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23 January 2020

Company Announcements Office
ASX Limited

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019

During the quarter, Santa Fe Minerals Ltd (“**Santa Fe**”, “**SFM**” or “**the Company**”) continued the systematic re-evaluation of the Challa Project exploration potential with respect to gold and copper/zinc mineralisation.

Aircore (AC) drilling was completed at the Windsor North and Outcamp Well Gold targets with assay results delivered during the quarter as reported in the announcement ‘Drilling Commences at Challa Base Metal VMS Targets’ dated 19 December 2019.

Reverse Circulation (RC) drilling commenced at the Mt Carron and Yalanga Bore Copper/Zinc VMS targets. Drilling was completed subsequent to the end of the quarter, with assay results from drilling samples anticipated in the coming weeks.

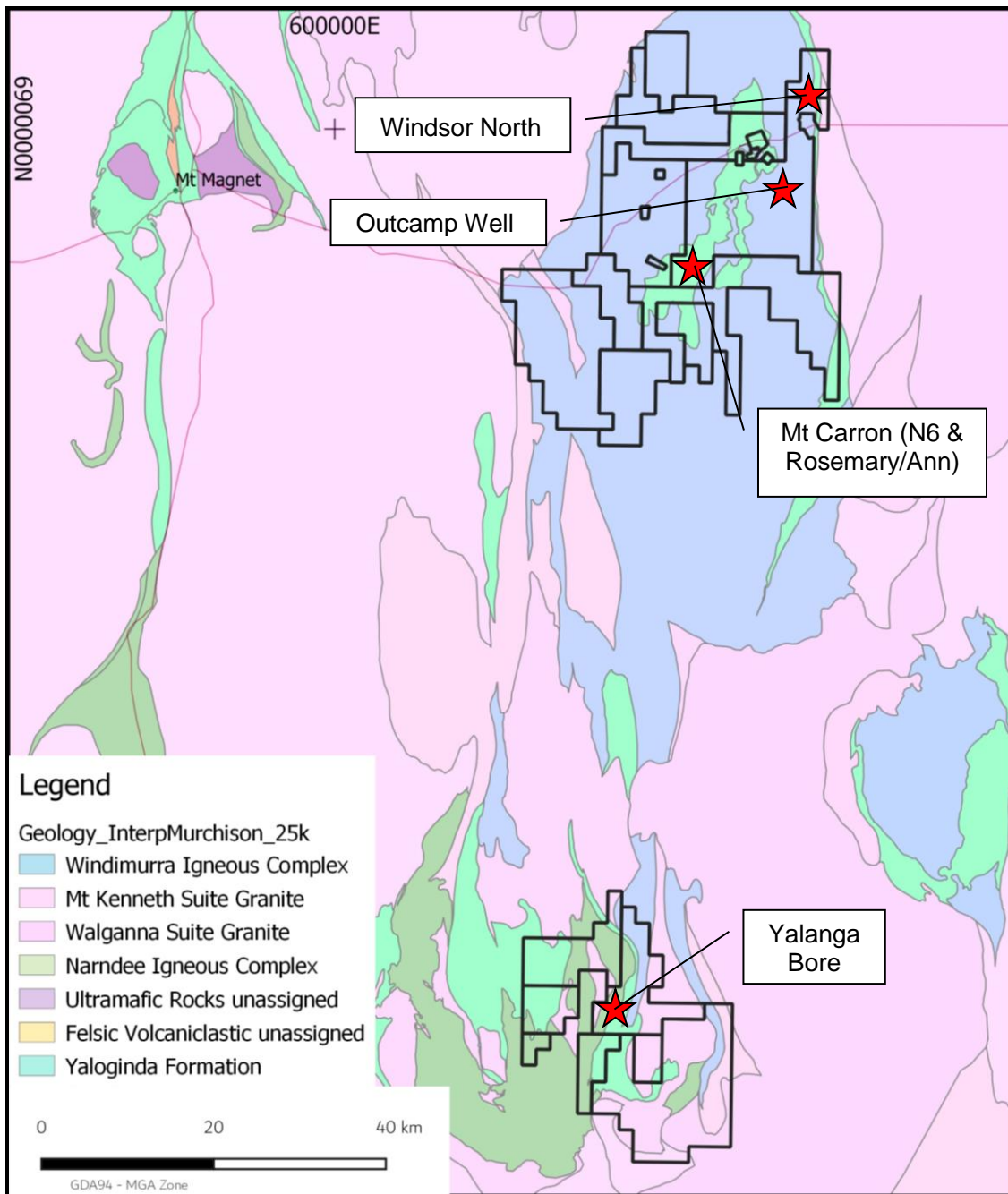


Figure 1 - Challa Project Area

Yalanga Bore - Copper/Zinc

Yalanga Bore was explored by Duval Mining (Australia) Limited (“Duval”) in 1983-1984. The Duval work is documented in WAMEX report A15951 and comprised geological mapping, surface sampling, ground magnetics, a low powered electromagnetic system (EM37) and drilling. The drilling comprised 68 shallow RAB holes (2,224m), 4 percussion holes (370m), 4 rotary mud holes (153m) and one diamond tail (140m). The Company has located the diamond hole collar YBD1 and percussion holes (YBP69-YBP74) in the field however there are no corresponding samples available.

Duval did not report the sampling and assay methods but did provide limited drill assay data showing a steeply dipping zone of elevated copper ranging from 500ppm to 7,950ppm and Zinc ranging from 1,000ppm to 6,850ppm. This zone was logged as gossan by the Duval geologists.

One diamond drill hole (YBD1) was completed below the gossan zone with the geological logs noting disseminated to semi massive pyrite, pyrrhotite, chalcopyrite and sphalerite. The diamond core is not available and was only selectively sampled by Duval with narrow moderately anomalous zinc and copper reported.

The Company believes the copper and zinc results reported by Duval may indicate the presence of a VMS copper-zinc deposit at depth below the weathered zone. The mineralization is open along strike and at depth.

During the September quarter, the Company completed a MLEM survey at Yalanga Bore that successfully defined a strong conductor north of the zinc and copper mineralisation intersected in the historic Duval percussion and diamond drilling (Figure 2). The modelled conductor plate is shallow (100m) and immediately adjacent to the drilling but has not been effectively tested by the previous drilling - see ASX Announcement “Strong Electromagnetic Conductors Identified at Challa” dated 16 September 2019.

The Company has now completed one RC drill hole at Yalanga Bore and assay results are due in the coming weeks.

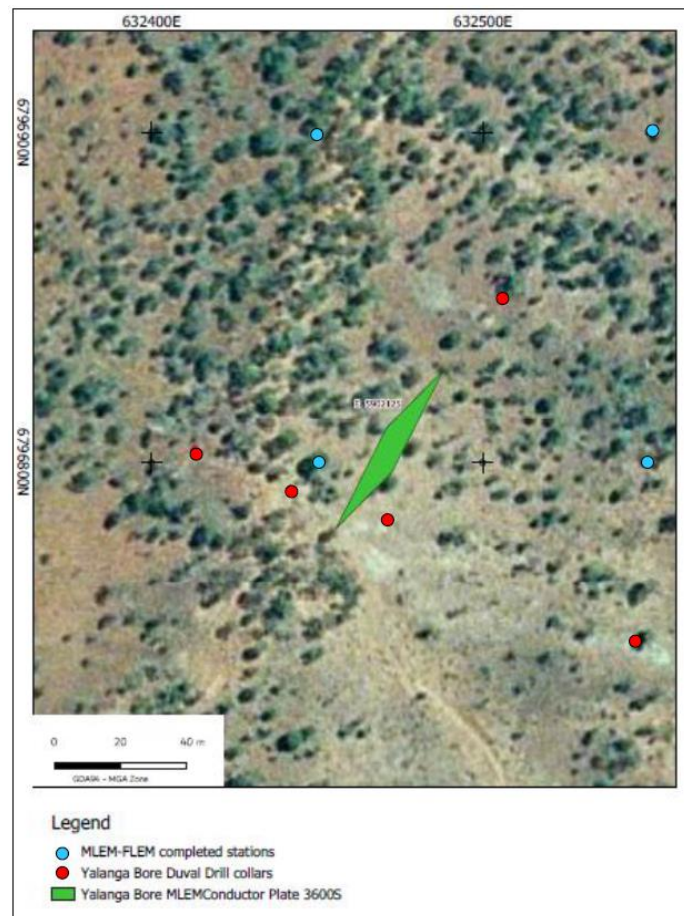


Figure 2 - Yalanga Bore MLEM modelled plate and historic drill collars

Mt Carron (N6 & Rosemary/Ann) - Copper Zinc

The discrete N6 and Rosemary/Ann prospects collectively make up the Mt Carron prospect area. CRA Exploration Pty Ltd (CRAE) explored the Rosemary/Ann prospect in 1983 (WAMEX report A13821). They completed geological mapping, rock chip sampling, ground magnetics and a low

powered ground electromagnetic survey. The CRAE rock chip ledger records assay results of up to 1,850ppm Cu and 5,400ppm Zn over 500m. No drilling is reported from these prospects. The Company collected two rock chips at the Rosemary prospect which returned 792ppm Zn, 536ppm Cu and 550ppm Zn, 364ppm Cu respectively.

In 2008 Maximus Resources Limited (“**Maximus**”) completed a regional broad spaced, 400m line, Airborne EM (AEM) survey over an area that included the Rosemary/Ann prospect. This work located the N6 conductor about 1.5km to the south of the Rosemary/Ann prospects (WAMEX open file report A81908). The N6 conductor is described as a discrete mid-time conductor evident as peaks on 5 of the 100m spaced infill lines. No follow-up groundwork was reported by Maximus. The Company believes the Rosemary / Ann prospect together with the N6 AEM conductor 1.5km to the south may indicate a VMS system at depth.

During the September quarter, the Company completed a MLEM survey over the Rosemary/Ann prospect and a FLEM survey over the N6 airborne EM conductor. Four conductors were located at the N6 anomaly (Figure 3). No conductors were located at the Rosemary Ann prospect. The four conductors at N6 are shallow dipping and range from strong to moderate intensity. The top of the modelled conductors’ range in depth from 50-100m.

The Company has now completed an RC drill program at Mt Carron to test the MLEM/FLEM conductors and assay results are anticipated in the coming weeks.

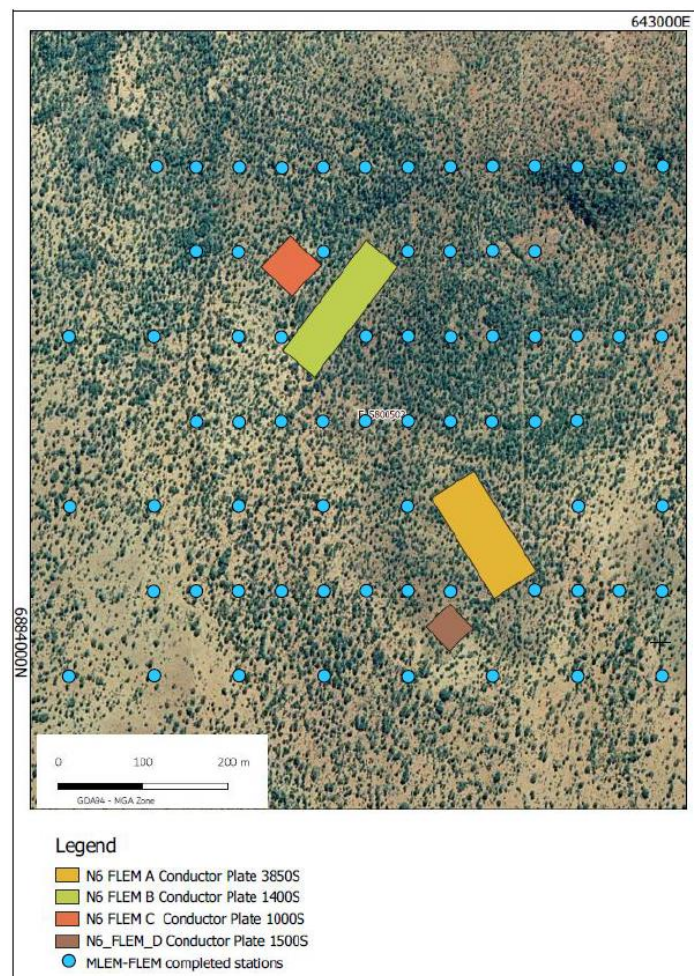


Figure 3 – N6 Anomaly Modelled Conductor Plates

Windsor North and Outcamp Well - Gold

A total of 24 AC drill holes for 1,648m was completed at the Windsor and Outcamp Well targets, much less than the planned 49 holes and 3,000m (refer to announcement dated 21 October 2019). The reduced program was due to thicker than anticipated cover sequence of lacustrine clays locally in excess of 80m depth.

All assays have been returned with no significant results. This has downgraded the potential of these prospects and no further exploration is anticipated at this stage.

Financial Position/Corporate

As at 31 December 2019, the Company had a balance of \$4,928,997 in liquid assets comprising of \$4,096,797 of cash and shares held in listed entities with a market value of \$832,200.

At the date of this release, the Company had a balance of \$4,808,450 in liquid assets comprising of \$4,000,895 in cash and \$807,555 worth of shares in listed entities.

The Company also continues to assess other potential exploration/development projects in the resources sector.

Doug Rose

Managing Director

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COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Reginald Beaton who is a Member of the Australian Institute of Geoscientists. Mr. Beaton is an employee of Santa Fe Minerals Limited and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Beaton consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears. All technical information in this report has previously been released to ASX, see the following announcements: 15 January, 2020 - "Drilling Completed at Challa Base Metal VMS Targets", 19 December, 2019 - "Drilling Commences at Challa Base Metal VMS Targets", 21 October 2019 - "Aircore Drilling Commences at Challa Gold Targets"; 16 September, 2019 - "Strong Electromagnetic Conductors Identified at Challa". The Company is not aware of any new information or data that materially affects the information included in the above.

Schedule 1: Interests in Mining Tenements at the end of the quarter as required under ASX Listing Rule 5.3.3

Tenement	Holder¹	Interest	Location	Status
E58/472	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/500	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/501	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/502	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/503	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/504	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/511	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2124	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2125	Challa Resources Pty Ltd	100%	Western Australia	Granted
E58/485	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2257	Challa Minerals Pty Ltd	100%	Western Australia	Granted
E59/2259	Challa Minerals Pty Ltd	100%	Western Australia	Granted

¹Challa Resources Pty Ltd and Challa Minerals Pty Ltd are wholly owned subsidiaries of Santa Fe Minerals Limited.

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, 01/05/13, 01/09/16

Name of entity

Santa Fe Minerals Ltd

ABN

59 151 155 734

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(181)	(339)
(b) development	-	-
(c) production	-	-
(d) staff costs	(64)	(124)
(e) administration and corporate costs	(53)	(147)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	47
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST paid to be recouped)	5	(6)
1.8 Other (Payment of security bond)	-	-
1.9 Net cash from / (used in) operating activities	(269)	(569)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(3)
(b) tenements (see item 10)	-	-
(c) investments	(64)	(808)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	702
(d) other financial assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	(66)	(109)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (capital return to shareholders)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,432	4,775
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(269)	(569)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(66)	(109)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,097	4,097

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	213	572
5.2	Term deposits	3,884	3,860
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,097	4,432

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

60

-

Director fees and superannuation.

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A	
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	260

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Print name: Doug Rose
(Managing Director)

Date: 23 January 2020

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.