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31 October 2022

Company Announcements Office
ASX Limited

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30th SEPTEMBER 2022

During the quarter, Santa Fe Minerals Ltd (“**Santa Fe**”, “**SFM**” or “**the Company**”) continued exploration at its Mt Murray base metals project and Challa projects (Gold and Vanadium).

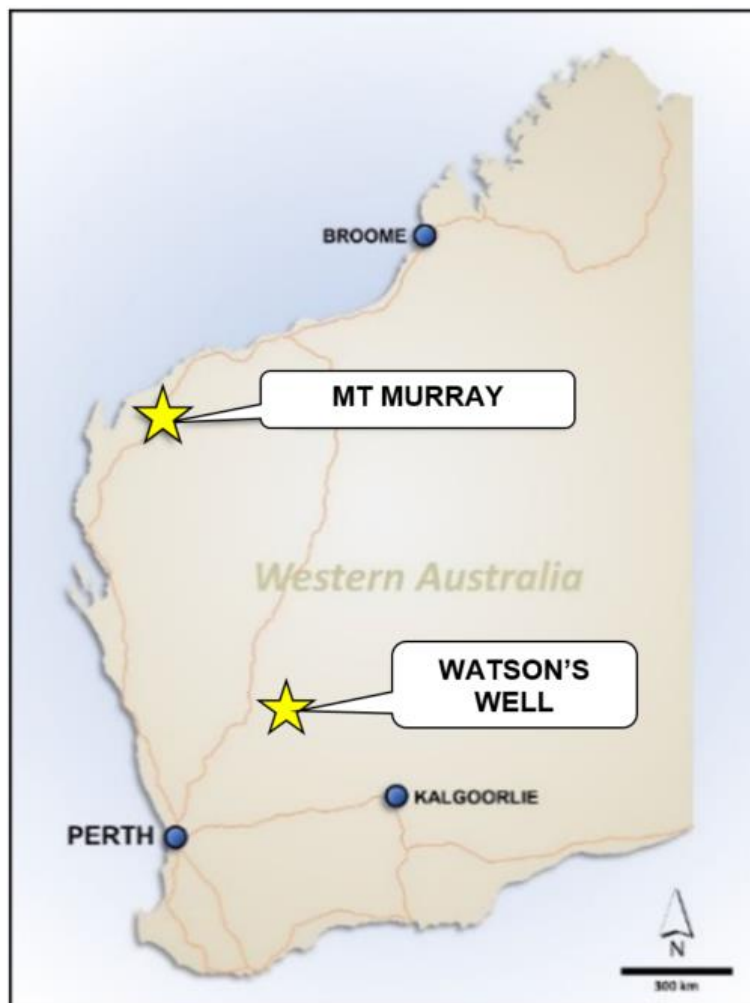


Figure 1: Project locations.

Watsons Well Vanadium -Titanium-Iron Project (SFM 100%)

In late September/early October a total of 10 Reverse Circulation holes were drilled for 1,492m to test the thicker central area of the 7km long Watsons Well high magnetic zone where previous rock chip samples returned 1.2% to 1.3% V₂O₅, 13% to 15% TiO₂ and 50% to 52% Fe from massive magnetite layers. (SFM Exploration Update 5th April 2022). Two sections of drill-holes were completed 400m apart with all holes angled at -60 degrees to the east. Drill holes were spaced at a nominal 80m and completed to set depths of 149m or 150m.

All ten drillholes intersected broad zones of strong magnetite which is associated with the vanadium, titanium and iron mineralization (Table 1). Strong magnetite downhole intervals were observed up to 35m with multiple zones in each drillhole.

Table 1: Selected drill hole intervals of strong to semi massive magnetite*.

Hole ID	From (m)	To (m)	Interval (m)	
WWRC001	93	107	14	
WWRC002	97	110	13	
WWRC003	38	55	17	
WWRC003	139	149	10	End of Hole
WWRC004	85	109	24	
WWRC005	67	84	17	
WWRC005	110	136	26	
WWRC006	72	107	35	
WWRC007	124	142	18	
WWRC008	87	103	16	
WWRC009	131	138	7	
WWRC009	145	149	4	End of Hole
WWRC010	44	62	18	
WWRC010	120	146	26	

*Magnetite content was estimated visually and with the aid of a pencil magnet plus a magnetic susceptibility meter. Strong magnetite content is considered as 40%-70% and semi massive >70% of the rock. Maximum downhole widths are tabled for each drill hole.

All samples have been delivered to the Laboratory and analytical results are expected in late December, early January 2023.



Figure 2 – Watsons Well RC Drilling.

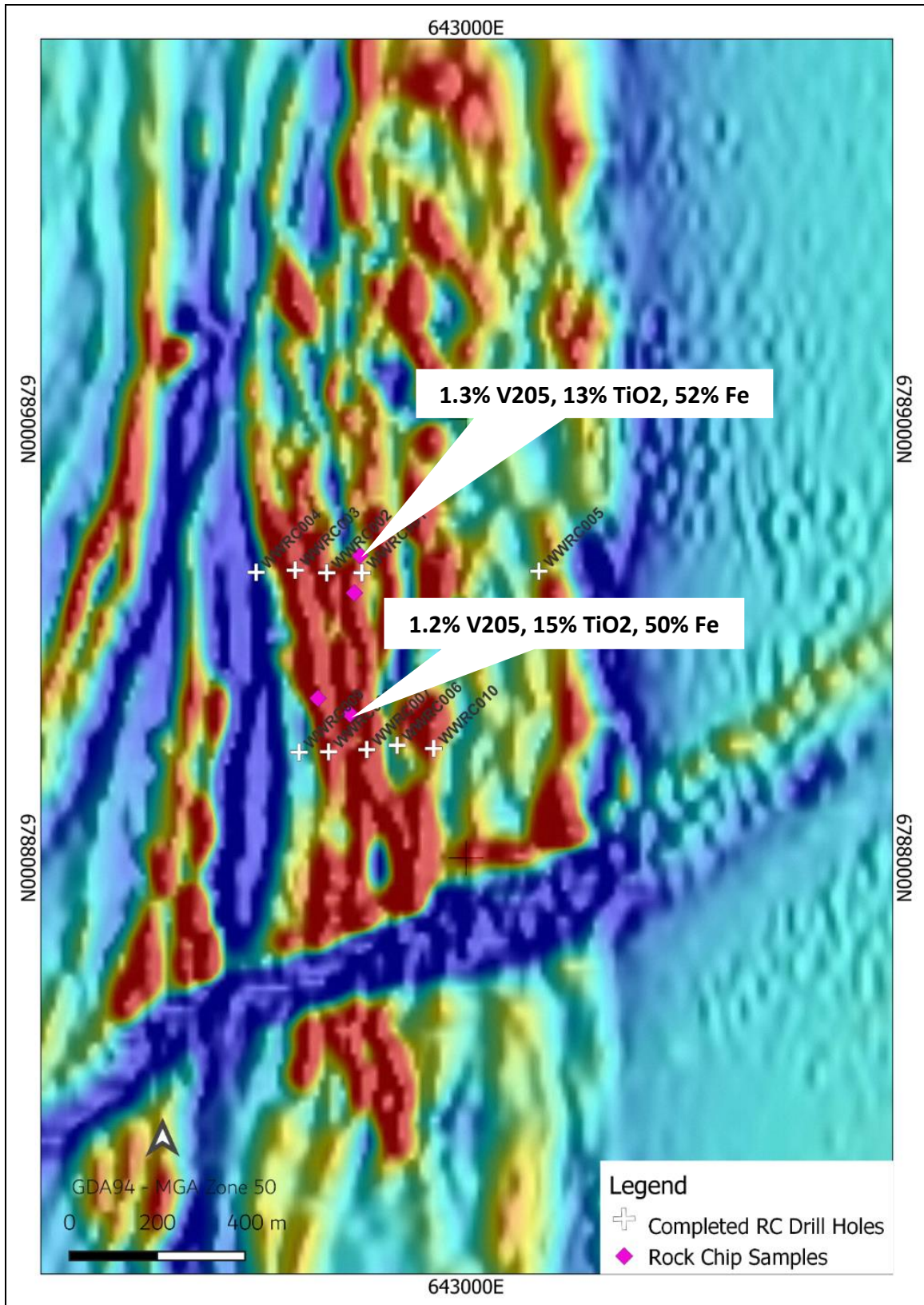


Figure 3 – Watsons Well airborne magnetics showing the middle of the magnetic high zone, the location and grades of rock chip samples and the location of the completed RC drill hole collars.

Watsons Well Background

The 7km long Watsons Well magnetic high zone was first identified in the 1960s and 1970s. It was interpreted as a possible feeder dyke to the Windimurra igneous complex and subsequently explored for nickel – copper - PGE mineralization by various companies, including WMC. Programs of broad spaced soil and lag sampling identified nickel, copper, and PGE values consistent with the interpreted underlying rock types. There were no standout targets, and no additional work was completed.

Mapping in 2015 identified magnetite cumulate layers in anorthosite associated with broad areas of anomalous Vanadium 3000ppm to 6870ppm, (Perring 2015) supporting an alternative interpretation that the Watsons Well magnetic high zone is a faulted offset of the Shepherds Discordant Zone that hosts the large Windimurra Vanadium deposit located 70km to the north of Watsons Well.

SFM completed additional close spaced lag sampling and rock chip sampling over the central part of the Watsons Well zone returning V₂O₅ grades up to 1.64% (*SFM Exploration Update 14/11/2018*). Subsequent mapping and rock chip sampling identified massive magnetite cumulate layers over 5km of the 7km strike with high grades of 1.18% to 1.33% V₂O₅, 9.97% to 15.2% TiO₂ and 44.12% to 52.74% Fe. (*SFM Exploration Update 5th April 2022*). The massive magnetite layers range up to about 1m thick and appear in outcrop to be semi continuous along strike and similar in appearance to the mineralised zones at the Windimurra vanadium deposit (Ivanic, 2019).

Mt Murray Base Metal Project (SFM earning 80%)

The Mt Murray project covers a 9km north south trending zone of poly metallic copper-lead-zinc-silver-gold mineralisation adjacent to a 4.2km x 1.2km magnetic high zone considered to represent a mafic-ultramafic intrusive package prospective for nickel-copper-PGE mineralisation similar to the recently discovered tier one Julimar Ni-Cu-PGE deposit (Chalice Mining Ltd).

SFM has now completed the Ultrafine soil sampling program originally planned for the June quarter (*SFM ASX Exploration Update 4th April 2022*). The sampling was delayed due to unseasonal wet weather and the availability of a field sampling team. A total of 1,221 samples were collected every 50m along 200m and 400m space lines. All samples will be processed by Labwest using their Ultrafine (UFF) fraction technique. An orientation sampling program comparing conventional -1mm soil sampling with the UFF method completed by SFM at Mt Murray early in 2022 concluded:

1. Analytical quality of the UFF -2 micron was significantly better than the -1mm results.
2. UFF samples returned higher absolute concentrations when compared with the -1mm samples.
3. Lithological and regolith controls are subtle in the UFF samples and better resolved than the -1mm samples.

The UFF sample results are expected to be reported within 12 weeks.

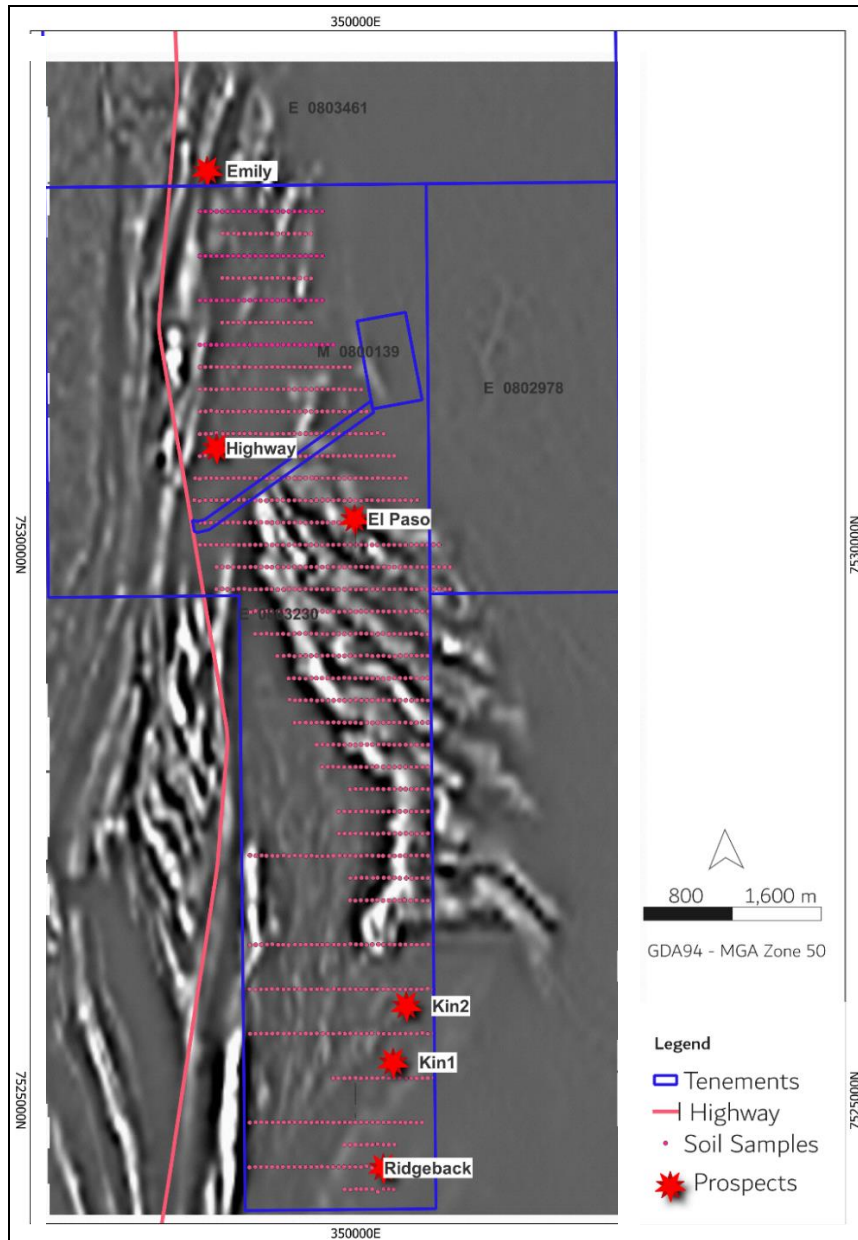


Figure 4: Mt Murray Project completed soil sample locations over magnetics.

References

Herlithy, TE 2005, Combined Annual Report: C114/2004 For the period 1st April 2004 to 31st March 2005 Windimurra Project: WAMEX 070457.

Ivanic, TJ 2019, Mafic-ultramafic Intrusions of the Youanmi Terrain, Yilgarn Craton: Geological Survey of Western Australia, Report 192.

Perring, R 2015, Mapping Summary Report

Corporate

At the date of this report, the company holds \$2,354,509 in cash and listed shares with a market value of \$934,587. The Company's shareholdings in listed entities comprised the following securities:

Oakajee Limited (ASX: OKJ)	1,286,250 fully paid ordinary shares
Atlantic Lithium Limited (ASX: A11)	1,400,000 fully paid ordinary shares

The Company continues to assess a number of opportunities in the resources sector.

This ASX announcement has been authorised for release by the Board.

- ENDS -

For further information, please contact:

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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 presented in the report has previously been reported to ASX – see "Exploration Update" dated 14 October 2022.

The Company is not aware of any new information or data that materially affects the information included in the above.

Appendix 1: Disclosures in accordance with ASX Listing Rule 5.3

Tenements held at the end of the quarter

Tenement	Holder ¹	Interest	Location	Status
E58/485	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
E58/511	Challa Resources Pty Ltd	100%	Western Australia	Granted
E59/2257	Challa Minerals Pty Ltd	100%	Western Australia	Granted
E08/2978	Challa Resources Pty Ltd	100%	Western Australia	Granted
E08/139	Challa Resources Pty Ltd	100%	Western Australia	Granted
E08/3230	Challa Resources Pty Ltd	100%	Western Australia	Granted

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

The Company did not acquire or dispose of any mining tenements nor did it enter into any other farm-in or farm-out agreements during the quarter.

Acquisition of Mt Murray

On 19 November 2021, the Company announced that it has, via its wholly owned subsidiary Challa Resources Pty Ltd (ACN 619 903 196) (Challa), entered into a binding option agreement to acquire, subject to certain conditions precedent, 80% of the legal and beneficial interest in any or both of the exploration tenements E 08/2978 and E 08/3230 and 80% of the metals rights on M 08/139 from North West Stone Pty Ltd (ACN 159 838 712) (NWS) (Option). The key terms of the agreement are detailed below.

Key Terms

The consideration for the grant of the Option was A\$50,000. The initial period of the Option will expire on 19 November 2023 (Initial Period) and will automatically be extended by three six month terms unless Challa provides written notice otherwise (Option Period). Challa must pay A\$30,000 for each additional term.

As a condition to the exercise of the Option, Challa must:

- (a) incur at least A\$200,000 of exploration expenditure on the tenements in the Initial Period; and
- (b) incur at least A\$300,000 of exploration expenditure on the tenements (in addition to the amount detailed in paragraph (a) above) in the Option Period.

If the condition is satisfied and the Option is exercised, the Company must issue to NWS the greater of:

- (a) 5,000,000 fully paid ordinary shares in Santa Fe; or
- (b) fully paid ordinary shares in Santa Fe to a value of A\$1,000,000 based on a 5 day VWAP share price prior to the date of exercise of the Option.

If the condition is satisfied, Challa may also elect to enter into a split commodity agreement with NWS for 80% of all metal rights in M 08/139 (Split Commodity Agreement). Upon election to enter into the Split Commodity Agreement, the Company must issue to NWS the greater of:

- (a) 500,000 fully paid ordinary shares in Santa Fe; or
- (b) fully paid ordinary shares in Santa Fe to a value of A\$100,000 based on a 5 day VWAP share price prior to the date of electing to enter into the Split Commodity Agreement.

Under the agreement, the total consideration shares that SFM will issue to exercise the option in its entirety is capped at 10,000,000. The Company intends to issue the above shares using its available placement capacity under listing rule 7.1.

If the Option is exercised, the parties shall commence good faith negotiations with a view to executing a joint venture agreement for the development of the tenements Challa has an interest in, with Challa as manager and operator of the joint venture. NWS will be free carried until a decision to mine.

The option agreement is otherwise on customary terms and conditions for a transaction of this nature, including pre-completion obligations, termination rights and warranties provided by the parties.

Santa Fe agreed to pay approximately \$2,600 of rates outstanding in respect of the exploration tenements.

The Company did not acquire or dispose of any mining tenements nor did it enter into any other farm-in or farm-out agreements during the quarter.

Related Party Payments

During the quarter ended 30 September 2022, the Company made payments of \$60,775 to related parties and their associates. These payments relate to existing remuneration arrangements being director fees and superannuation.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Santa Fe Minerals Limited

ABN

59 151 155 734

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(89)	(89)
(b) development	-	-
(c) production	-	-
(d) staff costs	(59)	(59)
(e) administration and corporate costs	(100)	(100)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(247)	(247)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	(232)	(232)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(232)	(232)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 (provide details if material)	-	-
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	2,875	2,875
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(247)	(247)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(232)	(232)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,396	2,396

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	55	129
5.2	Call deposits	2,341	2,746
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)	2,396	2,875

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	61
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Director fees and superannuation in the quarter.</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(247)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(247)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,396
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,396
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.70
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 31 October 2022

Authorised by: By the Board of Santa Fe Minerals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.