or other advice as they and the Chairman consider necessary or appropriate. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice agreed upon.

Term of appointment as a director

The Constitution of the Company provides that a director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the directors (excluding the Managing Director) must retire each year and are eligible for re-election. The directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Remuneration

The remuneration for individual directors is determined by the Board as a whole, with total compensation for all non-executive directors not to exceed an aggregate per annum approved by Shareholders.

For further details on the amount of remuneration and any amount of equity based executive remuneration payment for each director, refer to the Remuneration Report in the Directors' Report.

Principle 3 – Act ethically and responsibly

Code of conduct and ethical standards

Although the Consolidated Entity has not established a formal code of conduct in accordance with Recommendation 3.1 given its size, the Consolidated Entity fosters a governance culture where all directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Consolidated Entity.

Every employee has direct access to a director or executive to whom they may refer any issues arising from their employment. The Consolidated Entity does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Conflicts of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Consolidated Entity. The Board has developed procedures to assist with conflicts of interest and these include the director taking no part in the decision making process or discussions where a conflict does arise.

Securities trading policy

The board has established a policy relating to the trading of the Company's securities. The Board restricts directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and directors are required to consult the Chairman; Chief Executive Officer or Company Secretary prior to dealing in the Company's securities.

Share trading is not permitted by directors, executives or employees at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

Additional restrictions are placed on directors, executives and key management personnel ("restricted employees"). The Company has adopted blackout periods for restricted employees, being the period from the end of the quarter up to the day after the release date of the quarterly report. Additionally, all restricted employees must apply for written acknowledgement to gain authority to trade in the Company's securities.

The Company has made its Securities Trading Policy available on its website, www.santanaminerals.com.

Principle 4 – Safeguard integrity in corporate reporting

Audit committee

Given the current membership of the Board and the size, organisational complexity and scope of operations, the same efficiencies of an audit committee would not be derived from a formal committee structure. The Board has not established an audit committee and therefore Recommendation 4.1 has not been followed.

Responsibility for establishing and maintaining a framework of internal control and setting appropriate standards for the management of the Consolidated Entity rests with the Board in accordance with the Consolidated Entity's Board Charter. The Board is also responsible for the integrity of financial information in the financial statements; audit, accounting and financial reporting obligations; safeguarding the independence of the external auditor; and financial risk management.

CEO and CFO Certification

In accordance with Recommendation 4.2, the Board received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Auditor

In accordance with recommendation 4.3, the Board ensures that the Consolidated Entity's external auditor attends its AGM and is available to answer questions from shareholders relevant to the audit.

The external auditor attended the Consolidated Entity's last AGM during the past financial year.

Principle 5 – Make timely and balanced disclosure

Continuous disclosure with ASX Listing Rules

The Company is committed to promoting investor confidence and ensuring that shareholders and the market are provided with timely and balanced disclosure of all material matters concerning the Consolidated Entity, as well as ensuring that all shareholders have equal and timely access to externally available information issued by the Company, and takes its continuous disclosure obligations seriously.

Primary responsibility rests with the Chief Executive Officer, while the Company Secretary is primarily responsible for communications with the Exchange.

Whilst the Company does not have a formal policy, the Company notifies the ASX promptly of information:

- concerning the Consolidated Entity, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

Given the size of the Consolidated Entity, a formal continuous disclosure policy has not been adopted and Recommendation 5.1 has not been followed.

Principle 6 – Respect the rights of security holders

The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings.

The Company actively promotes communication with shareholders through a variety of measures, including the use of its website as its primary communication tool for distribution of the annual report, half-yearly report, market announcements and media disclosures. The Company aims to make this information available on the Company's website on the day of public release, and is e-mailed to all shareholders who lodge their e-mail contact details with the Company.

The company encourages shareholders to receive communications electronically in accordance with Recommendation 6.4. Information on lodging e-mail addresses with the Company is available on the Company's website.

In addition, the Company maintains a corporate governance section on its website as per Recommendation 6.1 where all relevant corporate governance information can be accessed.

A formal Shareholder Communications Policy has not been adopted given the Company's size and nature of operations, and therefore Recommendation 6.2 has not been followed.

The Board encourages full participation of shareholders at the Annual General Meeting in accordance with Recommendation 6.3, to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors, the remuneration report and other important considerations relevant to the Company at that time.

Principle 7 – Recognise and manage risk

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however, that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Due to the size of the Consolidated Entity, the number of officers and employees and the nature of the business, a formal risk management policy and internal compliance and control system have not been implemented as per Recommendation 7.1. The risk management functions and oversight of material business risks are performed directly by the Chief Executive Officer.

The Chief Executive Officer takes primary responsibility for managing corporate risk and reviews systems of external and internal controls and areas of significant operational, financial and property risk, and ensures arrangements are in place to contain such risks to acceptable levels. The Chief Executive Officer reports regularly at Board meetings as to the effectiveness of the Consolidated Entity's management of its material business risks.

Given the nature and size of the Consolidated Entity and considering the regular reporting by the Chief Executive Officer at Board meetings, the Board did not complete a formal review of the Company's risk management framework in the past financial year as provided by Recommendation 7.2. The Consolidated Entity has commenced a review subsequent to year end.

The Consolidated Entity did not have an internal audit function for the past year as provided by Recommendation 7.3. The internal audit function is carried out by the board, which continually considers the entity's risk management effectiveness and associated internal control procedures. The Company does not have an internal audit department nor does it have an internal auditor. The size of the Consolidated Entity does not warrant the need or the cost of appointing an internal auditor.

In accordance with Recommendation 7.4, the Consolidated Entity does not have any material exposure to economic, environmental and social sustainability risks other than as disclosed in accordance with its continuous disclosure obligations in its Annual Report and ASX announcements.

The Consolidated Entity ensures that appropriate insurance policies are kept current to cover potential risks and maintains Directors' and Officers' professional indemnity insurance.

Principle 8 – Remunerate fairly and responsibly

Remuneration committee

Given the current membership of the Board and the size, organisational complexity and scope of operations, the same efficiencies of a remuneration committee would not be derived from a formal committee structure. The Board has not established a remuneration committee and the responsibility for the Company's remuneration policy rests with the Board. Accordingly, Recommendations 8.1 has not been followed.

The Board is responsible for reviewing and recommending remuneration packages and policies applicable to non-executive directors, executive directors and executive management of the Company. It is also responsible for reviewing and recommending appropriate grant of any equity securities.

The remuneration objective is to adopt policies, processes and practices to:

- attract and retain appropriately qualified and experienced directors and executives who will add value; and
- adopt reward programmes which are fair and responsible and in accordance with principles of good corporate governance, which dictates a need to align director and executive entitlements with shareholder objectives.

The Board conducts reviews based on individual performance, trends in comparative companies and the need for a balance between fixed remuneration and non-cash incentive remuneration.

Remuneration packages for executive directors and senior executives comprise fixed remuneration and may include bonuses or equity based remuneration as per individual contractual agreements or at the discretion of the Board where no contractual agreement exists.

Non-Executive director remuneration is a fixed annual amount of director fees, the total of which is within the aggregate amount fixed by the company's Board prior to the first annual general meeting of shareholders. Any amendments to the maximum sum must be approved by the Company's shareholders at a general meeting.

The Company has entered into employment agreements with executives, on those terms noted in the Remuneration Report. The Board ensures that remuneration is in line with general standards for publicly listed companies of the size and type of the Consolidated Entity.

In distinguishing between the remuneration practices for its Non-Executive directors and the remuneration practices applicable to executive staff, the Company complies with Recommendation 8.2.

As outlined in Principle 3, he board has established a policy relating to the trading of the Company's securities. That policy prohibits Directors and employees from engaging in hedging arrangements over unvested securities issued pursuant to an employee option plan. Accordingly, Recommendation 8.3 has been followed.

Directors' Report

The directors present their report together with the consolidated financial report of Santana Minerals Limited for the financial year ended 30 June 2015 and the auditor's report thereon.

Contents of Directors' Report

1. Corporate Directory

Directors

The directors of Santana Minerals Limited (the Company) at any time during or since the end of the financial year are:

Mr Norman A Seckold, Non-Executive Chairman

Appointed 15 January 2013

Mr Seckold graduated with a Bachelor of Economics from the University of Sydney in 1970. He has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas. Of relevance is his particularly successful involvement in management of Mexican based projects.

Mr Seckold is currently Chairman and Director of each of ASX listed companies Planet Gas Limited (director since March 2004) and Augur Resources Ltd (director since November 2009).

He has been Chairman of Bolnisi Gold NL, Palmarejo Silver and Gold Corporation, Moruya Gold Mines NL, Pangea Resources Limited, Timberline Minerals, Inc., Perseverance Corporation Limited, Valdora Minerals NL, Viking Gold Corporation, Mogul Mining NL, San Anton Resource Corporation Inc., Cockatoo Coal Limited, Equus Mining Limited and Cerro Resources NL.

Mr Joseph F Conway, Non-Executive Director

Appointed 27 June 2013

Mr Conway graduated with a Bachelor of Science from Memorial University of Newfoundland in 1981, and completed an MBA from Dalhousie University in 1987. He has in excess of 25 years of mining and financial industry experience.

Mr Conway is currently Chief Executive Officer of Primero Mining Corp (since June 2010), a Canadian based gold and silver producer with operations in Mexico and Canada.

In the last 3 years he has also been a non-executive director of Dalradian Resources Inc.

Mr Anthony J McDonald, Managing Director and Chief Executive Officer

Appointed 15 January 2013

Mr McDonald graduated with a Bachelor of Laws from the Queensland University of Technology in 1981. He was admitted as a solicitor in 1982. He has been involved in the natural resources sector in Australia and internationally for many years and in the past 13 years has been actively involved in management in the resources sector.

Mr McDonald is currently a non-executive director of Planet Gas Limited (director since November 2003).

In the last 3 years he has also been a director of Industrea Limited and Cerro Resources NL.

Mr Richard E Keevers, Independent Non-Executive Director

Appointed 15 January 2013

Mr Keevers graduated with a Bachelor of Science from the University of New England in NSW. He is a qualified and experienced geologist, having held senior positions with BH South Limited and Newmont during his 20 years in the mining industry. Subsequently he was an executive director of Pembroke Josephson Wright Limited, an Australian share brokerage firm, for ten years.

He has also been Chairman and CEO of Electrometals Technologies Ltd and in the last 3 years he has been Chairman and director of both ActivEXLimited and Zamia Limited and a director of Cerro Resources NL.

Company Secretary

Mr Craig J McPherson

CFO (since 1 June 2013) and Corporate Secretary (since 15 January 2013)

Mr McPherson graduated with a Bachelor of Commerce degree from the University of Queensland and is a member of the Institute of Chartered Accountants in Australia. He has eighteen years of commercial and financial management experience and has held various roles with ASX and TSX listed companies over the past eight years in Australia and overseas.

2. Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	A	B
Mr NA Seckold[1]	5	5
Mr JF Conway	6	6
Mr A J McDonald	6	6
Mr RE Keevers	6	6

A - Number of meeting eligible to attend

B - Number of meetings attended

1. As Mr Seckold had a conflict of interest he did not take part in the board meeting relating to the Cuitaboca transaction.

3. Remuneration Report - Audited

3.1. Principles of compensation – audited

Remuneration is also referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity. Key management personnel comprise the directors of the Company and executives for the Company and the Consolidated Entity.

Compensation levels for key management personnel, the secretary of the Company and key management personnel of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- The capability and experience of the key management personnel; and
- The key management personnel's ability to control the relevant segment's performance.

Compensation packages include a mix of fixed compensation and long term performance based incentives.

Fixed compensation
Fixed compensation consists of base remuneration as well as employer contributions to superannuation funds.

Compensation levels are reviewed by the board through a process that considers individual, segment and overall performance of the Consolidated Entity. A senior executive's compensation is also reviewed on promotion.

Performance linked compensation
Performance linked compensation includes long-term incentives and is designed to reward key management personnel for meeting or exceeding their objectives. The long term incentives (LTI) are provided as options over ordinary shares in Santana Minerals Limited and are issued under the Executive and Staff Option Plan.

The Consolidated Entity has introduced a policy that prohibits those that are granted share based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

The Board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the consolidated entity's mineral exploration properties. The Board considers that the Consolidated Entity's LTI scheme incentivises key management personnel by providing rewards, over the short and long terms that are directly correlated to delivering value to shareholders through share price appreciation.

Service contracts

The Consolidated Entity had the following service contracts with Key Management Personnel at the end of the year:

An employment agreement with Mr McDonald (Managing Director and Chief Executive Officer) which has no fixed term. Remuneration under the agreement is $200,000 per annum (including statutory superannuation). The Company may at any time terminate the agreement by the giving of 3 months notice or paying an amount equal to 3 months remuneration (including statutory superannuation) in lieu of such notice. Mr McDonald may at any time terminate the agreement by the giving of 1 months notice. If a change of control event occurs Mr McDonald will be entitled to a termination payment equal to 6 months cash salary in lieu of notice payable immediately after the Change of Control Event.

Non-executive directors

Total compensation for all non-executive directors is not to exceed $250,000 per annum. Directors' base fees are presently $70,000 per annum for the Chairman and $45,000 per annum for non-executive directors. Non-executive directors do not receive performance-related compensation.

3.2. Directors' and executive officers' remuneration - audited

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the named executives are:

Relevant Person	Salaries & Fees		Superannuation		Options – Company		Total Remuneration		Value of Options as a Proportion of Remuneration	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$	$	%
Non-executive directors										
NA Seckold (Chairperson)	70,000	70,000	-	-	-	-	70,000	70,000	-	-
RE Keevers	41,096	41,190	3,904	3,810	-	-	45,000	45,000	-	-
JF Conway	45,000	45,000	-	-	-	-	45,000	45,000	-	-
Executive directors										
AJ McDonald (CEO)	170,833	175,000	29,167	25,000	-	98,338	200,000	298,338	-	32.96
Executives										
CJ McPherson (Company Secretary/CFO)	97,900	202,630	-	25,000	-	43,706	97,900	271,336	-	16.11
Total	**424,829**	**533,820**	**33,071**	**53,810**	**-**	**142,044**	**457,900**	**729,674**		

Notes in relation to the table of directors' and executive officers remuneration

Share based payments are reflective of amounts granted to directors and executives in Santana Minerals Limited. The fair value of the options is calculated at the date of grant using a Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised in this reporting period. In valuing the options, market conditions have been taken into account.

The following factors and assumptions were used in determining the fair value of options on grant date issued by the Company, Santana Minerals Limited:

Grant Date	Option Life Years	Fair value per option ($)	Exercise price ($)	Price of shares on grant date ($)	Expected volatility %	Risk free interest rate %	Dividend yield %
08.03.2013	4.91	0.097	0.275	0.139	107	2.79	-

3.3 Equity instruments - audited

All options refer to options over ordinary shares of the Company, Santana Minerals Limited.

Options issued by the Company are excisable on a one-for-one basis under the Santana Minerals Limited Executive and Staff Option Plan, unless specifically noted.

Options and rights over equity instruments granted as compensation - audited

There were no options over ordinary shares in the Company granted as compensation to key management personnel during the year ended 30 June 2015.

There were no options over ordinary shares in the Company granted as compensation to key management personnel that vested during the year ended 30 June 2015.

No options have been granted as compensation to key management personnel since the end of the financial year.

Exercise of options granted as compensation – audited

During the reporting period, no shares were issued on the exercise of options previously granted as compensation.

Movements in options and rights over equity instruments - audited

The movements during the reporting period in the number of options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person including their related parties is as follows:

	Opening 1 July 2014	Granted as compensation	Granted under entitlement offer	Held at 30 June 2015	Vested and exercisable at 30 June 2015
Non-executive Directors					
NA Seckold	-	-	4,858,073	4,858,073	4,858,073
RE Keevers	-	-	75,267	75,267	75,267
JF Conway	-	-	-	-	-
Executive Directors					
AJ McDonald	1,800,000	-	2,515,055	4,315,055	4,315,055
Executives					
CJ McPherson	800,000	-	119,795	919,795	919,795

Movements in equity holdings and transactions - audited

The movements during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each specified director or executive, including their personally related entities is as follows:

	Opening 1 July 2014	Paid up/ purchased	Sold/ transferred	Held at 30 June 2015
Non-executive Directors				
NA Seckold	19,432,293	9,716,147	-	29,148,440
RE Keevers	301,067	150,534	-	451,601
JF Conway	-	-	-	-
Executive Director				
AJ McDonald	4,510,735	5,030,110	-	9,540,845
Executives				
CJ McPherson	485,410	239,590	-	725,000

Loans to key management personnel and their related parties

The Consolidated Entity has not made any loans directly or indirectly to the specified directors and executives during the current financial year.

Other key management personnel transactions

The specified directors and executives hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Key management personnel are able to receive remuneration directly through these entities. All amounts applicable to remuneration have been disclosed in section 3.2 of this Directors' report.

During the year the consolidated entity entered into agreements allowing it to earn 80% of the Cuitaboca Project from an entity associated with Mr NA Seckold. Under the terms of the agreements, the Consolidated Entity made an initial payment of A$100,000 and has committed to meeting 100% of expenditure, thereby providing the Consolidated Entity with management of the Cuitaboca Project through an initial 100% ownership of Minera Cuitaboca S.A. de C.V. (Project Company).

Apart from the details disclosed in this section, no director has entered into a material contract with the Company or the Consolidated Entity and there were no material contracts involving directors' interests existing at year-end.

4. Principal activities

The principal activities of the Consolidated Entity during the course of the financial year were the exploration for gold, silver and base metals and the investigation of projects involving those activities with the objective of identifying, developing and exploiting economic mineral deposits. Those activities were undertaken in Mexico.

There was no significant change in the nature of the activities of the Consolidated Entity during the year.

5. Operating and financial review

The review of operations of the Consolidated Entity during the year is detailed in the review of operations commencing on page 2 of this annual report and forms part of the directors' report.

At the end of the financial year the Consolidated Entity had $530,006 (2014: $1,192,233) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was $5,824,957 (2014: $11,326,219).

The Consolidated Entity had net assets of $7,779,229 (2014: $14,791,857).

6. Dividends

No dividends have been paid, and the directors do not recommend the payment of a dividend for the year ended 30 June 2015.

7. Events subsequent to reporting date

Since the end of the reporting period the Company announced the opportunity for eligible shareholders to participate in a share purchase plan to raise up to $550,000 through the issue of a maximum of 42,307,692 ordinary shares at a price of $0.013 per share. The anticipated closing date for the share purchase plan is 5 October 2015.

Other than the matter disclosed above, in the opinion of the directors of the Company no transaction or event of a material or unusual nature has arisen in the interval between the end of financial year and the date of this report that affects significantly the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future years.

8. Likely developments

The Consolidated Entity will continue to pursue its objective of exploration and evaluation for gold, silver and base metals with the objective of eventually developing a commercially viable mining operation. The Consolidated Entity will also continue to investigate other projects and opportunities involving those activities. These activities will be undertaken within the constraints of its finances.

Further information about likely developments in the operations of the Consolidated Entity has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity and given the nature of exploration and evaluation it does not have sufficient certainty.

9. Environmental regulation and performance

The Consolidated Entity holds various exploration licences that regulate its exploration activities in Mexico. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of the Consolidated Entity's exploration activities.

There have been no significant known breaches of the Consolidated Entity's licence conditions and at the date of this report, no agency has notified the Consolidated Entity of any environmental breaches during the financial year, nor are the Directors aware of any environmental breaches.

10. Changes in state of affairs

In the opinion of the Directors, significant changes in the state of affairs of the Consolidated Entity that occurred during the year ended 30 June 2015 were as follows:

- On 29 July 2014, the Company announced that its wholly owned subsidiary had entered into agreements for the acquisition of the Cuitaboca Project located in the State of Sinaloa, Mexico.
- On 15 September 2014, the Company announced completion of a Non-Renounceable Rights Issue for the issue of 48,862,900 new shares at $0.04 per new share for $1,954,517. Each two new shares issued entitled the holder to one new free new option at $0.08.

11. Directors' interests

The relevant interest of each director in the shares or other securities issued by the Company and other related bodies corporate, as noted by the directors to the Australian Securities Exchange in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Fully Paid Ordinary Shares*	Options over Ordinary Shares*
Norman A. Seckold	29,148,440	4,858,073
Joseph F. Conway	-	-
Richard E. Keevers	451,601	75,267
Anthony J. McDonald	9,540,845	4,315,055

** Includes shares and options held directly and/or indirectly*

12. Share options

Options granted to directors and executives of the Consolidated Entity

There were no options granted to directors and executives of the Company during the year ended 30 June 2015.

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number of Shares
17 March 2016	8c	24,426,041
24 April 2018	27.5c	3,900,000

The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the Corporations Act 2001. The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Group issued 5,363 ordinary shares of the Company as a result of the exercise of options. The amount paid was $0.08 per share. There are no amounts unpaid on the shares issued.

13. Officers' indemnities and insurance

During or since the end of the reporting year the Company paid an insurance premium to insure certain officers of the Company and controlled entities. The officers covered by the insurance policy include the Directors and the Company Secretary named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a controlled entity. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company or controlled entity. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not entered into any agreement to indemnify any auditor of the Consolidated Entity.

14. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- The non-audit services have been reviewed by the board to ensure such services do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks or rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2015	**2014**
	$	**$**
Audit Services		
Audit and review of financial reports (KPMG Australia)	49,500	49,500
	49,500	49,500
Other services		
Taxation compliance services (KPMG Australia)	8,615	12,239
	8,615	12,239

15. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 36 and forms part of the directors' report for the financial year ended 30 June 2015.

This report is made with a resolution of the directors:

AJ McDonald
Managing Director

Dated at Brisbane this 25th day of September 2015.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the directors of Santana Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Simon Crane
Partner

Brisbane
25 September 2015

Consolidated Statement of Profit or Loss for the Year Ended 30 June 2015

Continuing operations	Note	30 June 2015 $	30 June 2014 $
Profit on sale of investments		-	75,345
General and administrative expenses		(858,343)	(1,188,713)
Exploration and evaluation expenses		(385,712)	(487,227)
Impairment losses on exploration and evaluation assets	11	(7,764,960)	(2,860,162)
Results from operating activities		(9,009,015)	(4,460,757)
Financing income	3	288,237	179,812
Financing expenses	3	(493,633)	(401,373)
Net financing income/(expense)		(205,396)	(221,561)
Loss before income tax expense		(9,214,411)	(4,682,318)
Income tax benefit/(expense)	6	334,000	(387,000)
Net loss for the year – from continuing operations		(8,880,411)	(5,069,318)
Loss from discontinuing operations, net of tax		-	(5,369)
Loss for the period – attributable to Shareholders of the Company		(8,880,411)	(5,074,687)
Earnings per share			
Basic loss per share	7	(6.52) cents	(5.19) cents
Diluted loss per share	7	(6.52) cents	(5.19) cents
Earnings per share – continuing operations			
Basic loss per share	7	(6.52) cents	(5.19) cents
Diluted loss per share	7	(6.52) cents	(5.19) cents

The consolidated statement of profit or loss is to be read in conjunction with the notes to the financial statements set out on pages 42 to 65.

Consolidated Statement of Other Comprehensive Income for the Year Ended 30 June 2015

	30 June 2015 $	30 June 2014 $
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss:		
Foreign exchange translation differences	(19,417)	(35,408)
Other comprehensive income for the year, net of income tax	(19,417)	(35,408)
Net loss for the year	(8,880,411)	(5,074,687)
Total comprehensive income for the year – attributable to Shareholders of the Company	(8,899,828)	(5,110,095)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 42 to 65.

Consolidated Statement of Financial Position
as at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Current assets			
Cash and cash equivalents		530,006	1,192,233
Trade and other receivables	8	21,235	13,371
Prepayments		65,033	49,740
Total current assets		616,274	1,255,344
Non-current assets			
Receivables	8	100,745	475,815
Investments	9	1,243,867	2,040,000
Property, plant and equipment	10	202,978	262,475
Exploration and evaluation expenditure	11	5,824,957	11,326,219
Total non-curent assets		7,372,547	14,104,509
Total assets		7,988,821	15,359,853
Current liabilities			
Trade and other payables		146,592	176,226
Employee benefits		10,000	4,770
Total current liabilities		156,592	180,996
Non-current liabilities			
Deferred tax liability	6	53,000	387,000
Total non-current liabilities		53,000	387,000
Total liabilities		209,592	567,996
Net assets		7,779,229	14,791,857
Equity			
Share capital	12	21,897,205	20,010,005
Reserves		(2,256)	17,161
Accumulated losses		(14,115,720)	(5,235,309)
Total equity		7,779,229	14,791,857

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 42 to 65.

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2015

	Issued capital	Revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total equity
Opening balance as at 1 July 2014	20,010,005	-	17,161	(5,235,309)	14,791,857
Loss for the year	-	-	-	(8,880,411)	(8,880,411)
Other comprehensive income for the year					
Foreign currency translation differences	-	-	(19,417)	-	(19,417)
Fair value adjustment on investments	-	-	-	-	-
Total comprehensive income for the year	-	-	(19,417)	(8,880,411)	(8,899,828)
Transactions with owners recorded directly in equity					
Shares issued	1,954,946	-	-	-	1,954,946
Share issue costs	(67,746)	-	-	-	(67,746)
Total transactions with owners	1,887,200	-	-	-	1,887,200
Balance at 30 June 2015	21,897,205	-	(2,256)	(14,115,720)	7,779,229

	Issued capital	Revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total equity
Opening balance as at 1 July 2013	20,010,005	-	52,569	(398,866)	19,663,708
Loss for the year	-	-	-	(5,074,687)	(5,074,687)
Other comprehensive income for the year					
Foreign currency translation differences	-	-	(35,408)	-	(35,408)
Total comprehensive income for the year	-	-	(35,408)	(5,074,687)	(5,110,095)
Transactions with owners recorded directly in equity					
Share-based payments (net of tax)	-	-	-	238,244	238,244
Shares issued	-	-	-	-	-
Total transactions with owners	-	-	-	238,244	238,244
Balance at 30 June 2014	20,010,005	-	17,161	(5,235,309)	14,791,857

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 42 to 65.

Consolidated Statement of Cash flows for the Year Ended 30 June 2015

	Note	30 June 2015 $	30 June 2014 $
Cash flows from operating activities			
Cash paid to suppliers and employees		(890,611)	(981,622)
Cash paid for exploration and evaluation expenditure expensed		(354,707)	(448,245)
Cash received from Mexican tax authorities		576,862	-
Interest received		46,866	54,158
Net cash provided by operating activities	19	(621,590)	(1,375,709)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure capitalised		(2,230,818)	(1,955,156)
Acquisition of investments		-	(102,317)
Proceeds from sale of investments		302,500	540,654
Acquisition of property, plant and equipment		-	(49,421)
Proceeds from sale of property, plant and equipment		-	21,578
Net cash used in investing activities		(1,928,318)	(1,544,662)
Cash flows from financing activities			
Proceeds from issue of shares		1,954,946	-
Share issue costs		(67,746)	-
Net cash provided by financing activities		1,887,200	-
Net increase in cash and cash equivalents held		(662,708)	(2,920,371)
Effects of exchange rate fluctuations on cash held		481	(2,161)
Cash and cash equivalents at 1 July		1,192,233	4,114,765
Cash and cash equivalents at 30 June		530,006	1,192,233

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 42 to 65.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2014

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Santana Minerals Limited (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Ground Floor, 139 Coronation Drive, Milton QLD 4064. The consolidated financial report of the Company as at and for the financial year ended 30 June 2015 comprises the Company and its subsidiaries (together referred to as the "Consolidated Entity"). The Consolidated Entity is a for-profit entity and is primarily involved in exploration activities.

The consolidated financial report was authorised for issue by the directors on 25 September 2015.

(b) Basis of accounting

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated entity's accounting policies have been applied consistently to all periods presented in the consolidated financial report. The accounting policies have been applied consistently by all entities in the Consolidated Entity.

(c) Basis of measurement

The financial report is presented in Australian dollars, which is the Company's functional currency. The financial report is prepared on the historical cost basis, except for investments which are measured at fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in the following notes:

- impairment (Note 11);
- going concern (Note 1(t));
- utilisation of tax losses (Note 6); and
- measurement of share-based payments (Note 17).

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- capitalisation of exploration and evaluation expenditure (Note 11).

(d) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the consolidated entity. Control exists when the consolidated entity is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(e) Finance income and expense

Finance income comprises interest receivable on funds invested, profits on sale of financial assets and foreign exchange gains. Finance expense comprises foreign exchange losses and impairment losses on investment assets.

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit or loss on the date the entity's right to receive payments is established.

Foreign exchange gains and losses are reported on a net basis.

(f) Goods and services tax and other value added taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax (VAT), except where the amount of GST/VAT incurred is not recoverable from the taxation authority. In these circumstances, the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as an asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, tax authorities are classified as operating cash flows.

(g) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Financial statements of foreign operations

The assets and liabilities of foreign operations generally are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the foreign currency translation reserve. They are transferred to profit or loss upon disposal of the foreign operation.

(h) Lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense and spread over the lease term.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(j) Loss per share

Basic loss per share (LPS) is calculated by dividing the net loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted LPS is calculated by adjusting the net loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(k) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, available for sale financial assets, and trade and other payables.

A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity's contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Investments comprise equity securities. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Consolidated Entity in the management of its short-term commitments.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Share capital

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

Dividends are recognised as a liability in the year in which they are declared.

(l) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of acquired assets includes (i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and (ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

Leased assets

Leases in terms of which the Consolidated Entity assumes substantially all of the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases.

Subsequent costs

The Consolidated Entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

Depreciation

Depreciation is charged to the profit or loss on a straight-line or reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The depreciation rates used for each class of asset in the current and comparative periods are as follows:

Motor vehicles	20 – 22.5 %
Plant and Equipment	20 %
Furniture and fittings	10 - 40 %
Buildings	5 %

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(m) Segment reporting

An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Consolidated Entity's other components. All operating segments' operating results are regularly reviewed by the directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily cash and listed securities), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. It also includes costs incurred on exploration and evaluation of the Consolidated Entity's exploration projects.

(n) Provisions

A provision is recognised when the Consolidated Entity has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(o) Employee benefits

Wages, salaries, and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Termination benefits

Termination benefits are recognised as an expense when the Consolidated Entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Consolidated Entity has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Long-term service benefits

The Consolidated Entity's net obligations in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rate attached to the Commonwealth Government bonds at the reporting date which have maturity dates approximating to the terms of the Consolidated Entity's obligations.

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss as incurred.

Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

(p) Impairment

Financial asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For investment in equity securities, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal is recognised in profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, and the current fair value, less any impairment loss previously recognised in profit or loss. If there is any subsequent recovery in the fair value of an impaired available-for-sale equity security it is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Consolidated Entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

(q) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity related. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and development.

(r) Assets held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Immediately before classification as held-for-sale the assets, or components of a disposal group, are remeasured in accordance with the Group’s other accounting policies. Thereafter generally the asset, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, or deferred tax assets which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

A discontinued operation is a component of the Group’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant are set out below.

AASB 9 Financial Instruments

AASB 9, published July 2014, replaces existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139.

AASB 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The adoption of this standard is expected to have an impact on the Group's financial assets, but no impact on the Group's financial liabilities.

The Consolidated Entity does not plan to adopt this standard early and the extent of the impact has not been determined.

(t) Going concern

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a "going concern" which assumes the consolidated entity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The consolidated entity has the ability to seek to raise funds from the public and intends to raise such funds as and when required to complete its projects.

The consolidated entity currently has no source of operating cash inflows, other than interest income, and has incurred net cash outflows from operating and investing activities for the year ended 30 June 2015 of $2,549,908.

At 30 June 2015, the Consolidated Entity had cash balances of $530,006 (2014: $1,192,233), investments in listed securities with a carrying value of $1,243,867 (2014: $2,040,000) and net working capital (current assets less current liabilities) of $459,682 (2014: $1,074,348).

These conditions give rise to a material uncertainty that may cast doubt upon the consolidated entity's ability to continue as a going concern. The ongoing operation of the consolidated entity is dependent upon:

- The consolidated entity raising additional funding from shareholders or other parties; and/or
- The consolidated entity realising its investments; and
- The consolidated entity reducing expenditure in line with available funding.

Further, since the end of the reporting period the Company announced the opportunity for eligible shareholders to participate in a share purchase plan to raise up to $550,000 through the issue of a maximum of 42,307,692 ordinary shares at a price of $0.013 per share. The anticipated closing date for the share purchase plan is 5 October 2015.

The directors have prepared cash flow projections that support the ability of the consolidated entity to continue as a going concern. These cash flow projections assume the consolidated entity obtains sufficient additional funding from shareholders or other parties and/or the realisation of investments. If such funding is not achieved, the consolidated entity plans to reduce expenditure significantly, which may result in an impairment loss on the book value of exploration and evaluation expenditure recorded at reporting date.

In the event that the consolidated entity does not obtain additional funding and/or reduce expenditure in line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial report.

In the longer term, the development of economically recoverable mineral deposits found on the consolidated entity's existing or future exploration properties depends on the ability of the consolidated entity to obtain financing through equity financing, debt financing or other means. If the consolidated entity's exploration programs are ultimately successful, additional funds will be required to develop the consolidated entity's properties and to place them into commercial production. The ability of the consolidated entity to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the consolidated entity. There can be no assurance that the consolidated entity will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the consolidated entity. If adequate financing is not available, the consolidated entity may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the consolidated entity to forfeit its interests in some or all of its properties and reduce or terminate its operations.

2. FINANCIAL RISK MANAGEMENT

(a) Overview

The Consolidated Entity has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Consolidated Entity's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and policies. The board oversees the establishment, implementation and regular review of the Consolidated Entity's risk management system and to this end has adopted risk management policies to protect the assets and undertakings of the Consolidated Entity.

Risk management policies are established to identify and analyse the risks faced by the Consolidated Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Consolidated Entity's activities

The board oversees how management monitors compliance with the Consolidated Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Consolidated Entity.

Financial risk is managed by Chief Executive Officer and overviewed by the board.

(b) Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Consolidated Entity's exposure to credit risk is minimal other than those exposures with respect to credit risk set out in Note 18.

(c) *Liquidity risk*

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity monitors its cash holdings on a regular basis in relation to actual cash flows, financial obligations and planned activities in order to manage liquidity risk.

(d) *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Consolidated Entity is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of its subsidiaries, which are the Australian dollar (AUD) and the Mexican peso (MXP). The currencies in which these transactions primarily are denominated are AUD and MXP, while a significant amount of transactions are also denominated in the United States dollar (USD). The Consolidated Entity seeks to minimise its exposure to currency risk by monitoring exchange rates and entering into foreign currency transactions that maximise the Consolidated Entity's position. The Consolidated Entity does not presently enter into hedging arrangements to hedge its currency risk. All foreign currency transactions are entered into at spot rates. The Board considers this policy appropriate, taking into account the Consolidated Entity's size, current stage of operations, financial position and the board's approach to risk management.

The Consolidated Entity is exposed to equity price risk arising from equity securities held at fair value.

(e) *Capital management*

The Board's policy is to maintain a sufficient capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the Consolidated Entity's current stage of operations and financial position the Board is focused on investment of available capital in the Consolidated Entity's operations.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

3. NET FINANCING INCOME/ (EXPENSE)

	Consolidated	
	2015	**2014**
	$	**$**
Interest income	46,866	54,158
Profit on sale of financial assets	-	125,654
Foreign exchange gain	241,371	-
Financing Income	288,237	179,812
Impairment of available for sale financial assets	(493,633)	-
Foreign exchange loss	-	(401,373)
Financing expense	(493,633)	(401,373)
Net financing income/(expense)	(205,396)	(221,561)

4. PERSONNEL EXPENSES

	Consolidated	
	2015	2014
	$	$
Non-executive Directors' Fees	156,096	156,190
Salaries and wages	198,912	419,910
Superannuation contributions	35,738	57,658
Share based payments	-	238,244
Total personnel expenses	390,746	872,002

5. AUDITOR'S REMUNERATION

	Consolidated	
	2015	2014
	$	$
Audit Services		
Audit and review of financial reports (KPMG Australia)	49,500	49,500
	49,500	49,500
Other services		
Taxation compliance services (KPMG Australia)	8,615	12,239
	8,615	12,239

6. TAXATION

Numerical reconciliation of income tax expense

(a) Income tax expense recognised in the income statement

	Consolidated	
	2015	2014
	$	$
Loss before tax	(9,214,441)	(4,687,687)
Income tax using domestic corporation tax rate 30%	2,764,332	1,406,306
Increase/(decrease) in tax expense due to:		
Share based compensation	-	(71,473)
Sundry	(30,463)	81,253
Deferred tax assets not brought to account	(2,399,869)	(1,803,086)
Income tax benefit/(expense) pre-tax net profit	334,000	(387,000)

(b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated	
	2015	2014
	$	$
Deductible temporary differences	259,003	25,631
Tax Losses	2,854,115	1,117,596
Capital Losses	100,649	51,594
	3,213,767	1,194,821

The foreign tax losses have expiry dates under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available from which the Consolidated Entity can utilise the benefits.

At 30 June 2015, the Consolidated Entity has gross income tax loss carry forward amounts expiring as follows:

	Australia	Mexico	Total
	$	$	$
2022	-	5,049,271	5,049,271
2023	-	3,496,648	3,496,648
2024	-	1,537,802	1,537,802
2025	-	14,690	14,690
2026	-	111,944	111,944
Does not expire	2,170,751	-	2,170,750
	2,170,751	10,210,355	12,381,106

(c) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
Exploration expenditure	-	-	894,000	3,117,000	894,000	3,117,000
Other items	-	-	19,217	14,922	19,217	14,922
Tax loss carry-forwards	(860,217)	(2,744,922)	-	-	(860,217)	(2,744,922)
Tax (assets) liabilities	(860,217)	(2,744,922)	913,217	3,131,922	53,000	387,000
Set off of tax	860,217	2,744,922	(860,217)	(2,744,922)	-	-
Net tax (assets) liabilities	-	-	53,000	387,000	53,000	387,000

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of $8,880,411 (2014: $5,074,687) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2015 of 136,151,000 (2014: 97,726,000), calculated as follows:

Reconciliation of earnings used in the calculation of loss per share	Consolidated 2015	2014
Loss attributed to ordinary shareholders used in the calculation of basic and diluted loss per share	$8,880,411	$5,074,687

Weighted average number of ordinary shares	Consolidated No ('000)	
Issued ordinary shares at 1 July	97,726	97,726
Effect of shares issued September 2014	38,421	-
Effect of share issued November 2014	4	-
Weighted average number of ordinary shares at 30 June	136,151	97,726

8. TRADE AND OTHER RECEIVABLES

	Consolidated 2015 $	2014 $
Current		
Other receivables	11,201	1,363
GST Receivable	10,034	12,008
	21,235	13,371
Non-current		
Receivable from Mexican Tax Authority	54,602	429,672
Security deposit	46,143	46,143
	100,745	475,815

The Consolidated Entity records a receivable from the Mexican Tax Authority in relation to tax paid on exploration and evaluation expenditures in Mexico that is recoverable.

9. INVESTMENTS

	Consolidated 2015 $	2014 $
Non-current		
Equity securities	1,243,867	2,040,000
	1,243,867	2,040,000

All of the Consolidated Entity's equity investments are listed on the Australian Securities Exchange.

For such investments, a 5 per cent increase in the price of equity investments at the reporting date would have increased equity by $62,193 (2014: $102,000); an equal change in the opposite direction would have decreased equity by $62,193 (2014: $102,000). As at 24 September 2015 the fair value of the Consolidated Entity's investments in equity securities was $1,047,000

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated				
	Fixtures & Fittings	Plant & Equipment	Motor Vehicles	Buildings	Total
	$	$	$	$	$
Costs					
Balance at 1 July 2013	106,907	50,333	112,255	121,240	390,735
Acquisition of subsidiary	3,085	-	-	-	3,085
Acquisitions	856	48,565	-	-	49,421
Disposals	-	-	-	-	-
Effect of movements in foreign exchange	(1,623)	(1,616)	(3,604)	(3,892)	(10,735)
Balance at 30 June 2014	109,225	97,282	108,651	117,348	432,506
Balance at 1 July 2014	109,225	97,282	108,651	117,348	432,506
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Effect of movements in foreign exchange	909	1,807	2,019	2,180	6,915
Balance at 30 June 2015	110,134	99,089	110,670	119,528	439,421
Depreciation and impairment losses					
Balance at 1 July 2013	(44,686)	(17,761)	(35,753)	(6,062)	(104,262)
Acquisition of subsidiary	(535)	-	-	-	(535)
Depreciation charge for the year	(23,292)	(14,901)	(24,950)	(5,988)	(69,131)
Disposals	-	-	-	-	-
Effect of movements in foreign exchange	1,060	871	1,651	315	3,897
Balance at 30 June 2014	(67,453)	(31,791)	(59,052)	(11,735)	(170,031)
Balance at 1 July 2014	(67,453)	(31,791)	(59,052)	(11,735)	(170,031)
Depreciation charge for the year	(13,163)	(19,935)	(25,047)	(6,012)	(64,157)
Disposals	-	-	-	-	-
Effect of movements in foreign exchange	(648)	(473)	(951)	(183)	(2,255)
Balance at 30 June 2015	(81,264)	(52,199)	(85,050)	(17,930)	(236,443)
Carrying amounts					
At 30 June 2014	41,772	65,491	49,599	105,613	262,475
At 30 June 2015	28,870	46,890	25,620	101,598	202,978

11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2015 $	2014 $
Capitalised exploration and evaluation		
Mining tenements		
Exploration and evaluation phase – at cost		
Mexico		
-Namiquipa	4,800,000	11,326,219
- Cuitaboca	1,024,957	-
-Espiritu Santo	-	-
	5,824,957	11,326,219
Reconciliations		
Mexico – Namiquipa		
Opening balance at beginning of year	11,326,219	11,247,040
Expenditure for the year	1,028,322	440,242
Impairment of exploration and evaluation assets	(7,764,960)	-
Effect of foreign exchange movement	210,419	(361,063)
Closing balance at end of year	4,800,000	11,326,219
Mexico – Cuitaboca		
Opening balance at beginning of year	-	-
Expenditure for the year	950,305	-
Effect of foreign exchange movement	74,652	-
Closing balance at end of year	1,024,957	-
Mexico – Espiritu Santo		
Opening balance at beginning of year	-	1,555,604
Expenditure for the year	-	1,274,941
Impairment of exploration and evaluation assets	-	(2,860,162)
Effect of foreign exchange movement	-	29,617
Closing balance at end of year	-	-

Cuitaboca

On 29 July 2014 the Consolidated Entity announced that it had entered into agreements allowing it to earn 80% of the Cuitaboca Project located in the State of Sinaloa, Mexico. Under the terms of the agreements, the Consolidated Entity made an initial payment of A$100,000 and will commit to meeting 100% of expenditure, thereby providing the Consolidated Entity with management of the Cuitaboca Project through an initial 100% ownership of Minera Cuitaboca S.A. de C.V. (Project Company).

The Project Company has the right to acquire the Cuitaboca Project mining concessions under an option agreement (Concession Option Agreement) with Consorcio Minero Latinoamericano S.A. de C.V (Concession Holder). The Concession Option Agreement provides that the Project Company can acquire a 100% interest in the mining concessions from the Concession Holder by paying option fees totalling US$3,500,000, with those option fees payable on a six monthly basis up to July 2020. A balance of US$3,125,000 in option fees remains payable by the Project Company to the Concession Holder at the date of this report.

The Consolidated Entity is required to meet all expenditure during the term of the Concession Option Agreement (including option fees which the Project Company has agreed to pay the Concession Holder, concession rentals plus exploration expenditure as the Consolidated Entity determines) with the Vendors free carried. Once the Concession Option Agreement is completed the expenditure and ownership of the Project Company will revert to 80% Consolidated Entity 20% Vendors.

The Consolidated Entity retains the right to withdraw from the Cuitaboca Project at any time.

Namiquipa

Following completion of a drill program during the year, the Consolidated Entity determined that it would suspend exploration activities in relation to the Namiquipa project. In addition, subsequent to 30 June 2015 the Group has applied to surrender part of the concession area held. As a result, management consider these circumstances to represent an indicator of impairment and have estimated the recoverable amount of the exploration and evaluation expenditure capitalised in relation to the Namquipa project. Recoverable amount has been assessed on the basis of fair value less costs of disposal. In applying this to capitalised exploration and evaluation expenditure, management have determined that the most appropriate basis for determining fair value is to estimate the cost of replicating the work completed that specifically identifies the known JORC resource in the area of interest (a Level 3 fair value measurement). In assessing the costs to replicate, management referred to historical exploration costs incurred on the project, costs of recent exploration activities undertaken in similar areas and their understanding of the current cost of completing exploration activities in Mexico.

Espiritu Santo

During the prior financial year, the Consolidated Entity assessed its capitalised exploration and evaluation expenditure assets for impairment and recorded an impairment loss of $2,860,162 in relation to the Espiritu Santo Project. The drill program and assays led to a conclusion that further drilling and exploration was not justified.

The recovery of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

12. CAPITAL AND RESERVES

(a) Ordinary shares issued

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. Ordinary shareholders have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Company recorded the following amounts within shareholders' equity as a result of having issued ordinary shares.

30 June 2015	Number of ordinary shares	Issue price $	Share capital $
Balance at 1 July 2014	97,725,799		20,010,005
Rights Issue September 2014	48,862,900	0.04	1,954,517
Share Issue November 2014	5,363	0.08	429
Share Issue Costs	-		(67,746)
Balance at 30 June 2015 – fully paid	146,594,062		21,897,205

30 June 2014	Number of ordinary shares	Issue price $	Share capital $
Balance at 1 July 2013	97,725,799		20,010,005
Balance at 30 June 2014 – fully paid	97,725,799		20,010,005

(b) Options over ordinary shares

The Company has issued the following options over ordinary shares:

	Number of options 2015	Number of options 2014
Employee share options – see Note 17	3,900,000	3,900,000
Options issued as part of Rights Issue in September 2014	24,426,041	-
Total options over ordinary shares currently issued	28,326,041	3,900,000

As part of the Rights Issue completed in September 2014, participating shareholders received one option for each two new shares acquired under the Rights Issue. 24,431,404 options were issued for no consideration, have an exercise price of $0.08 and entitle the holder to receive one fully paid ordinary share on exercise. The options are exercisable on the earlier of the day that is: (a) 18 months from the date of issue; or (b) 60 days of the Company issuing a notice to the option holders. This notice can be issued at any time, provided: (a) Shares are not issued pursuant to the exercise of options earlier than six months from the date of issue of the options; and (b) the Company's shares have a daily VWAP of 12 cents or greater on any 15 business days (not necessarily consecutively). During the year 5,363 options were exercised.

(c) Nature and purpose of reserves

Revaluation reserve

The revaluation reserve comprises the cumulative net change in fair value of available for sale financial assets until the assets are derecognised or impaired.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from translation of the financial statements of foreign operations.

13. SEGMENT INFORMATION

The Consolidated Entity has two reportable segments, as described below.

- Exploration and evaluation (Mexico) – exploration and evaluation activities of the Consolidated Entity on the Namiquipa and Cuitaboca projects.
- Exploration and evaluation (Australia) – exploration and evaluation activities of the Consolidated Entity on the Kalman and Mt Philp projects.

Operating segments have been determined based on the analysis provided in the reports reviewed by the directors in assessing performance and determining strategy.

	Australia (1)		Mexico		Consolidated	
	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$
Segment result prior to impairment	-	(5,369)	(445,126)	(698,063)	(445,126)	(703,432)
Impairment losses on exploration and evaluation assets	-	-	(7,764,960)	(2,860,162)	(7,764,960)	(2,860,162)
Segment results	**-**	**(5,369)**	**(8,210,086)**	**(3,558,225)**	**(8,210,086)**	**(3,563,594)**
Unallocated expenses					(899,762)	(776,878)
Net financing income/(expense)					(104,563)	(347,215)
Income tax benefit/(expense)					334,000	(387,000)
Net loss					(8,880,411)	(5,074,687)
Segment assets	-	-	6,158,771	12,069,469	6,158,771	12,069,469
Unallocated assets					1,830,050	3,290,384
Total assets					7,988,821	15,359,853
Segment liabilities	-	-	156,592	180,996	156,592	180,996
Unallocated liabilities					53,000	387,000
					209,592	567,996
Capital expenditure						
Exploration and evaluation	-	-	1,978,627	1,715,183	1,978,627	1,715,183
Fixed assets	-	-	-	-	-	49,421
Total capital expenditure					1,978,627	1,764,604

(1) During the prior year the consolidated entity disposed of the subsidiary which held the Kalman and Mt Philp projects.

14. COMMITMENTS

	Consolidated 2015 $	2014 $
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	108,578	103,657
Between one and five years	123,207	231,785
	231,785	335,442

15. CONSOLIDATED ENTITIES

	Country of Incorporation	Ordinary Shares Percentage Owned 2015	2014
Parent Entity			
Santana Minerals Limited	Australia		
Subsidiaries			
Namiquipa Pty Ltd	Australia	100	100
Espiritu Santo Pty Ltd	Australia	100	100
Texrise Pty Ltd	Australia	100	100
Cuitaboca Pty Ltd	Australia	100	100
Minera Tasmania SA de CV	Mexico	100	100
Minera Longreach SA de CV	Mexico	100	100
Administración Integral Ceresour SA de CV	Mexico	100	100
Minera Cuitaboca SA de CV[1]	Mexico	100	-

1. Subsidiary acquired in July 2014. The Consolidated Entity can earn to 80% of the project company – see also Note 11.

16. INTERESTS IN JOINT VENTURE

Australia

Western Australia – Parker Range

In accordance with the Joint Venture Agreement, the Consolidated Entity has not made (and was not required to make) any contributions to the joint venture in the current financial year and holds no interest in the assets and liabilities employed in the joint venture until the commencement of the development phase of mining operations.

The Consolidated Entity currently holds a 30% free carried interest through to the development phase of mining operations in the Western Australian mineral tenements, M77/52 and M77/893, under the Buffalo Spring Hill Joint Venture.

17. SHARE-BASED PAYMENTS

In 2013, the Company, Santana Minerals Limited, established an employee share option program that entitles key management personnel and senior employees to purchase shares in the Company. Each option is exercisable to acquire one common share of the Company.

Throughout that year grants were offered to these groups of Santana Minerals Limited employees. In accordance with these programs, options are exercisable at the exercise price determined at the date of grant.

The terms and conditions of the employee share option grants made under the employee share option program and in existence at 30 June 2015 were as follows.

Grant date	Entitlement	Number of instruments	Vesting conditions	Contractual life
29.10.2013	Senior Employees	1,300,000	6 months from grant date	54 months
08.03.2013	Key management personnel	2,600,000	6 months from grant date	59 months
Total employee share options		3,900,000		

All employee share options are exercisable at any time after the vesting date and before the expiry date to acquire one fully paid ordinary share. Where the employment or office of the option holder is terminated, any options which have not reached their vesting date will lapse and any options which have reached their vesting date may be exercised within two months from the date of termination of employment.

The number and weighted average exercise price of instruments is as follows.

	Weighted average exercise price 2015	Number of options 2015	Weighted average exercise price 2014	Number of options 2014
Share Options				
Outstanding at 1 July	0.275	3,900,000	0.275	2,600,000
Granted during the period	-	-	0.275	1,300,000
Outstanding at 30 June	0.275	3,900,000	0.275	3,900,000
Exercisable at 30 June	0.275	3,900,000	0.275	3,900,000

The employee share options outstanding at 30 June 2015 have a weighted average exercise price of $0.275 (2014: $0.275) and a weighted average contractual life of 2.83 years (2014: 3.83 years).

The fair value of employee share options is measured at grant date and recognised as an expense over the period during which the key management personnel and senior employees become unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes formulas, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

The fair value of employee share options has been calculated with the following inputs:

	Fair value at grant date	Share price	Exercise Price	Expected volatility %	Option Life Years	Expected dividends %	Risk-free interest rate %
29.10.2013	0.074	0.115	0.275	107	4.5	-	3.35
08.03.2013	0.097	0.139	0.275	107	4.91	-	2.79

Expected volatility was calculated using standard deviation based on historic data of newly listed companies on the Australian Securities Exchange operating in a similar industry to the Company over the term of the option.

Expenses arising from share-based payment transactions

Total compensation arising from employee share based payment transactions recognised during the year ended 30 June 2015 as part of share based remuneration expense was $nil (2014: $238,244).

18. FINANCIAL INSTRUMENTS

Exposure to credit risk, currency risk and liquidity risk arises in the normal course of the Consolidated Entity's operations.

Credit risk

At the balance sheet date there were no significant concentrations of credit risk apart from amounts receivable from the Mexican tax authorities for IVA receivable by the Consolidated Entity.

At the balance sheet date $54,602 (2014: $429,672) was receivable by the Consolidated Entity from the Mexican tax authorities for IVA receivable. The amount receivable is concentrated in Mexico. The Consolidated Entity believes that the amounts due from the Mexican tax authorities are collectable based on historic payments received.

The Consolidated Entity held cash and cash equivalents of $530,006 at 30 June 2015 (2014: $1,192,233), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which have a long term AA rating by Standard & Poor's.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Consolidated Entity is exposed to interest rate risk through its holding of cash and cash equivalents. At 30 June 2015 the weighted average interest rate on cash and cash equivalents was 1.45% (2014: 2.40%).

Sensitivity analysis

An increase of 50 basis points in interest rates at the end of the reporting period would not have had a material impact on the Consolidated Entity's profit or loss.

Foreign currency risk

The Consolidated Entity's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

In AUD

	2015	2014
	$	$
Cash and cash equivalents – USD	108,732	10,806
Trade and other payables (Current) - USD	(303)	(7,378)
Net exposure	108,429	3,428

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
AUD	2015	2014	2015	2014
MXP	11.9118	11.9582	11.9819	12.2045
USD	0.8369	0.9178	0.7657	0.9419

Sensitivity analysis

A reasonably foreseeable movement in exchange rates would not have a material impact on the Consolidated Entity's profit or loss.

Liquidity risk

At reporting date there were no significant concentrations of liquidity risk. The Consolidated Entity's liquidity risk arises from its trade payables and other payables as presented in the statement of financial position at 30 June 2015. The maturity of these payables is less than 6 months.

Fair value

The carrying amounts of the consolidated entity's financial assets and financial liabilities approximate their fair values at 30 June 2015.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

Available for sale equity securities held by the consolidated entity are categorised as Level 1.

19. RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES

	Consolidated	
	2015	**2014**
	$	**$**
Net loss	(8,880,411)	(5,074,687)
Add/(less) non-cash items:		
Depreciation	8,024	10,515
Impairment of exploration and evaluation assets	7,764,960	2,860,162
Impairment of financial assets	493,633	-
Foreign exchange loss/(gain)	(206,559)	401,373
(Increase)/decrease in receivables	(7,864)	(7,117)
(Increase)/decrease in receivables from Mexican Authorities - IVA	576,862	-
Increase/(decrease) in payables	(26,172)	28,538
Increase/(decrease) in employee benefits	5,230	(1,384)
Movement in prepayments	(15,293)	4,224
Share based compensation	-	238,244
Increase/(decrease) in deferred tax liability	(334,000)	387,000
Profit on sale of investments	-	(75,345)
Profit on sale of financial assets	-	(125,654)
Profit on sale of non-current assets	-	(21,578)
Net cash provided/(used) by operating activities	(621,590)	(1,375,709)

a) Financing Arrangements

The Consolidated Entity has access to the following line of credit:

Bank guarantees		
Total facilities available	44,527	44,527
Facilities utilised at balance date	(44,527)	(44,527)
Facilities not utilised at balance date	-	-

20. RELATED PARTIES

Key management personnel disclosures

The following were the key management personnel of the Consolidated Entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive Directors

Mr NA Seckold (Chairman)

Mr RE Keevers

Mr JF Conway

Executive Directors

Mr AJ McDonald (Managing Director)

Executives

CJ McPherson (CFO & Company Secretary)

Key management personnel compensation disclosures

The key management personnel compensation included in 'personnel expenses' is as follows:

	Consolidated	
	2015	**2014**
	$	**$**
Salaries	297,900	427,630
Non-executive Directors' fees	160,000	160,000
Share based payments	-	142,044
	457,900	729,674

Information regarding individual directors and executives compensation is provided in the Remuneration Report section of the Directors' report.

Loans to key management personnel and their related parties

The Consolidated Entity has not made any loans directly or indirectly to the specified directors and executives during the current financial year.

Other key management personnel transactions

The specified directors and executives hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Key management personnel are able to receive remuneration directly through these entities. All amounts applicable to remuneration have been disclosed in the Remuneration Report section of the Directors' report.

During the year the consolidated entity entered into agreements allowing it to earn 80% of the Cuitaboca Project from an entity associated with Mr NA Seckold. Under the terms of the agreements, the Consolidated Entity made an initial payment of A$100,000 and has committed to meeting 100% of expenditure, thereby providing the Consolidated Entity with management of the Cuitaboca Project through an initial 100% ownership of Minera Cuitaboca S.A. de C.V. (Project Company).

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Consolidated Entity and there were no material contracts involving directors' interests existing at year-end.

21. PARENT ENTITY

As at, and throughout, the financial year ended 30 June 2015 the parent Company of the Group was Santana Minerals Limited.

In thousands AUD	**2015**	**2014**
Results of the parent entity		
Loss for the year	(9,286,830)	(4,497,507)
Other comprehensive income	-	-
Total comprehensive income for the year	(9,286,830)	(4,497,507)
Financial position of the parent entity at year end		
Current assets	350,223	1,223,764
Total assets	7,952,383	15,794,680
Current liabilities	173,155	615,822
Total liabilities	173,155	615,822
Total equity of the parent entity comprising of:		
Share capital	21,897,205	20,010,005
Retained earnings	(14,117,977)	(4,831,147)
Total capital	7,779,228	15,178,858

22. SUBSEQUENT EVENTS

Since the end of the reporting period the Company announced the opportunity for eligible shareholders to participate in a share purchase plan to raise up to $550,000 through the issue of a maximum of 42,307,692 ordinary shares at a price of $0.013 per share. The anticipated closing date for the share purchase plan is 5 October 2015.

Other than the matter disclosed above, in the opinion of the directors of the Company no transaction or event of a material or unusual nature has arisen in the interval between the end of financial year and the date of this report that affects significantly the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future years.

Directors' declaration

1. In the opinion of the directors of Santana Minerals Limited ("the Company")

   a) the consolidated financial statements and notes that are set out on pages 37 to 65 and the Remuneration report in section 3 of the Directors' report are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

      ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

3. The directors draw attention to note 1 (b) to the consolidated financial statements which include a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

AJ McDonald
Managing Director

Dated at Brisbane this 25th day of September 2015

Independent auditor's report to the members of Santana Minerals Limited

Report on the financial report

We have audited the accompanying financial report of Santana Minerals Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to note 1(t) "Going Concern" in the financial report.

The ability of the Group to continue as a going concern is dependent upon it raising additional funding from shareholders or other parties, realising investments and/or reducing expenditure in line with the available funding. These conditions, along with other matters as set forth in note 1(t), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in section 3 of the Directors' Report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

KPMG

KPMG

Simon Crane
Partner

Brisbane
25 September 2015

Additional Information Required by the Listing Rules as at 17 September 2015

List of the 20 Largest Shareholders

Rank	Name	Shares Held	% of Total Shares
1	PRIMERO MINING CORP	29,303,081	19.99
2	PERMGOLD PTY LIMITED <SECKOLD FAMILY SUPER A/C>	19,768,353	13.49
3	MR TERENCE WILLIAM KAHLER & MRS SUZANNE KAHLER <KAHLER SUPER FUND A/C>	11,530,000	7.87
4	PERMGOLD PTY LIMITED <SECKOLD FAMILY SUPER A/C>	7,932,587	5.41
5	COMPANY FIFTY PTY LTD <MCDONALD SUPER FUND A/C>	6,766,103	4.62
6	MR TERENCE WILLIAM KAHLER & MRS SUZANNE KAHLER <KAHLER SUPER FUND A/C>	4,842,859	3.30
7	B H INVESTMENTS PTY LTD	4,040,687	2.76
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,019,449	2.06
9	MR TERENCE WILLIAM KAHLER & MRS SUZANNE KAHLER <KAHLER SUPER FUND A/C>	2,882,859	1.97
10	COMPANY FIFTY PTY LTD <MCDONALD FAMILY A/C>	2,774,742	1.89
11	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	2,244,783	1.53
12	T S & J D NOMINEES PTY LTD	2,149,996	1.47
13	MR TREVOR ROBIN PARKER & MRS JENNIFER ANNE PARKER <KRADJE SUPER FUND A/C>	2,000,000	1.36
14	MR CHRISTOPHER JOHN FONE	1,683,115	1.15
15	MR CECIL GARY JOHN KING & MRS SUSAN LORRAINE KING <THE CGJ & SL KING S/F A/C>	1,550,000	1.06
16	ALTINOVA NOMINEES PTY LTD <ALTINOVA INVESTMENT A/C>	1,447,500	0.99
17	MR TERENCE WILLIAM KAHLER & MRS SUZANNE KAHLER <KAHLER SUPER FUND A/C>	1,211,427	0.83
18	MR ROBERT DAHL & MRS MERRIL DAHL <SWANSHILL S/F A/C>	1,100,000	0.75
19	MR SAMUEL RICHARD KEEVERS	1,090,000	0.74
20	COFFEE GOLD NL	1,087,703	0.74
TOTAL OF TOP 20 SHAREHOLDERS		**108,425,244**	**73.96%**
BALANCE OF REGISTER		38,168,825	26.04%
TOTAL SHAREHOLDERS		**146,594,069**	**100.00%**

Substantial Shareholders

Name	Shares Held	% of Total Shares
PRIMERO MINING CORP	29,303,081	19.99%
PERMGOLD PTY LTD <SECKOLD FAMILY SUPER A/C>	29,148,440	19.88%
MR TERRENCE WILLIAM KAHLER & MRS SUZANNE KAHLER	24,000,000	16.37%
COMPANY FIFTY PTY LTD	9,540,845	6.50%

Distribution of Shareholder's Holdings

Ordinary Shares Held	Number of Shareholders	Number of Shares
1 – 1,000	1,144	495,142
1,001 – 5,000	855	2,161,282
5,001 – 10,000	248	1,866,035
10,001 – 50,000	304	6,961,041
50,001 – 100,000	62	4,543,505
100,001 and over	93	130,567,064
TOTAL	**2,706**	**146,594,069**
Unmarketable Parcels	**2,472**	**8,348,832**

Details of Unlisted Options

Details	Number of Holders	Number of Options
17 MARCH 2016 (Exercisable at 8c)	390	24,426,041
24 APRIL 2018 (Exercisable at 27.5c)	4	3,900,000

Shareholding Information

Enquiries

Shareholders with enquiries about any aspect of your shareholding should contact the Company's Share Registry as follows:

Link Market Services Limited

Telephone:	+61 2 8280 7454
Facsimile:	+61 7 3228 3149
Website:	www.linkmarketservices.com.au

Electronic Announcements and Reports

Shareholders, who wish to receive announcements made to the ASX as well as electronic copies of the Annual Report and Half Year Report, are invited to provide their email address to the Company. This can be done by writing to the Company Secretary or via the Company's website.

Change of Name/Address

Shareholders should advise the share registry promptly of any change of name and/or address so that correspondence with them does not go astray. All such changes must be advised in writing and cannot be accepted by telephone. Forms can be found on the Share Registry website or obtained by contacting the Share Registry.

Shareholders who hold their shares via a broker should instruct their sponsoring broker in writing to notify the Share Registry of any change of name and/or address.

In the case of a name change, the written advice must be supported by documentary evidence.

Consolidation of Shareholdings

Shareholders who wish to consolidate their separate shareholdings into one account should write to the Share Registry or their sponsoring broker, whichever is applicable.

Stock Exchange Listing

The Company's shares are listed on the ASX. Details of share transactions and prices are published in the financial papers of daily capital city newspapers under the code SMI.

Corporate Directory

Australian Business No.	37 161 946 989
Directors	Norman A Seckold, Chairman Anthony J McDonald, Managing Director Joseph F Conway, Non-Executive Director Richard E Keevers, Non-Executive Director
Corporate Secretary	Craig J McPherson
Registered Office	Ground Floor 139 Coronation Drive Milton, QLD 4064 Phone: +61 7 3221 7501 Fax: +61 7 3221 0698 Email: admin@santanaminerals.com Website: www.santanaminerals.com
Postal Address	P O Box 1639 Milton LPO QLD 4064
Auditors	KPMG Level 16 Riparian Plaza 71 Eagle Street Brisbane, Qld 4000
ASX Code	SMI
Share Registrars	Australia Link Market Services Limited Level 15 ANZ Building 324 Queen Street Brisbane, QLD 4000
Exchange	Australian Stock Exchange Level 8 Exchange Plaza 2 The Esplanade Perth, WA 6000