

**QUARTERLY REPORT
PERIOD ENDED 30 JUNE 2016**

Cuitaboca Project Highlights:

➤ **Mojardian Loop - bulk tonnage silver potential enhanced by drilling**

83m @ 97 g/t Ag from surface, including:
16m @ 91 g/t Ag from surface; 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)

➤ **Jesus Maria Breccia - Gold located adjacent to silver zone**

Surface rock chip assays showing **11.8m @ 2.15 g/t Au + 10 g/t Ag**

➤ **Planning underway for further drill programs at both Jesus Maria and Mojardina**

1. EXPLORATION

Cuitaboca, Sinaloa, Mexico (Santana earning to 80%) **(Figure 1)**

During the quarter ended 30 June 2016 Santana undertook a 1,961m reverse circulation (RC) drill program: 14 holes drilled into the Mojardina prospect (1,850m) **(Figure 2)** and one hole (111m) drilled into the Jesus Maria prospect **(Figure 4)**. These prospects are respectively located in the Southern and the Central Sectors of the Cuitaboca Project.

Southern Sector - Mojardina Prospect: Multiple zones of silver rich mineralisation were identified at the Mojardina prospect in prior work: initially in surface rock-chip sampling and subsequently in diamond saw trenches. Drilling served to confirm and enhance the interpretation of the bulk tonnage silver potential of the prospect and justifies a further drill program to test extensions (potential strike length in excess of 1km), aid with interpretation and form the basis for an initial resource estimate at the Mojardina prospect. RC Drill highlighted assays follow.

RC Drill Highlights 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)

Drilling suggests the geometry of the mineralisation is uncomplicated (dipping planar bodies). On the northern side of the ‘Loop’ (**Figure 2**) around Mojardina Junction and Las Animas (drill-holes RC16CT-08, 09 and 10 denoted on Fig 2 as 8, 9 and 10) continuous mineralisation is noted. On the southern side of the ‘Loop’ a significant flexure is noted centred on RC16CT-03 and 04 (denoted on Fig 2 as 3 and 4). This is known as forming the Evangelina High grade shoot, which remains open at depth.

Strike length in excess of 400m is noted for the northern Las Animas structure and the southern Evangelina arms of the now confirmed Mojardina Loop.

Current interpretation indicates high grade shoots are located within planar 45 to 55 degree dipping structures which are developed on slight strike and dip changes, a normal outcome for this style of mineralisation. Further drilling will target strike and dip continuity with a further 500m of known open structure mineralised for at least 10m on surface to Mojardina South.

Variable dips are noted in **Figure 3** with dips either side of the Evangelina Shoot. In next stage drilling full use of the contour of the host structure will be used to target change in dip and strike in the host structure (in this case Evangelina). At report date roads are being surveyed in and drill planning will progress in the coming weeks to Phase II extensional drilling.

Normally this type of system if a loop is confirmed will have one of the metal hosting arms of the loop being dominant in metal content and this seems to be the Southern Javelina- Evangelina area with thick (>10m) zone open at depth along the plane of the vein for holes RC16CT-03 and 04 as sections depict. Significant Zinc mineralisation is noted at depth for RC16CT-07 and this along with other Zinc concentrations will be modelled to determine influence on high silver grades.

Central Sector - Jesus Maria: The Jesus Maria - Manguito (**Figure 4**) North-South strike length exceeds 300m and has broad zones of silver mineralisation interpreted to be over 30m in width. The prospect is seen as a potential 'repeat' (of the Mojardina Loop) in both a mineralised and changing host vein orientation (geometric) resulting in stockwork zones being developed. This zone will be subjected to drilling in the next program.

A new gold zone has been discovered, during road planning a splay quartz breccia returned a rock chip result of **11.8m @ 2.15 g/t Au + 10 g/t Ag**. It is part of a structure with a mapped strike length of over 200m (Carajuca structure) trending north off the defined Jesus Maria trend (**Figure 4**).

Importantly this area was previously thought until now only to be silver mineralised. In the recent program a single drill hole was targeted 50m below the Carajuca structure. The drill assays are encouraging showing **13m @ 0.44 g/t Au** from 39m including **1m @ 1.01 g/t Au** from 41m and **1m @ 2.04 g/t Au** from 49m.

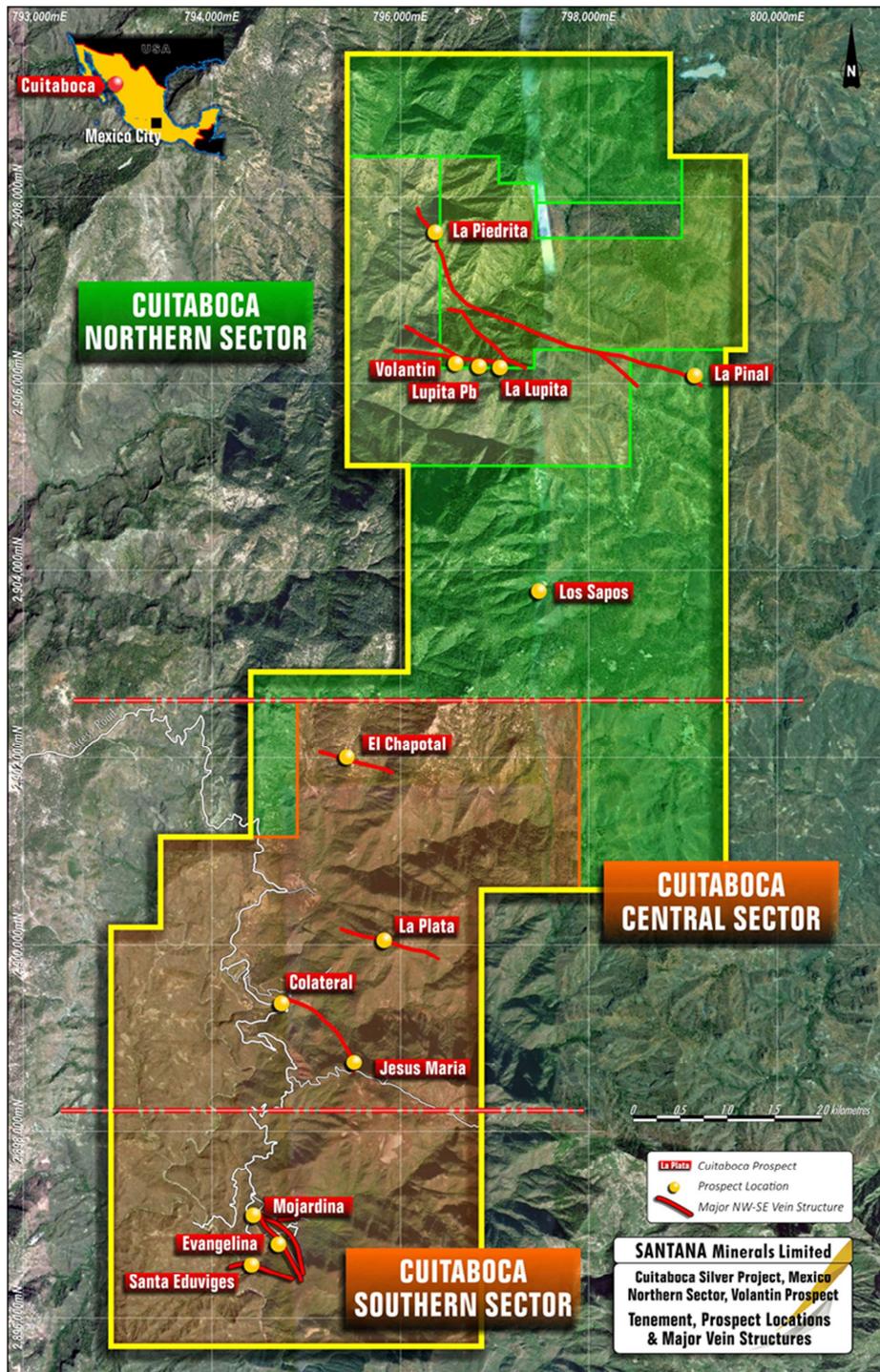


Figure 1: Ciutaboca Project Location also showing project Sectors. The Norther Sector is host to gold vein structures, of similar style to the nearby producing mine of San Jose de Gracia. A road is to be cleared to this area to open-up this gold rich sector.

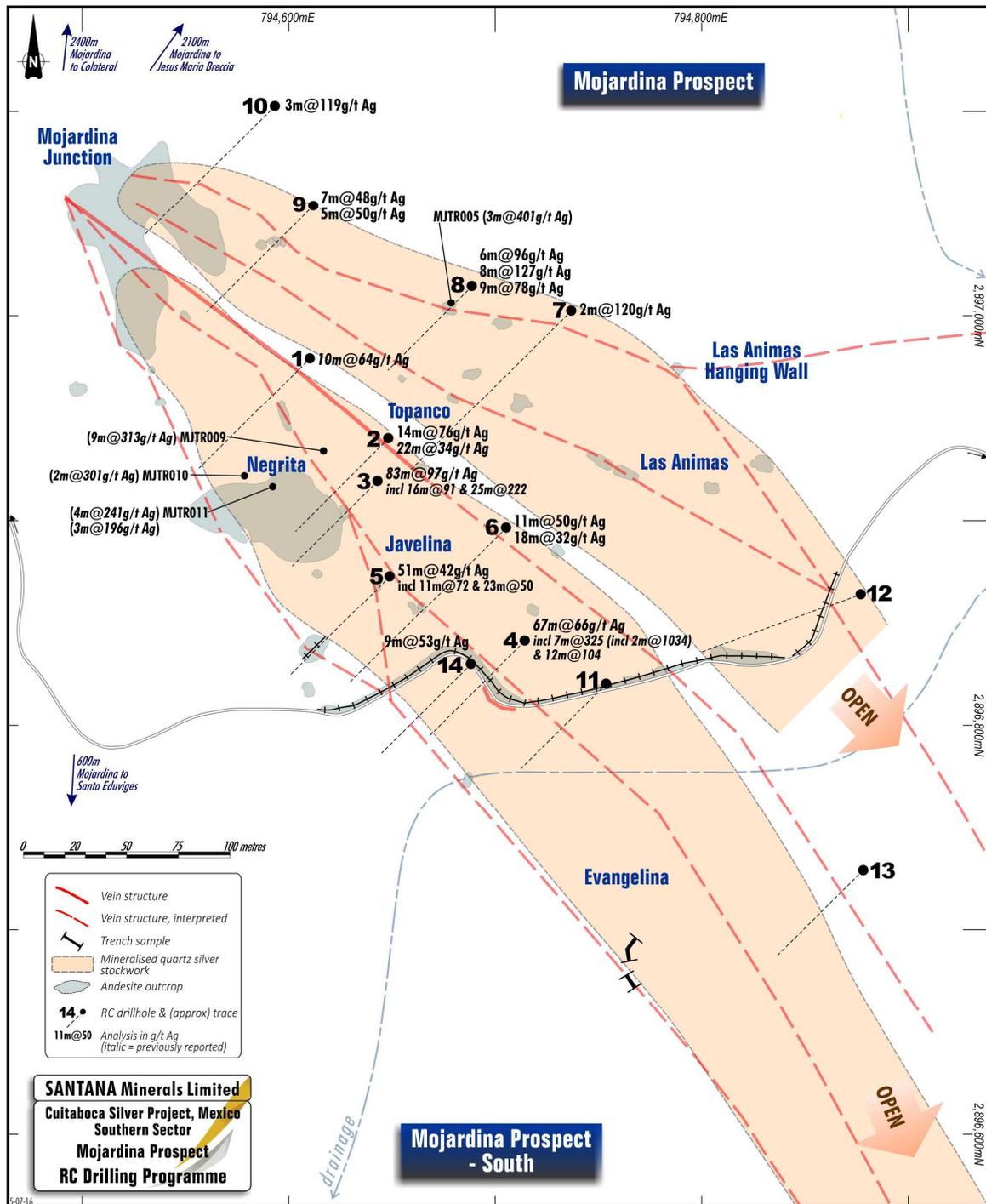


Figure 2: Mojardina Drill plan showing drill hole locations (noted: 1 to 14) and assays + earlier saw trench results (MJTR005 and 009 to 011). Note significant mineralized and non-drilled SE open strike length from RC16CT-04 onward. Hole 13 did not effectively test the southern arm or Evangelina zone.

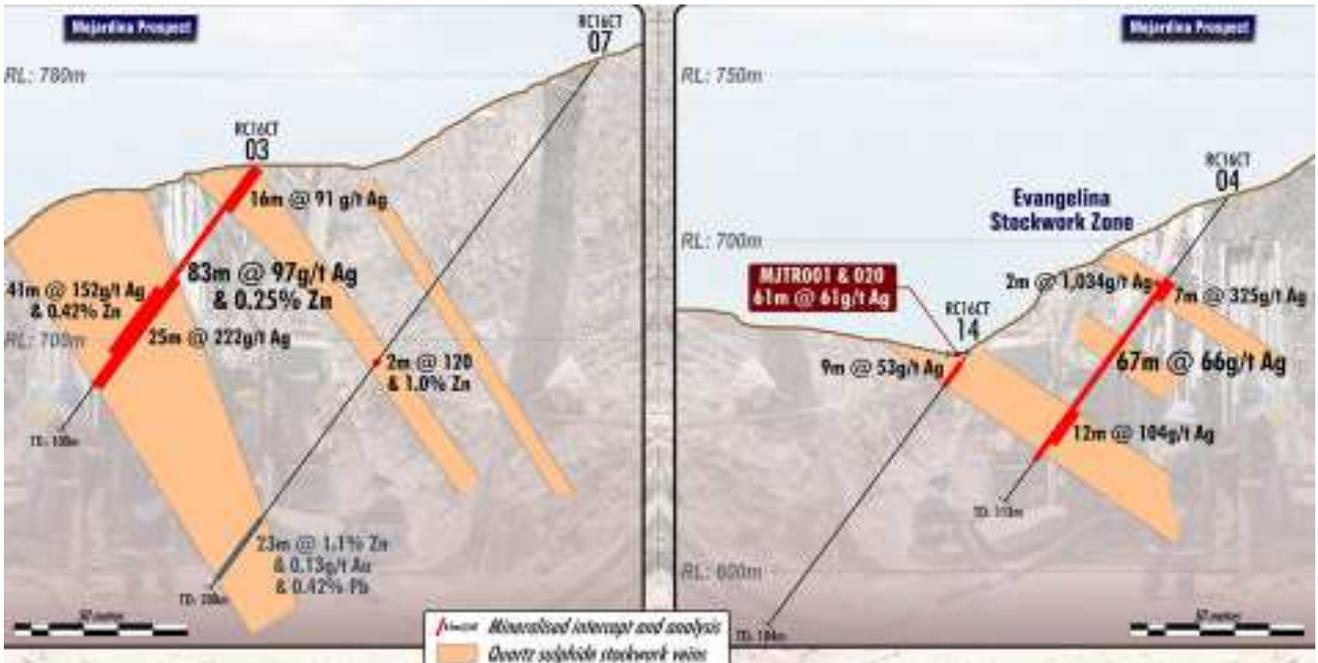


Figure 3. Mojardina Drill sections display drill-holes collared, in some cases metres from previous diamond trenching, confirming the nature of mineralisation at depth.

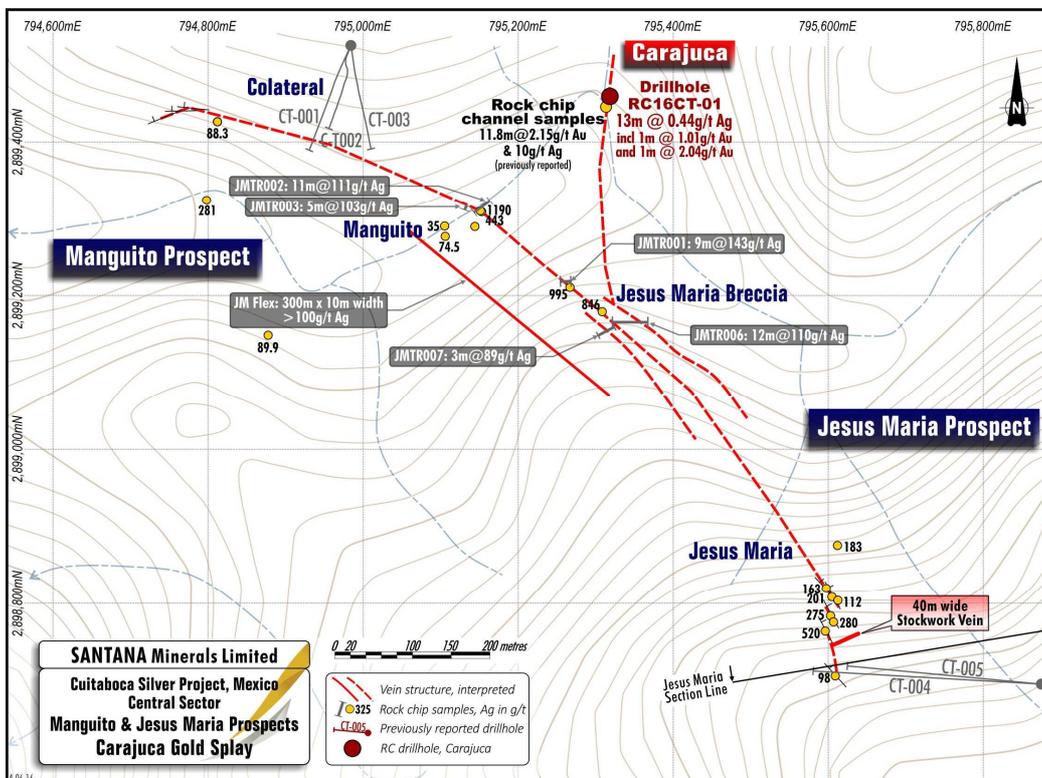


Figure 4. Jesus Maria – Manguito breccia and ‘splay’ adjacent to the interpreted northern area of the Jesus Maria loop (the repeat of Mojardina).

Namiquipa, Chihuahua, Mexico (Santana 100%)

No significant work was undertaken at the Namiquipa Silver project during the quarter.

2. CORPORATE

A general meeting of Santana Shareholders' held on 15 June approved the issue of shares and options in accordance with the Notice of Meeting.

For further information please contact:

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About Santana

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

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

Additional ASX Listing Rule Information

Santana Minerals Limited ('Santana') provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

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

^ Free carried to production.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

The Company has completed a transaction which allows it to earn an initial 80% interest in the Cuitaboca Project. The Company is earning, but has yet to earn, its initial interest. Further details are by reference to the announcement of 29 July 2014.

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

Not applicable

Previous Disclosure - 2012 JORC Code

Information relating to Mineral Resources, Exploration Targets and Exploration Data associated with the Company's projects in this June 2016 Quarterly Report is extracted from the following ASX Announcements:

- ASX announcement titled "Wide Multi Ounce Silver Mineralisation Returned From Diamond Saw Intercepts Southern Sector Cuitaboca Project, Mexico" dated 11 January 2016;
- ASX announcement titled "Additional Wide Multi Ounce Silver Mineralisation Returned From Diamond Saw Intercepts Central Sector Cuitaboca Project, Mexico" dated 14 January 2016;
- ASX announcement titled "Silver Mineralisation at Cuitaboca – Mojardina Strike Doubled" dated 1 March 2016.
- ASX announcement titled "New Gold Zone and Drilling Update - Cuitaboca Project Mexico" dated 7 June 2016
- ASX announcement titled "Broad Zones of High Grade Silver from RC Drilling – Cuitaboca" dated 23 June 2016
- ASX announcement titled "Broad Silver Zones Build Bulk Tonnage Potential – Cuitaboca" dated 6 July 2016
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A copy of each of these announcements is available to view on the Santana Minerals Limited website www.santanaminerals.com. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SANTANA MINERALS LIMITED

ABN

37 161 946 989

Quarter ended ("current quarter")

30 JUNE 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(213) - - (146)	(823) - - (432)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (refund of Mexican IVA receivable)	21	283
Net Operating Cash Flows	(336)	(966)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- 703 -	- 782 -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Bond received)	-	46
Net investing cash flows	703	828
1.13 Total operating and investing cash flows (carried forward)	367	(138)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	367	(138)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	976
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs)	-	(43)
	Net financing cash flows	-	933
	Net increase (decrease) in cash held	367	795
1.20	Cash at beginning of quarter/year to date	951	530
1.21	Exchange rate adjustments to item 1.20	3	(4)
1.22	Cash at end of quarter	1,321	1,321

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

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

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

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

Nil

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

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	450

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	313	108
5.2 Deposits at call	1,008	843
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,321	951

+ See chapter 19 for defined terms.

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

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	212,844,786	212,844,786	
7.4	Changes during quarter			
	(a) Increases through issues	1,750,000	\$0.04	\$0.04
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	3,900,000 1,500,000 13,750,000	Nil Nil Nil	<i>Exercise price</i> \$0.275 \$0.08 \$0.03	<i>Expiry date</i> 24 April 2018 12 May 2019 30 September 2017
7.8	Issued during quarter	1,500,000 13,750,000	Nil Nil	\$0.08 \$0.03	12 May 2019 30 September 2017
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

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

Sign here:

(Company secretary)

Date: 27 July 2016

Print name: Craig J. McPherson

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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