

**QUARTERLY REPORT
PERIOD ENDED 31 MARCH 2016**

Highlights:

- **Significant advances in the field – assay results from continuous diamond saw cut trenches confirm and enhance bulk tonnage silver potential:**
 - ❖ **Mojardina ‘Loop’ – Southern Sector**
 - **61m @ 61 g/t Ag (MJTR001+020)**
 - **37m @ 51 g/t Ag (MJTR020)**
 - **8m @ 119 g/t Ag (MJTR020)**
 - **5m @ 60 g/t Ag (MJTR022)**
 - **12m @ 60 g/t Ag (MJTR023)**
 - **12m @ 71 g/t Ag (MJTR024)**
 - **12m @ 102 g/t Ag (MJTR025)**
 - ❖ **Jesus Maria and Manguito – Central Sector**
 - **12m @ 110 g/t Ag (JMTR006)**
 - **3m @ 89 g/t Ag (JMTR007)**
- **Northern Sector confirms presence of gold**
- **Successful capital raising completed to enable RC drill program this quarter**

1. EXPLORATION

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

The quarter under report saw some significant advances for Santana in the field at the Cuitaboca Project where assay results were positive, confirming and enhancing interpretative work on the bulk tonnage silver potential of the Mojardina Loop in the Southern Sector and the Jesus Maria – Manguito zone of the Central Sector.

In the Quarter ended 31 December 2015 Santana completed a first pass diamond saw trench program. The first pass programs were designed to test the identified locations for bulk tonnage silver potential. The primary focus of the program was the Southern Sector (the Mojardina Loop) with some additional work in the Central Sector (Jesus Maria – Manguito zones) where a “repeat” of the Mojardina Loop was interpreted.

In the Northern Sector where access is more restrictive because of lack of transport tracks, a small diamond saw trench program was undertaken to add to the understanding.

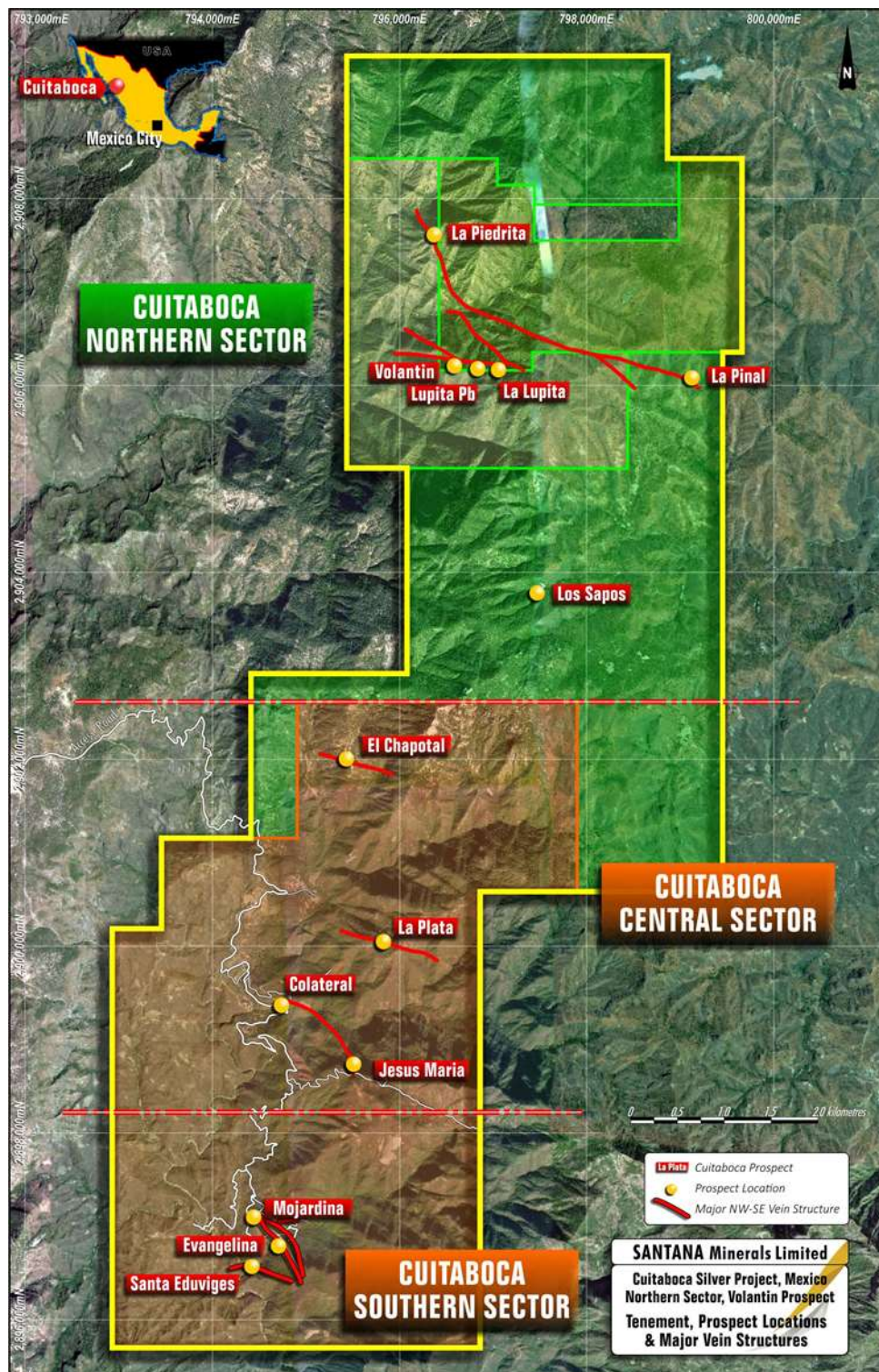


Figure 1: Cuitaboca Project Location showing project Sectors

Saw trench assays

In the recent work a diamond saw was used to cut outcropping vein systems in a geologically unbiased manner, a method to evaluate the tonnage potential for the principal veins and associated multi veined quartz sulphide stockwork. For future resource estimation work, these trenches can be included as drill holes in JORC estimates where surveyed and where proper QAQC has been carried out to JORC 2012 Standards. Santana has followed appropriate protocols.

Southern and Central Sectors

The Southern Sector Mojardina Loop (**Figure 2**) North-South strike length now extends to over 1km with broad intercepts and bulk tonnage silver potential (see **Table 1** for all channel sample results). Importantly ‘Evangelina’ a new zone of bulk silver mineralisation, has a combined intercept of **61m @ 61 g/t Ag** - all in vein stockwork.

Highlights – Sawn Channel samples

Mojardina ‘Loop’ (MJTR)– Southern Sector

- **61m @ 61 g/t Ag (MJTR001+020)**
- **37m @ 51 g/t Ag (MJTR020)**
- **8m @ 119 g/t Ag (MJTR020)**
- **5m @ 60 g/t Ag (MJTR022)**
- **12m @ 60 g/t Ag (MJTR023)**
- **12m @ 71 g/t Ag (MJTR024)**
- **12m @ 102 g/t Ag (MJTR025)**

Previously reported

- *8m @ 114g/t Ag (MJTR-001)*
- *3m @ 401g/t Ag (MJTR-005)*
- *9m @ 313g/t Ag (MJTR-009)*
- *2m @ 301g/t Ag (MJTR-010)*
- *4m @ 241g/t Ag (MJTR-011)*
- *3m @ 87g/t Ag (MJTR-012)*
- *3m @ 105g/t Ag (MJTR-014)*
- *5m @ 138g/t Ag (MJTR-015)*
- *3m @ 196g/t Ag (MJTR-016)*
- *6m @ 0.27 g/t Au and 123 g/t Ag (SETR004)*

The Central Sector Jesus Maria Breccia and Manguito zone (**Figure 3**) North-South strike length exceeds 300m and has broad widths of silver mineralisation interpreted to be over 30m in width given current exposures. (see **Table 2** for all channel sample results). The geometry of the breccia veins and controlling structures is starting to resemble Mojardina in terms of changing orientation of the host veins resulting in stockwork zones being developed.

Highlights – Sawn Channel samples

Jesus Maria and Manguito – Central Sector

- **12m @ 110 g/t Ag (JMTR006)**
- **3m @ 89 g/t Ag (JMTR007)**

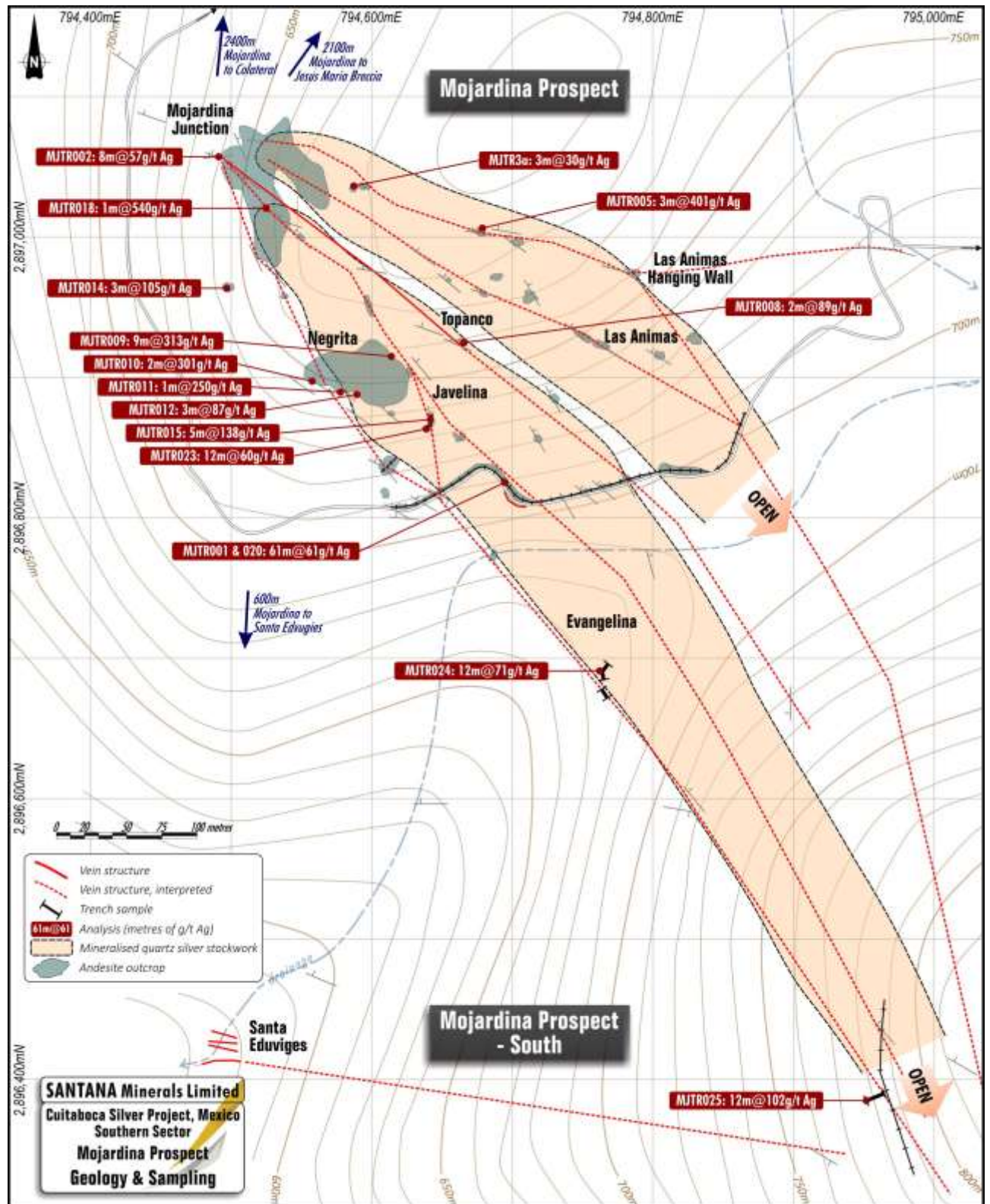


Figure 2: Mojardina Prospect

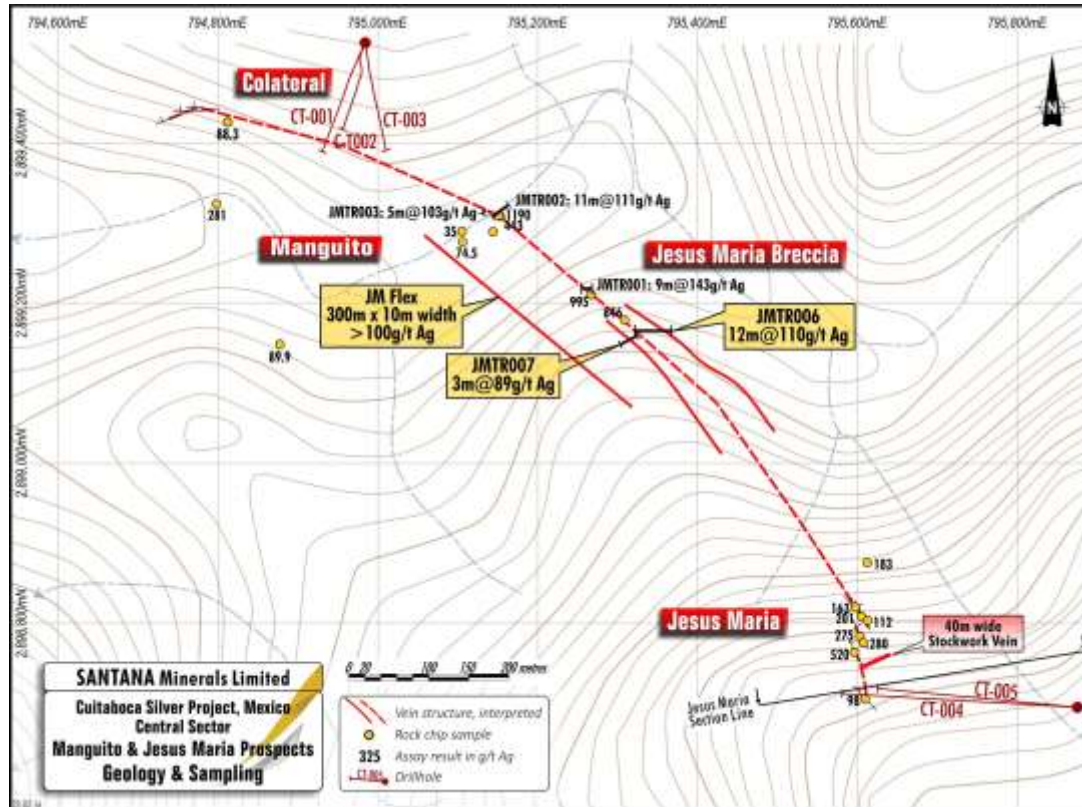


Figure 3: Jesus Maria Manguito zone

Table 1: CHANNEL SAMPLE RESULTS SOUTHERN SECTOR

MOJARDINA

Trench ID	From m	To m	Element	Width m	Grade g/t
MJTR-001	0	8	Ag	8	114
MJTR-002	4	5.7	Ag	1.7	107
MJTR-003	0	2.8	Ag	3	30
MJTR-004	0	6	Ag	6	5
MJTR-005	0	3	Ag	3	401
MJTR-006	0	4.4	Ag	4.4	7
MJTR-007	0	1	Ag	1	5
MJTR-008	7.6	8.6	Ag	1	80
MJTR-009	0	9.1	Ag	9.1	314
MJTR-010	0	2	Ag	2	300
MJTR-011	0	4	Ag	4	241
MJTR-012	6	8.6	Ag	2.6	87
MJTR-013	0	2	Ag	2	25
MJTR-014	0	3	Ag	3	105
MJTR-015	0	5	Ag	5	138
MJTR-016	0	3	Ag	3	196
MJTR-017	1	1.8	Ag	1.8	33
MJTR-018	0	1	Ag	1	540
MJTR-019	0	10	Ag	10	14
MJTR-020	0	37	Ag	37	51
MJTR-020	13	22	Ag	8	119
MJTR-021	5	16	Ag	11	31
MJTR-022	102	107	Ag	5	60
MJTR-023	4	16	Ag	12	60
MJTR-024	0	12	Ag	12	71
MJTR-025	0	12	Ag	12	102

SANTA EDUVIGES

Trench ID	From	To	Element	Width	Grade
SETR-001	0	6.9	Ag	6.9	1.5
SETR-002	0	6.6	Ag	6.6	1.4
SETR-003	0	4.2	Ag	4.2	1
SETR-004	0	6.9	Ag	6.9	123
SETR-005	0	6.9	Au	6.9	0.24

Table 2: CHANNEL SAMPLE RESULTS CENTRAL SECTOR

JESUS MARIA					
Trench ID	From	To	Element	Width	Grade
JMTR-001	4	13	Ag	9	143
JMTR-002	0	11.8	Ag	11.8	104
JMTR-003	1	5	Ag	5	103
JMTR-004	0	15	Ag	15	9
JMTR-005	0	3	Ag	3	14
JMTR-006	0	9	Ag	9	110
JMTR-007	0	3	Ag	3	89

The results and interpretation indicate bulk tonnage silver potential in each Sector. In the Central Sector the prior drilling and exploration work suggests there is also potential for depth extensions to the mineralisation. Jesus Maria has been drilled previously to a depth of over 200m to test vertical depth. That did not (and was not intended to) test this near surface stockwork style mineralisation.

Northern Sector

The Northern Sector of the Cuitaboca Project again demonstrated gold mineralisation first located by previous rock chip sampling on a structural junction of the La Lupita structure named Volantin (**Figures 1 and 4**). It adds weight to the interpretation of being along structural trend from the known San Jose de Gracia operations of Dyna Resources (**Figure 5**).

A petrographic description has been recovered confirming little oxidation effect with respect to grades and therefore grades are expected to persist at depth. Multiple stages of epithermal activity (brecciated epithermal breccia) have been noted and importantly the confirmation of previously theorised hypogene hematite in trace amount, as noted in the Colateral mine, suggesting this may be a gold bearing facies in the higher altitude northern sector. Also of note in recent petrographic review is the presence of adularia, an alteration product which is indicative of hypogene (non-supergene or weathering related) epithermal events.

The zone of high grade gold mineralisation is unlike the Southern and Central Sectors, where broad silver zones have been defined.

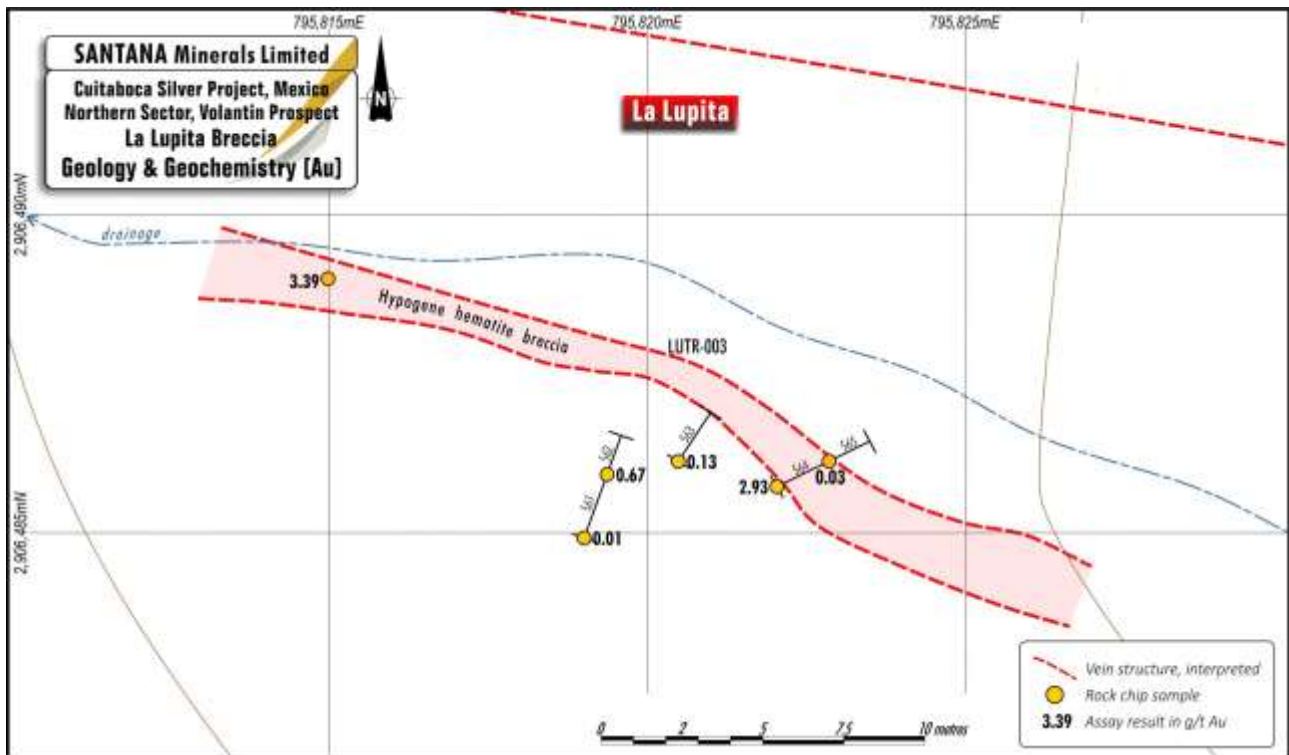


Figure 4. Trench sampling confirmed significant gold mineralisation albeit at narrow width with outcrop sampling only.

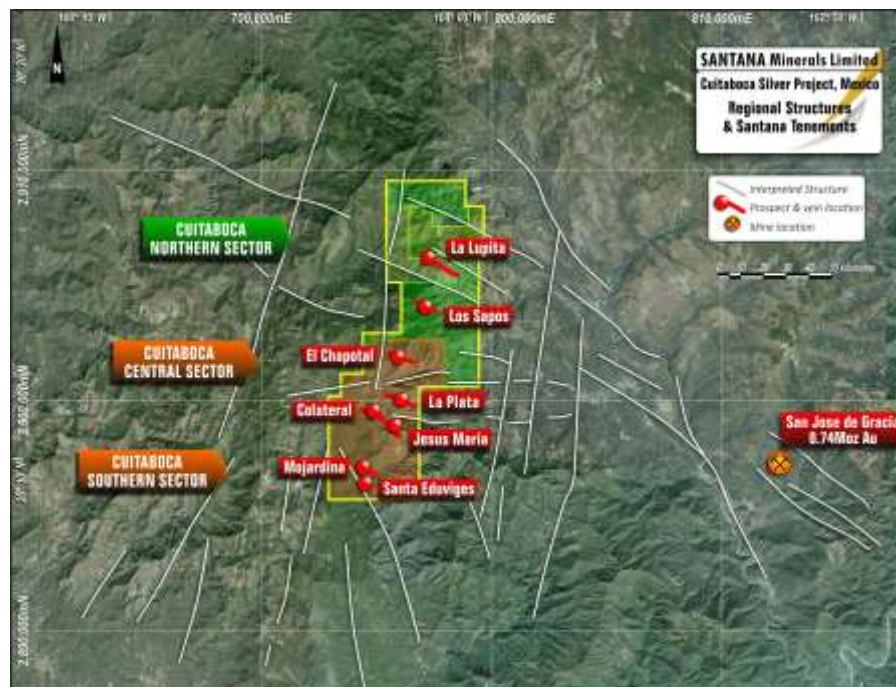


Figure 5. Lupita Structure along structural trend of San Jose de Gracia



Namiquipa, Chihuahua, Mexico (Santana 100%)

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

2. CORPORATE

Santana successfully raised \$495,000 during the quarter by undertaking a placement to sophisticated and professional investors. The Company issued 27,500,000 fully paid ordinary shares at \$0.018 per share. Each 2 shares issued in the placement entitle the holder to 1 free option to subscribe for a further share at a price of \$0.03 per share up to 30 September 2017. The options are to remain unlisted and will be issued subject to shareholder approval in general meeting which will likely be held in early June 2016.

Funds are to be used to undertake a drilling program at the Cuitaboca Project and for general working purposes.

For further information please contact:

Tony McDonald, Managing Director
+61 7 3221 7501 or admin@santanaminerals.com

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 March 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 "Gold Zone Confirmed – Northern Sector, Cuitaboca Project" dated 5 February 2016;
- ASX announcement titled "Silver Mineralisation at Cuitaboca – Mojardina Strike Doubled" dated 1 March 2016.

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")

31 MARCH 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(259)	(610)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(49)	(286)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (refund of Mexican IVA receivable)	22	262
Net Operating Cash Flows		(284)	(630)
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	9	79
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Bond received)	-	46
Net investing cash flows		9	125
1.13	Total operating and investing cash flows (carried forward)	(275)	(505)

+ 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)	(275)	(505)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	495	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)	(18)	(43)
	Net financing cash flows	477	933
	Net increase (decrease) in cash held	202	428
1.20	Cash at beginning of quarter/year to date	754	530
1.21	Exchange rate adjustments to item 1.20	(5)	(7)
1.22	Cash at end of quarter	951	951

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

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

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	120
Total	470

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	108	267
5.2 Deposits at call	843	487
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	951	754

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	211,094,786	211,094,786		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	i) 27,500,000 ii) 742	i) 27,500,000 ii) 742	i) \$0.018 ii) \$0.08	i) \$0.018 ii) \$0.08
7.5 +Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

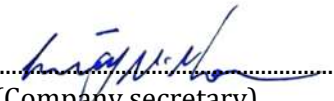
Mining exploration entity and oil and gas exploration entity quarterly report

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	Nil	Exercise price \$0.275	Expiry date 24 April 2018
7.8	Issued during quarter				
7.9	Exercised during quarter	742	Nil	\$0.08	17 March 2016
7.10	Expired during quarter	24,425,299	Nil	\$0.08	17 March 2016
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: 28 April 2016

Print name:

Craig J. McPherson

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.

== == == == ==