

DRILLING STAGE 2 COMMENCES. OBJECTIVE TO DEFINE BULK TONNAGE SILVER GOLD POTENTIAL OF CUITABOCA PROJECT, MEXICO

18 October, 2016. Santana Minerals Limited (“Santana”) is pleased to announce commencement of a 22 hole 2,800m (approx.) reverse circulation (RC) Drill program at the Cuitaboca Project in Sinaloa, Mexico (**Figure 1**).

This drill program has three objectives:

1. To extend strike and depth extent of the higher grade zones within the Mojardina loop silver host structure (**Figure 2**).
2. To extend the strike length of Mojardina by testing the Mojardina South area with three known mineralised locations previously diamond saw trenched.
3. To undertake a maiden drill program of the Jesus Maria breccia area and test a gold rich splay known as the Carajuca splay.

Discussion

Preparatory earthworks commenced at site at the beginning of October and drilling commenced on 17th October.

The planned work program consists of 22+ RC drill holes for 2800+m and is based upon the confirmation of concept and the interpretation of the Stage 1 RC drilling results at Mojardina loop and of the diamond saw trenching previously undertaken. The Stage 1 RC drilling confirmed the significant flexure in the southern part of the Mojardina loop and the continuous mineralisation around the northern part of the loop. Broad intercepts of silver + gold + zinc mineralisation enhance the interpretation of a bulk tonnage silver + gold + zinc project (for highlights of stage 1 drill results see **Table 1**).

This Stage 2 program will now seek to extend the strike and depth extent of the zones of mineralisation reported in the Mojardina loop before seeking to extend the strike length of the Mojardina prospect to Mojardina south where earlier diamond saw trenching has given indications of the potential for extension of the zone.

The Jesus Maria breccia (**Figure 3**) some 2+km to the north of Mojardina loop will also be the subject of an initial RC drill program designed to test the positive diamond saw trenching and surface mapping which suggest zones of >40m width. Drilling will allow true widths of the mineralised system to be defined as there is limited (5-10%) surface outcrop. Drilling will also test the Carajuca gold rich splay.

Table 1. Highlights – Results from Stage 1 RC drilling.

Mojardina ‘Loop’– Southern Sector

- **10m @ 64 g/t Ag** from 6m (RC16CT-01)
- **14m @ 76 g/t Ag** from 0m; and
22m @ 34 g/t Ag and 0.77% Zn from 69m (RC16CT-02)
- **83m @ 97 g/t Ag** from 0m, including:
16m @ 91 g/t Ag from 0m; and
25m @ 222 g/t Ag from 47m (RC16CT-03)
- **67m @ 66 g/t Ag** from 31m, including:
7m @ 325 g/t Ag from 31m;
Incl: **2m @ 1,034 g/t Ag** from 33m; and
12m @ 104 g/t Ag from 79m (RC16CT-04)
- **51m @ 42 g/t Ag and 0.23% Zn** from 21m, including:
11m @ 72 g/t Ag from 21m; and
23m @ 50 g/t Ag and 0.97% Zn from 49m (RC16CT-05)
- **11m @ 50 g/t Ag** from 106m, and
18m @ 32 g/t Ag and 0.31% Zn from 139m (RC16CT-06)
- **2m @ 120 g/t Ag** from 113m, and
23m @ 1.1% Zn, 0.13 g/t Au and 0.42% Pb from 173m (RC16CT-07)
- **6m @ 96g/t Ag** from 0m, and
8m @ 127g/t Ag from 32m, and
9m @ 78g/t Ag from 81m (RC16CT-08)
- **7m @ 48g/t Ag** from 52m, and
5m @ 50 g/t Ag and 1.26% Zn from 111m (RC16CT-09)
- **3m @ 119g/t Ag and 2.5% Zn, 0.87% Pb** from 52m, and
10m @ 0.63% Zn from 113m (RC16CT-10)
- **9m @ 53g/t Ag** from 2m (RC16CT-14)

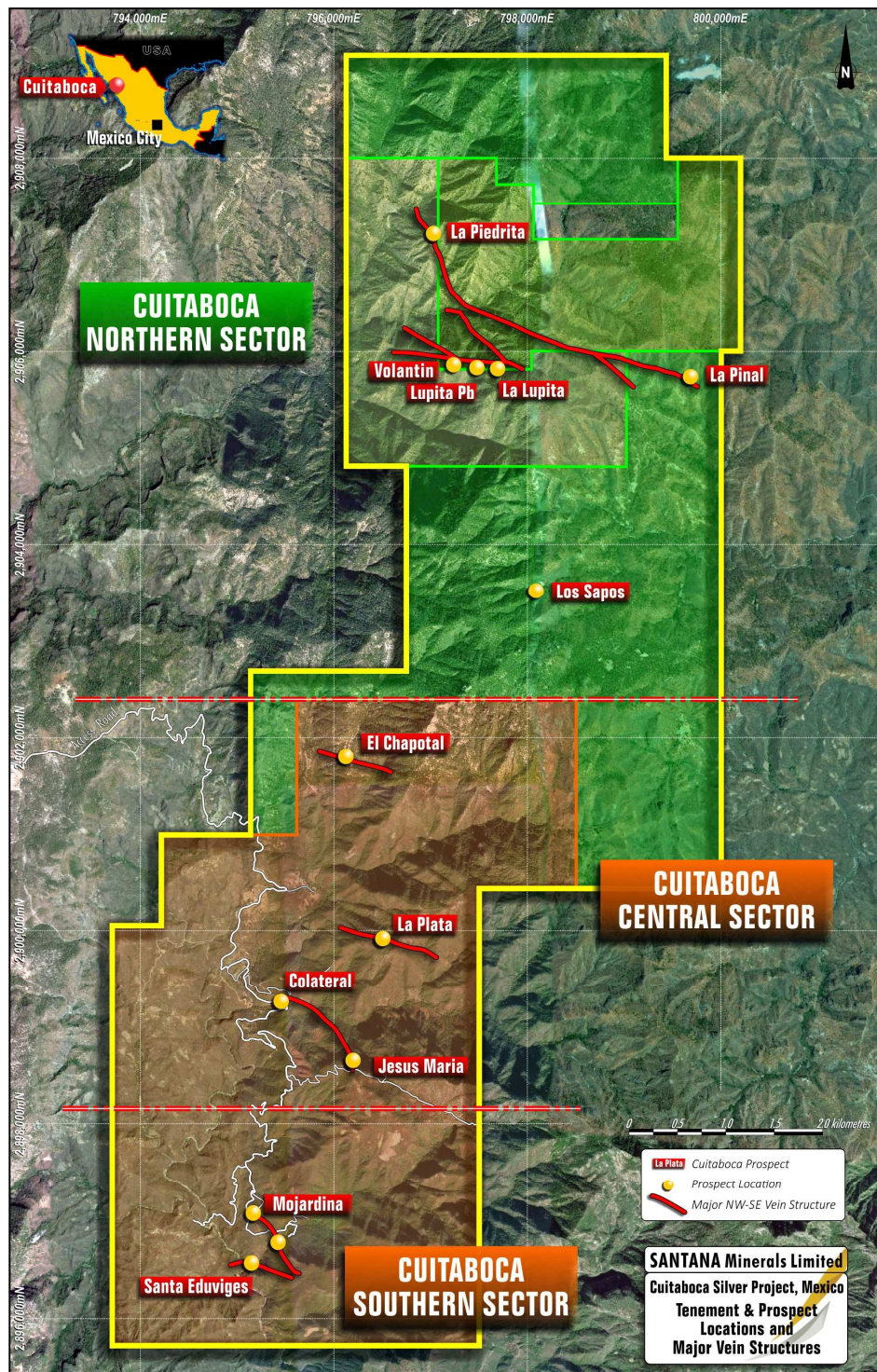


Figure 1: The Cuitaboca Project location and tenement outline showing Mojardina in the Southern Sector and Jesus Maria in the Central Sector, being the locations of the Stage 2 RC drilling program.

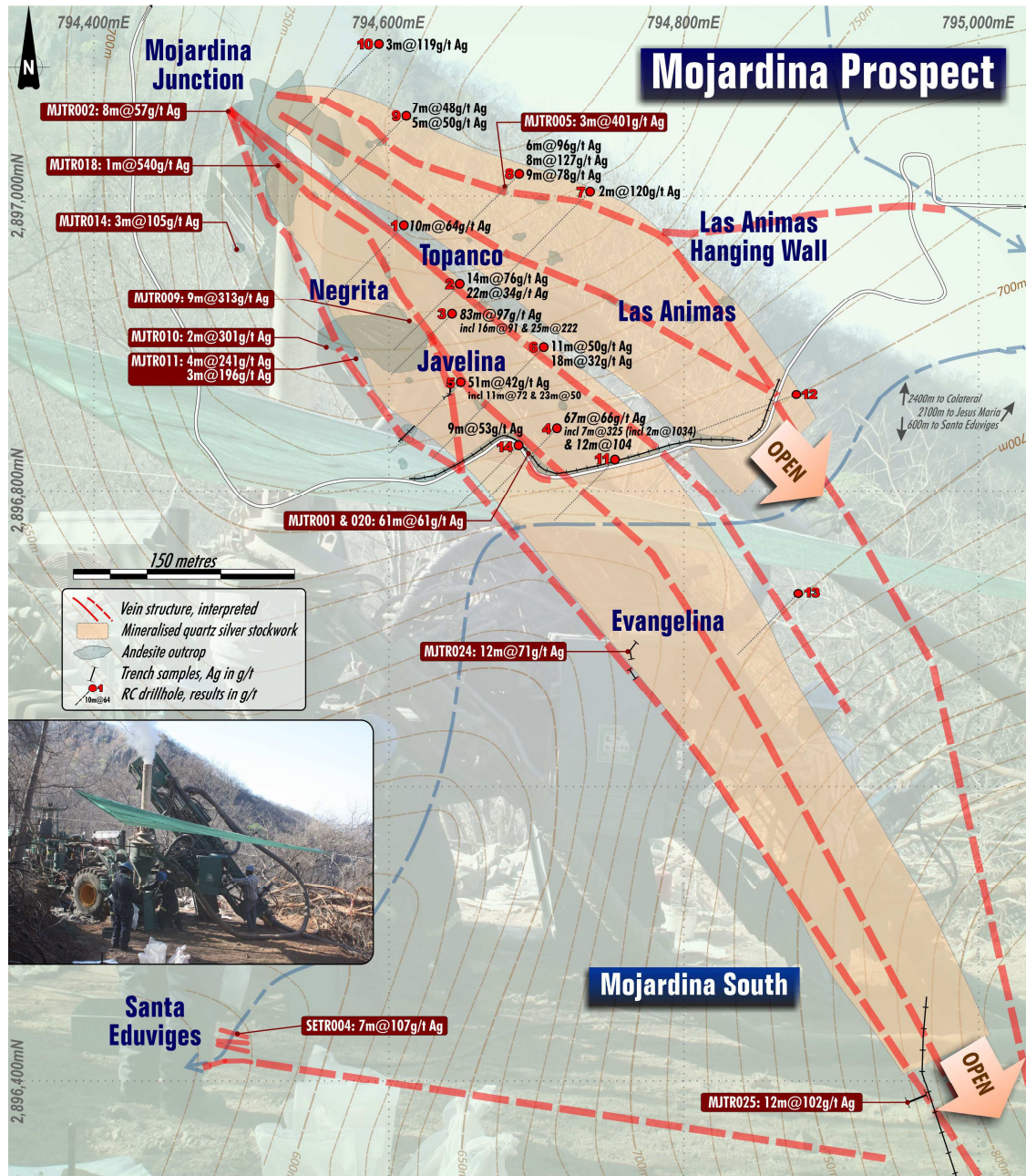


Figure 2: Mojardina prospect showing Mojardina loop to the north with diamond saw trench results and subsequent Stage 1 RC drill results, and the extension zone to Mojardina South diamond saw trench results only.

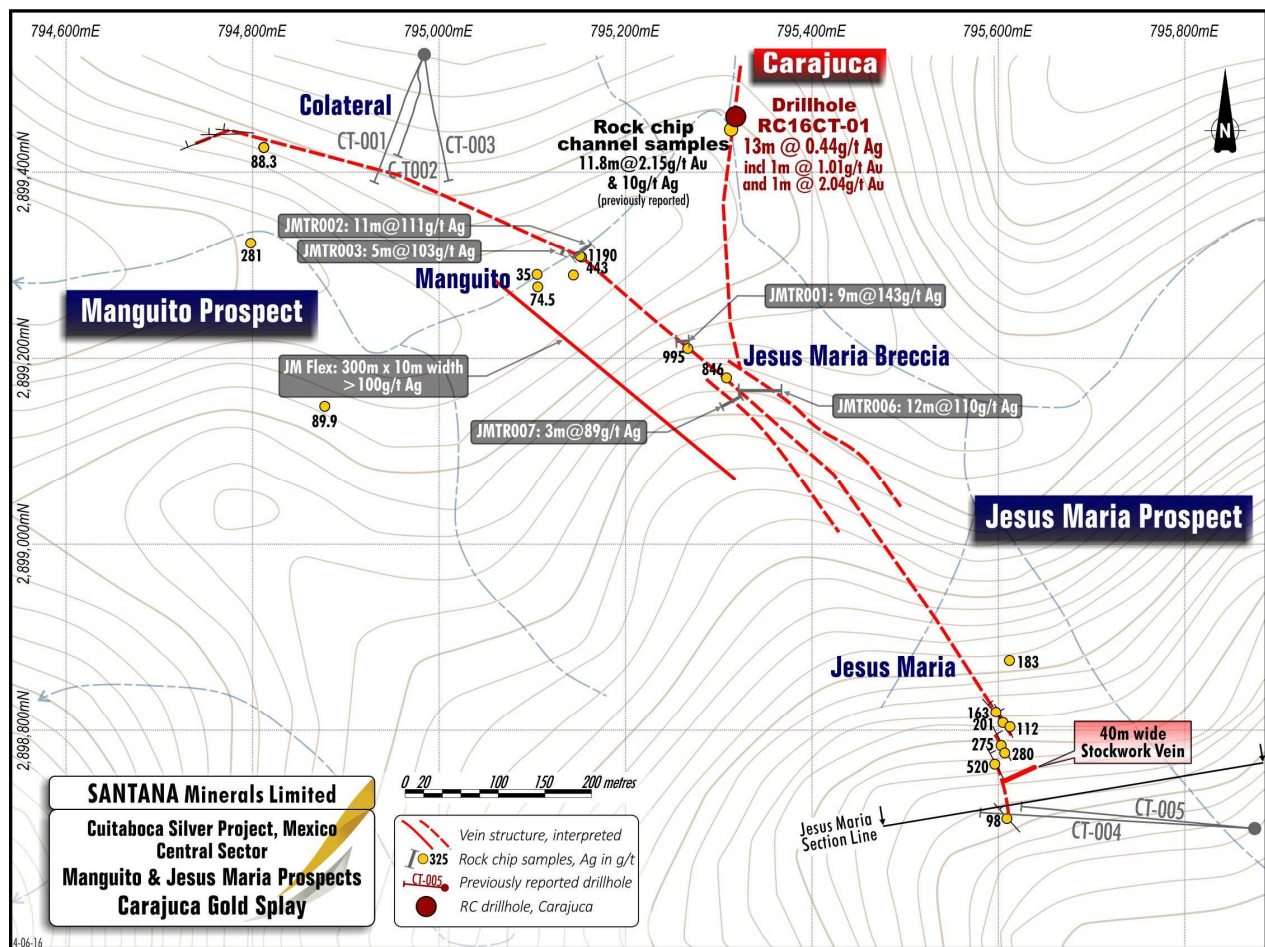


Figure 3: Jesus Maria Breccia to be drill tested in the RC drill program.

About Cuitaboca Project:

The Cuitaboca Project is in an area covered by the 5,500 Ha mining concessions and consists of a series of veins with sulphide mineralisation carrying high grade silver and low grade polymetallic minerals. The area is dominated by andesite flows and tuffs of the lower volcanic group with minor rhyolites of the upper volcanic group at higher elevations.

The main vein structures are La Lupita – El Pinal, La Piedrita and Blanca Esthela prospects in the north of the Cuitaboca Project, Los Sapos, Chapotal, La Plata, Colateral and Jesus Maria in the Central Sector and the Mojardina and Santa Eduwiges vein systems in the Southern sector.

Santana has a contractual right to earn to an 80% interest in the Cuitaboca Project through a combination of work commitments and payments following which it enters into a joint venture on an 80:20 contribution basis.

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About Santana

Santana is a precious metals explorer focused on Mexico where it owns 100% of the Namiquipa (silver/lead/zinc) project in Chihuahua and is earning into ownership of the Cuitaboca Ag-Au polymetallic project in Sinaloa.

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

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 Jason Beckton, who is a Member of the Australian Institute of Geoscientists. Mr Beckton is a part time consultant to Santana. Mr Beckton 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 Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.