



ABN 59 151 155 734

Interim Financial Report

For the half-year ended 31 December 2019

Santa Fe Minerals Limited
Interim Financial Report - 31 December 2019
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Santa Fe Minerals Limited
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Corporate Information

Directors	Mark Jones (Non-Executive Chairman) Douglas Rose (Managing Director) Terence Brown (Non-Executive Director)
Company Secretary	Krystel Kirou
ABN	59 151 155 734
Registered and Principal Office	Suite 1/9 Hampden Road Nedlands WA 6009 Tel: +61 8 9386 8382 Fax: +61 8 6183 4892
Postal Address	Suite 1/9 Hampden Road Nedlands WA 6009
Website	www.santafeminerals.com.au
Auditors	HLB Mann Judd Chartered Accountants Level 4,130 Stirling Street Perth WA 6000
Share Register	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Tel: +61 8 9389 8033
Securities Exchange Listing	Australian Securities Exchange (ASX: SFM) Level 40, Central Park 152-158 St George's Terrace Perth WA 6000

Santa Fe Minerals Limited
Interim Financial Report - 31 December 2019

Your Directors present their report together with the condensed consolidated financial statements of the Group comprising of Santa Fe Minerals Limited (the "Group") and its subsidiaries for the half-year ended 31 December 2019.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated:

Mark Jones (Non-Executive Chairman)

Doug Rose (Managing Director)

Terence Brown (Non-Executive Director)

Review of operations

Exploration Operations

During the half year, the Group continued exploration across five targets - Mt Carron (Copper/Zinc), Yalanga Bore (Copper/Zinc), Windsor North (Gold), Outcamp Well (Gold) and Watsons Well (Vanadium). Refer to figure 1 below.

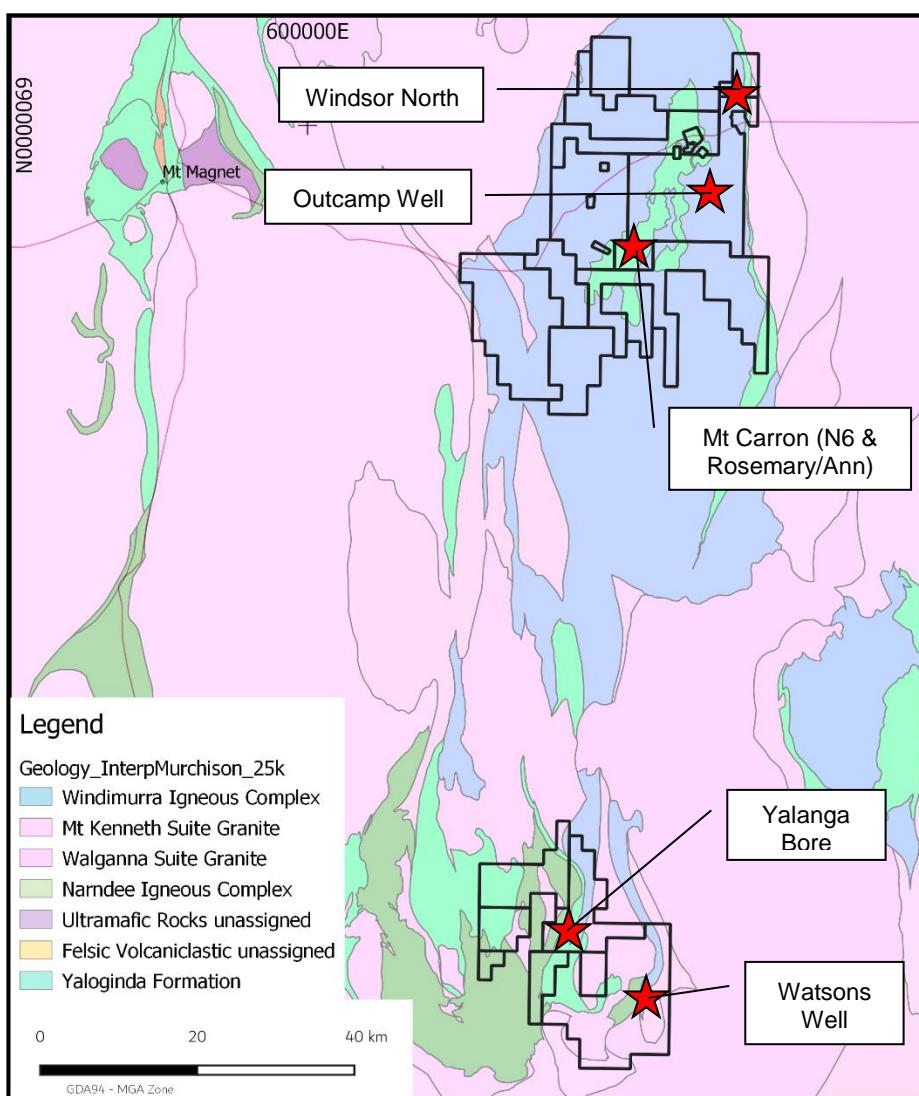


Figure 1 - Challa Project area

Review of operations (continued)

Mt Carron Copper - Zinc Target (100% SFM) - Challa North

During the half year, RC drilling was undertaken and a total of 4 RC drill holes for 361m were completed at the Mt Carron copper - zinc target.

RC holes, MCRC001 to 004, were drilled to test a 500m long combined Fixed Loop Electromagnetic (FLEM) target (refer to figure 2 below).

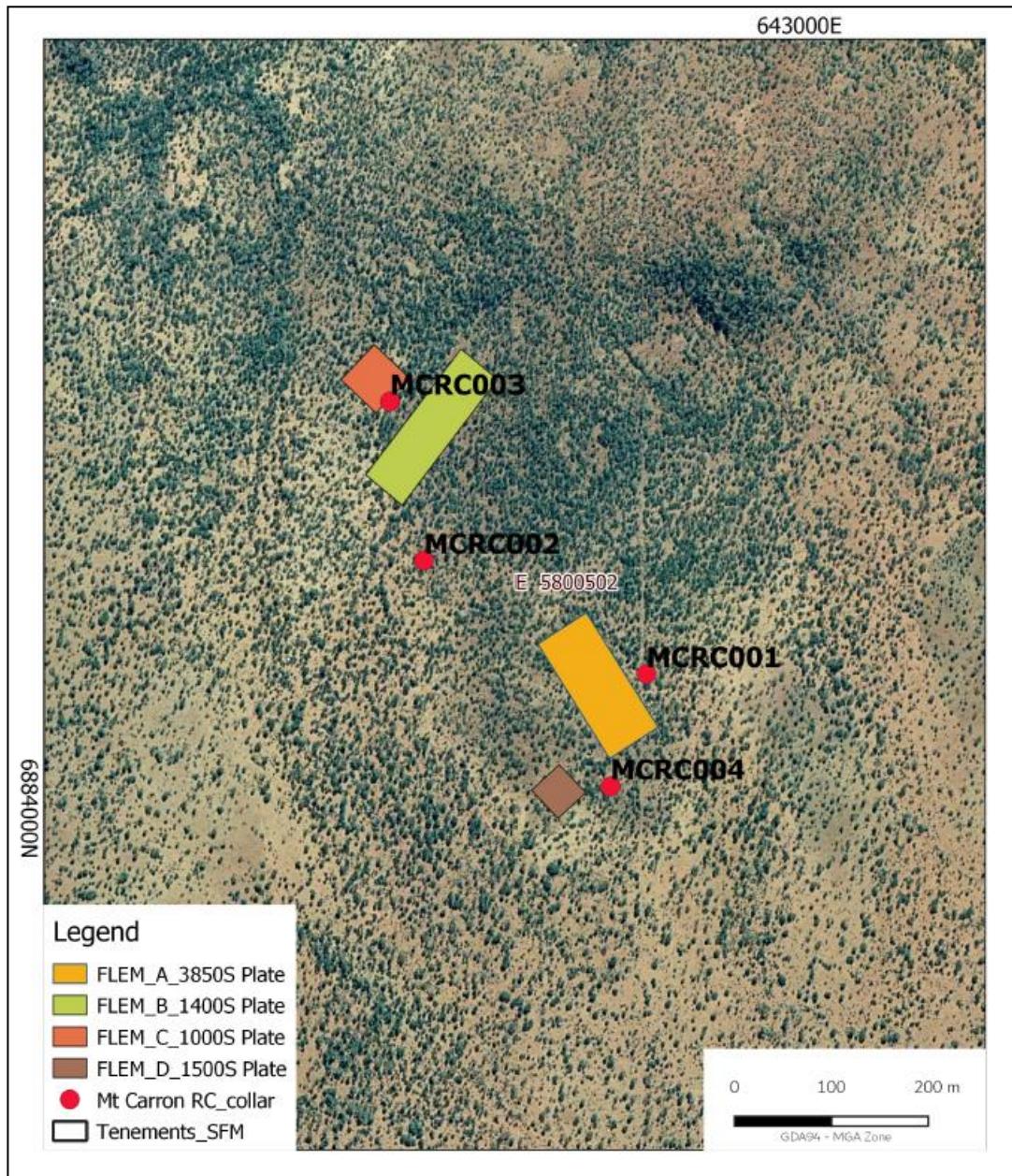


Figure 2 - Mt Carron FLEM conductor plates and SFM RC drill holes

A Fixed Loop Electromagnetic (FLEM) survey completed over the Mt Carron (N6) target in (refer to ASX report dated 16 September 2019) returned two strong and two moderate conductors in an area of 500m x 200m. The top of the modelled conductors range from 50-100m depth. The Mt Carron target had not previously been drilled and is located 1.4km south of the outcropping Rosemary and Ann copper zinc prospects.

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Review of operations (continued)

MCRC001 was drilled to intersect the FLEM A modelled plate at 100m depth. The drill hole intersected the approximate middle of the modelled plate with disseminated to patchy pyrite and pyrrhotite logged from 84m to 108m hosted in chert and shale above a altered felsic volcanic unit. Zinc mineralisation of 0.54% was intersected in the upper part of the sulphide zone from 84m to 96m.

MCRC002 was drilled to intersect the FLEM B modelled plate at 80m depth. The hole trajectory steepened from the planned dip and was drilled under the south western side of the modelled plate position. A narrow zone of pyrite and pyrrhotite logged from 56-72m is at the approximate depth of the projected plate position considered to represent similar mineralisation to that expected within the modelled plate.

MCRC003 was drilled to intersect the FLEM C modelled plate at 50m depth. Due to access issues the hole collar was moved to the south eastern edge of the plate and drilled vertically. MCRC003 intersected the edge of the modelled FLEM C plate about 25m north east of the upper edge of the FLEM B plate. Disseminated to patchy pyrite and pyrrhotite was logged at the expected position from 48-64m hosted in chert and shale above an altered felsic volcanic unit.

MCRC004 was drilled to test the FLEM D modelled plate at 120m down hole depth. Due to drill rig technical issues, the hole was abandoned at 45m.

Assay results were received subsequent to the end of the half year and results are shown in Table 1 below.

Hole ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Dip	Azimuth	Total Depth	Depth From (m)	Depth To (m)	Downhole Intersection (m)	Au (ppb)	Ag (ppm)	Cu (ppm)	Zn (ppm)	S (ppm)
MCRC 001	6884139	642842	480	-60	270	124	84	96	12	19	NSR	NSR	5477	26433
MCRC 002	6884256	642614	461	-50	350	110	44	48	4	87	5.5	1480	4690	6050
MCRC 002							64	68	4	NSR	NSR	NSR	1610	17500
MCRC 003	6884420	642579	455	-90	360	82	48	64	16	NSR	NSR	NSR	NSR	19275
MCRC 004	6884023	642805		-60	270	45	Hole abandoned			NSR	NSR	NSR	NSR	NSR

Table 1 - Mt Carron RC drill hole results

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Review of operations (continued)

Yalanga Bore Copper - Zinc Target (100% SFM) - Challa South



Figure 3 - Yalanga Bore MLEM conductor SFM RC collar positions.

A Moving Loop Electromagnetic (MLEM) survey completed at Yalanga Bore identified a steeply dipping conductor adjacent to historic shallow drilling with reported strongly anomalous copper and zinc (refer to ASX report dated 16 September 2019). The modelled position of the MLEM conductor would not have been tested by the previous drilling.

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Review of operations (continued)

Subsequent to the end of the half year, YBRC001 and YBRC001A were drilled to test the YB MLEM C1 modelled conductor plate. YBRC001 was abandoned at 45m depth due to a drift in the hole azimuth which would result in the hole missing the target. YBRC001A was collared with a corrected azimuth and intersected immediately below the modelled plate position. Disseminated pyrite, pyrrhotite and trace chalcopyrite was logged from 112m to 117m corresponding with the best result of 8m from 112m @ 0.24% Cu and 0.2% Zn.

Hole ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Dip	Azimuth	Total Depth	Depth From (m)	Depth To (m)	Downhole Intersection (m)	Au (ppb)	Ag (ppm)	Cu (ppm)	Zn (ppm)	S (ppm)
YBRC 001A	6796841	632432	458	-60	135	149	112	120	8	15	2.5	2405	2003	40350
YBRC 001	6796841	632434	458	-60	130	28	Hole abandoned	28		No assays				

Table 2 - Yalanga Bore RC drill hole results.

While the Company believes that the Mt Carron and Yalanga Bore targets have now been sufficiently tested, the regional potential for economic VMS style mineralisation has not yet been fully explored due to extensive cover.

The Company is in the process of completing a technical review of its Mt Carron and Yalanga Bore prospects and the exploration studies completed on these target areas, where they will consider its future potential and any follow-up work.

Windsor North and Outcamp Well Gold Targets (100% SFM) - Challa North

The structures that host the Windsor (excised) and Pioneer gold prospects located in the north eastern side of the Challa project, are interpreted to be part of the Wyemando shear which extends for 30km north south within the Company's tenure. Apart from small areas of outcrop at the Windsor and Pioneer gold prospects, the shear is concealed beneath shallow sheet-wash cover and thus was not available to historic gold prospecting and surface geochemical methods.

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Review of operations (continued)

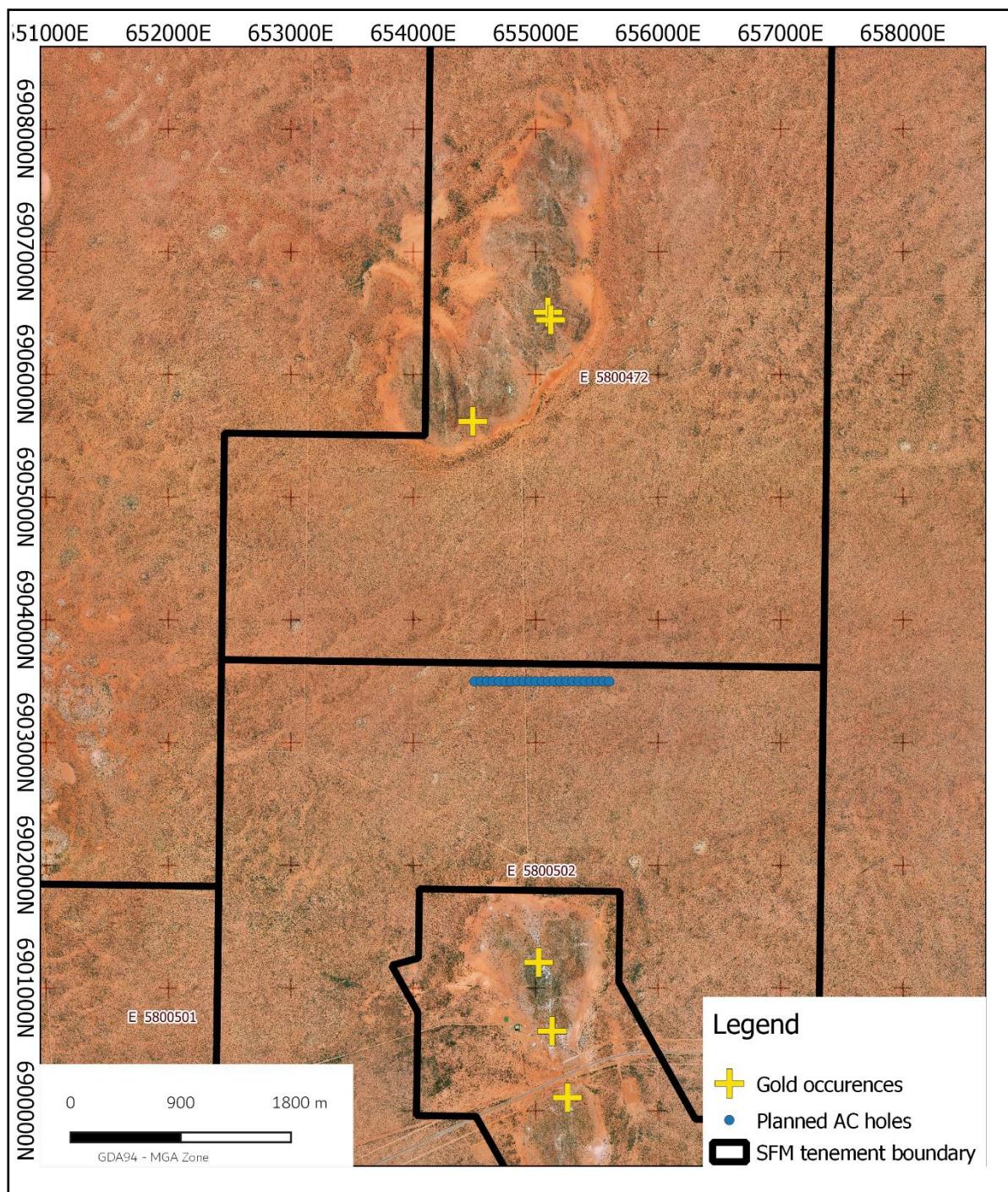


Figure 4 - Windsor North Gold Target showing Aircore (AC) drill hole locations over satellite image

The Outcamp Well gold target is located from 6km to 16km south-south-west of the Windsor North gold target. The Outcamp Well target is completely concealed beneath sheet wash cover. It is an 11km long x maximum 2.5km wide lozenge shaped area of low magnetic relief situated between the Wyemando Shear to the east and the Windimurra Igneous Complex to the west.

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Review of operations (continued)

In 2006, Maximus Resources Ltd drilled two lines of Aircore holes. One to the west of the Outcamp Well target for no significant result. The second line 5km further south at the southern end of the SFM Outcamp Well target area returned a best result of 143ppb Au. This appears to be along strike from the proposed drilling.

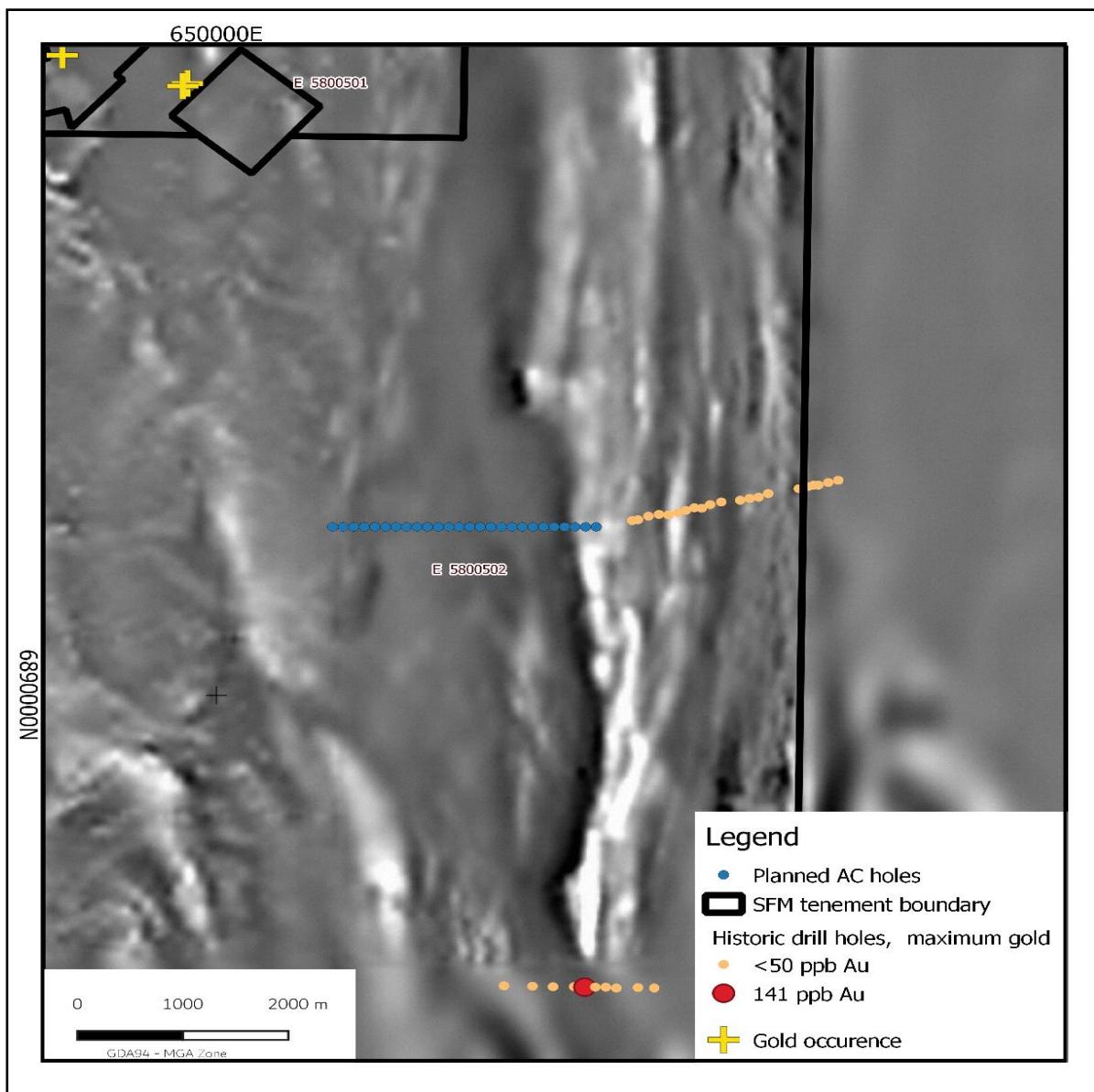


Figure 5 - Outcamp Well Gold Target with planned AC drill hole collars and previous drilling.

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. The Company is in the process of completing a technical review of its Windsor and Outcamp Well prospects and the exploration studies completed on these target areas, where it will consider the future potential and any follow-up work.

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Review of operations (continued)

Watsons Well - Vanadium

During the half year, the Group undertook desktop studies and analysis. Further exploration plans will be announced once finalised.

Principal Activities

The principal activities of the Group during the course of the financial year were exploration for gold and base metals within the state of Western Australia.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the next page and forms part of the Directors' Report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the Corporations Act 2001.



Mark Jones
Non-Executive Chairman

5 March 2020
Perth, Western Australia

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: 19 February 2020 - "Exploration Update - Challa Base Metals Targets", 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.



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Santa Fe Minerals Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read "B G McVeigh".

Perth, Western Australia
5 March 2020

B G McVeigh
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Santa Fe Minerals Limited
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Condensed Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2019

	31 December 2019	31 December 2018
Note	\$	\$
Interest income	36,194	56,359
Fair value gain on fair value through profit or loss assets	342,683	87,807
Depreciation expense	(9,483)	(11,462)
Exploration and evaluation expenditure	(277,035)	(215,470)
Employee benefits expense	(191,377)	(237,197)
Other expenses	<u>(172,721)</u>	<u>(238,559)</u>
Loss before tax	(271,739)	(558,522)
Income tax expense	-	-
Net loss for the period	(271,739)	(558,522)
Other comprehensive loss for the period, net of tax	-	-
Total comprehensive loss for the period	(271,739)	(558,522)
Basic loss per share	3	(0.37)
Diluted loss per share	3	(0.37)

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
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Condensed Consolidated Statement of Financial Position
As at 31 December 2019

		31 December 2019	30 June 2019
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents		4,096,797	4,774,500
Trade and other receivables		20,597	23,687
Assets classified as fair value through profit or loss	6	832,200	-
Other financial assets		<u>27,061</u>	<u>6,561</u>
Total Current Assets		<u>4,976,655</u>	<u>4,804,748</u>
Non-Current Assets			
Deferred exploration and evaluation expenditure	5	521,067	521,067
Assets classified as fair value through profit or loss	6	<u>-</u>	<u>387,175</u>
Property, plant and equipment		<u>53,208</u>	<u>59,781</u>
Total Non-Current Assets		<u>574,275</u>	<u>968,023</u>
Total Assets		<u>5,550,930</u>	<u>5,772,771</u>
Liabilities			
Current Liabilities			
Trade and other payables		81,183	32,193
Employee benefits liability		<u>47,233</u>	<u>46,325</u>
Total Current Liabilities		<u>128,416</u>	<u>78,518</u>
Total Liabilities		<u>128,416</u>	<u>78,518</u>
Net Assets		<u>5,422,514</u>	<u>5,694,253</u>
Equity			
Issued capital	4	14,757,954	14,757,954
Share based payments reserve		<u>76,067</u>	<u>76,067</u>
Retained earnings		<u>(9,411,507)</u>	<u>(9,139,768)</u>
Total Equity		<u>5,422,514</u>	<u>5,694,253</u>

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
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Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2019

	Issued capital \$	Fair value reserve \$	Share-based payment reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2019	14,757,954	-	76,067	(9,139,768)	5,694,253
Loss for the period	-	-	-	(271,739)	(271,739)
Total comprehensive loss	-	-	-	(271,739)	(271,739)
Balance at 31 December 2019	14,757,954	-	76,067	(9,411,507)	5,422,514
Balance at 1 July 2018	14,757,954	196,078	76,067	(8,551,736)	6,478,363
Adjustment on initial application of AASB 9	-	(196,078)	-	196,078	-
	14,757,954	-	76,067	(8,355,658)	6,478,363
Loss for the period	-	-	-	(558,522)	(558,522)
Total comprehensive loss	-	-	-	(558,522)	(558,522)
Balance at 31 December 2018	14,757,954	-	76,067	(8,914,180)	5,919,841

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
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Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2019

	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Interest received	47,514	56,359
Payments to suppliers and employees	(619,964)	(727,714)
Net cash outflow from operating activities	(572,450)	(671,355)
Cash flows from investing activities		
Payments for property, plant and equipment	(2,911)	(22,773)
Payments for purchases of investments designated fair value through profit or loss	(808,658)	(752,381)
Proceeds from disposal of investments designated fair value through profit or loss	706,316	1,188,188
Net cash (outflow) / inflow from investing activities	(105,253)	413,034
Net decrease in cash held	(677,703)	(258,321)
Cash at the beginning of the period	4,774,500	4,812,821
Cash and cash equivalents at period end	4,096,797	4,554,500

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited**Interim Financial Report – 31 December 2019****Notes to the Condensed Consolidated Financial Statements****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Preparation**

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

This condensed consolidated interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by the Group during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis except for the revaluation of selected financial assets. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

(b) Statement of Compliance

The interim financial statements were authorised for issue on 5 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with IFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Accounting policies and methods of computation

The Group's accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year except for the impact of the new and revised standards effective 1 July 2019 outlined in Note 1(d) below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Adoption of new and revised standards*Standards and Interpretations applicable to 31 December 2019*

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2019.

As a result of this review, the Group has applied AASB 16 Leases from 1 July 2019.

AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Santa Fe Minerals Limited

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Notes to the Condensed Consolidated Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Adoption of new and revised standards (continued)

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods as the short term lease exemption in AASB 16 was utilised.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(e) Significant accounting judgements and key estimates

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

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019.

(f) Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

NOTE 2: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Board as a whole has determined that at this time, the Group has one reportable segment being mineral exploration in Australia and investing in mineral exploration companies in Australia.

The revenues and results of this segment are those of the Group as a whole and are set out in the Condensed Statement of Profit or Loss and Other Comprehensive Income and the assets and liabilities of the Group as a whole are set out in the Condensed Statement of Financial Position.

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Notes to the Condensed Consolidated Financial Statements

NOTE 3: LOSS PER SHARE

	31 December 2019	31 December 2018
	\$	\$
Basic and diluted loss per share (cents per share)	(0.37)	(0.77)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share	72,818,789	72,818,789
Loss used in the calculation of basic and diluted loss per share (\$)	<u>(271,739)</u>	<u>(558,522)</u>

NOTE 4: ISSUED CAPITAL

	31 December 2019	30 June 2019
	\$	\$
72,818,789 fully paid ordinary shares (30 June 2019: 72,818,789)	<u>14,757,954</u>	<u>14,757,954</u>

	Six months to		Year to	
	31 December 2019	Number	30 June 2019	Number
	\$		\$	
<i>Movements in ordinary shares</i>				
Balance at beginning of period	72,818,789	14,757,954	72,818,789	14,757,954
Balance at end of period	<u>72,818,789</u>	<u>14,757,954</u>	<u>72,818,789</u>	<u>14,757,954</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2019	30 June 2019
	\$	\$
Balance at beginning of period	<u>521,067</u>	<u>521,067</u>
Balance at end of period	<u>521,067</u>	<u>521,067</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Santa Fe Minerals Limited**Interim Financial Report – 31 December 2019****Notes to the Condensed Consolidated Financial Statements****NOTE 6: FINANCIAL INSTRUMENTS**

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31 December 2019 and 30 June 2019.

	Six months to 31 December 2019	Year to 30 June 2019	Fair value Fair value hierarchy	Valuation technique
	\$	\$		
Equity investments designated at fair value through profit or loss	832,200	387,175	Level 1	Quoted market prices in an active market

The directors consider that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation their fair values.

Movement in equity investments designated at fair value through profit or loss:

	31 December 2019	30 June 2019
	\$	\$
Opening balance	387,175	1,140,000
Additions	808,658	1,299,781
Fair value movement on fair value through profit or loss assets	342,683	161,699
Disposals	(706,316)	(2,214,305)
	832,200	387,175

Santa Fe Minerals Limited**Interim Financial Report – 31 December 2019****Notes to the Condensed Consolidated Financial Statements****NOTE 7: SHARE-BASED PAYMENT**

The following options were issued as part consideration for the acquisition of the Group's tenements in prior periods and these were in place during the half year and as at 31 December 2019.

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
SERIES 1	1,250,000	22/11/2017	30/09/2020	\$0.20	\$45,941	22/11/2019
SERIES 2	500,000	01/03/2018	30/09/2020	\$0.20	\$30,126	15/09/2018

The fair value of the equity-settled share options is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

	SERIES 1	SERIES 2
Dividend yield (%)	-	-
Expected volatility (%)	80	80
Risk-free interest rate (%)	2.02	2.02
Expected life of option (years)	1.83	2.58
Exercise price (cents)	20	20
Grant date share price (cents)	10	15

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

There has been no change in contingent liabilities since the last reporting date.

NOTE 9: EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Santa Fe Minerals Limited
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Directors' Declaration

In the opinion of the Directors of the Company:

1. The attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2011, professional reporting requirements and other mandatory requirements; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303 (5) of the Corporations Act 2001.



Mark Jones
Non-Executive Chairman

5 March 2020
Perth, Western Australia

Santa Fe Minerals Limited
Interim Financial Report – 31 December 2019
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Santa Fe Minerals Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Santa Fe Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Santa Fe Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
5 March 2020

A handwritten signature in black ink, appearing to read 'B G McVeigh' followed by a stylized surname.

B G McVeigh
Partner