



ABN 59 151 155 734

Formerly 'EZA Corporation Limited'

Interim Financial Report

For the half-year ended 31 December 2017

Santa Fe Minerals Limited
Interim Financial Report - 31 December 2017
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Santa Fe Minerals Limited
Interim Financial Report - 31 December 2017
Corporate Information

Directors	Mark Jones (Non-Executive Chairman) Douglas Rose (Managing Director) Andrew Quin (Non-Executive Director) Terence Brown (Non-Executive Director)
Company Secretary	Krystel Kirou
ABN	59 151 155 734
Registered and Principal Office	39 Clifton Street Nedlands WA 6009
Postal Address	39 Clifton Street 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 2017
Directors' Report

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 2017.

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)
Andrew Quin (Non-Executive Director)
Terence Brown (Non-Executive Director) - *Appointed 14 August 2017*

Review of operations

On 6 October 2017, the Group completed a return of capital to shareholders in the amount of \$0.045 per share totaling \$2,748,096.

During the half year, the Group completed the acquisition of the Challa Gold and Base Metals projects (Challa Projects) located in northern Western Australia, pursuant to the terms of the tenement sale agreement and subsequent deed of variation with the vendor group (refer to announcements made to ASX on 3 July 2017 and 14 August 2017 for agreement terms).

Following the completion of recompliance with the ASX Listing Rules, the Group's securities were reinstated to official quotation on 22 November 2017. As part of relisting, the Group raised \$1 million (before costs) under a public offer.

Mr Mark Carder was appointed to the full-time position of Exploration Manager on 27 November 2017. Mark is a geologist with over 18 years' experience in mining and developing commodities including coal, gold, lead, zinc, copper, silver, iron ore and rare earths. Mark has held senior geological roles with Crescent Gold, BC Iron, Carrick Gold, Millennium Minerals and Lynas Corporation gaining practical and management experience within the areas of exploration, mining and resource development.

Exploration Activities Update

Between the date of relisting on the ASX and the end of the quarter, the Company continued to refine and prioritise exploration targets. Subsequent to the end of the quarter, a reconnaissance sampling program was completed at the Yarrambie Nickel/Copper/Cobalt target (Challa South) and at various areas of interest across the Paynseville Gold Trend (Challa North). A geophysical consultant has been engaged to assist in the targeting process and enable the Company to finalise a maiden drilling campaign. Negotiations with drilling contractors are currently in progress and further updates will be provided in due course.

Subsequent to the end of the quarter, an application for an Exploration licence (E58/526) was made at the western edge of the Windimurra Intrusion. The new ground lies along the Northern strike extensions of the Company's Western target area (see Figure 1).

Santa Fe Minerals Limited
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Directors' Report

Review of operations (continued)

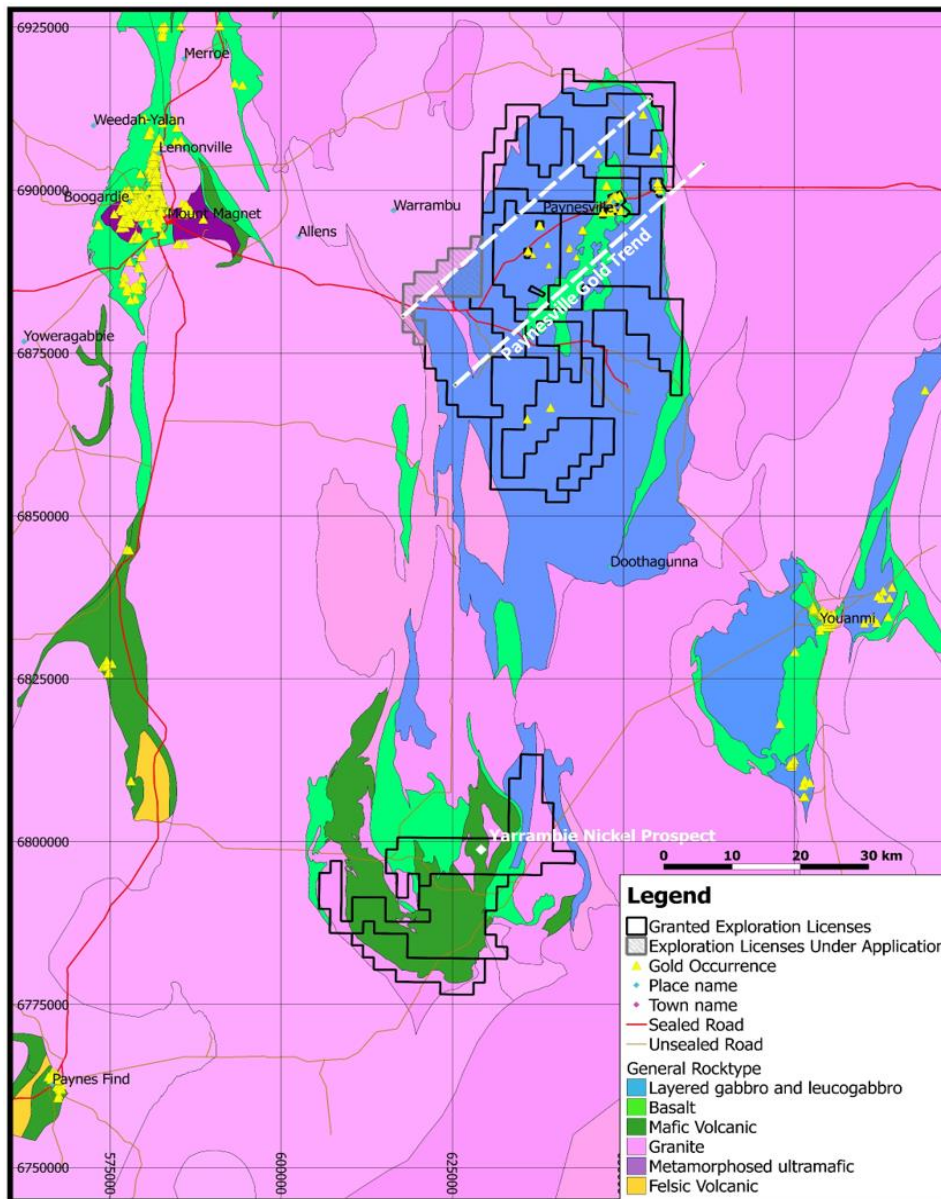


Figure 1 - Challa Project Area

The Group continues to search for and assess other opportunities in the resources sector with a view to creating additional value for shareholders.

The net loss after income tax attributable to members of the Group for the half-year ended 31 December 2017 was \$549,654 (31 December 2016: \$92,496). At the end of the half-year period ended 31 December 2017 the Group had net assets of \$6,798,222 (30 June 2017: \$9,025,152).

Principal Activities

The Group's principal activity is the exploration of the Challa Gold and Base Metals projects (Challa Projects) located in northern Western Australia.

Santa Fe Minerals Limited
Interim Financial Report - 31 December 2017
Directors' Report

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 page 6 and forms part of the Directors' Report for the half-year ended 31 December 2017.

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.

A handwritten signature in black ink, appearing to read 'Mark Jones', with a large, sweeping flourish extending downwards and to the right.

Mark Jones
Non-Executive Chairman

27 February 2018
Perth, Western Australia

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 2017, 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.

**Perth, Western Australia
27 February 2018**



**D I Buckley
Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Santa Fe Minerals Limited
Interim Financial Report - 31 December 2017

Condensed Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2017

	Notes	31 December 2017 \$	31 December 2016 \$
Interest income		82,642	127,708
Depreciation		(4,734)	(1,276)
Exploration expense		(110,618)	-
Employee benefits expense		(162,144)	(127,398)
Other expenses		(353,372)	(118,989)
(Loss)/Profit from disposal of available-for-sale assets		(1,429)	27,459
Loss before tax		(549,654)	(92,496)
Income tax expense		-	-
Net loss for the period		(549,654)	(92,496)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Net change in the fair value of available-for-sale financial assets		(309)	(37,867)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive loss for the period, net of tax		(309)	(37,867)
Total comprehensive loss for the period		(549,963)	(130,363)
Basic loss per share	4	(0.86)	(0.15)
Diluted loss per share	4	(0.86)	(0.15)

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
Interim Financial Report - 31 December 2017

Condensed Consolidated Statement of Financial Position
As at 31 December 2017

		31 December 2017	30 June 2017
	Notes	\$	\$
Assets			
Current Assets			
Cash and cash equivalents		6,132,763	8,776,440
Trade and other receivables		13,505	26,336
Other financial assets		16,715	951
Total Current Assets		6,162,983	8,803,727
Non-Current Assets			
Deferred exploration expenditure	5	345,941	-
Assets classified as available-for-sale	6	290,928	300,000
Plant and equipment		67,052	2,569
Total Non-Current Assets		703,921	302,569
Total Assets		6,866,904	9,106,296
Liabilities			
Current Liabilities			
Trade and other payables		38,930	52,475
Employee benefits liability		29,752	28,669
Total Current Liabilities		68,682	81,114
Total Liabilities		68,682	81,114
Net Assets		6,798,222	9,025,152
Equity			
Share capital	4	14,682,954	16,405,862
Asset revaluation reserve		(72,761)	(72,452)
Share based payments reserve		45,941	-
Accumulated losses		(7,857,912)	(7,308,258)
Total Equity		6,798,222	9,025,152

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
Interim Financial Report - 31 December 2017

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2017

	Issued capital \$	Asset revaluation reserve \$	Share - based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2017	16,405,862	(72,452)	-	(7,308,258)	9,025,153
Loss for the period				(549,654)	(549,654)
Other comprehensive loss for the period, net of income tax	-	(309)	-	-	(309)
Total comprehensive loss	-	(309)	-	(549,654)	(549,963)
Shares issued during the year	1,125,000	-	-	-	1,125,000
Share issue costs	(99,812)	-	-	-	(99,812)
Share capital reduction	(2,478,096)	-	-	-	(2,478,096)
Share based payments	-	-	45,941	-	45,941
Balance at 31 December 2017	14,682,954	(72,761)	45,941	(7,857,912)	6,798,222
Balance at 1 July 2016	16,405,862	-	-	(6,955,419)	9,450,443
Loss for the period	-	-	-	(92,496)	(92,496)
Other comprehensive loss for the period, net of income tax	-	(37,867)	-	-	(37,867)
Total comprehensive loss	-	(37,867)	-	(92,496)	(130,363)
Balance at 31 December 2016	16,405,862	(37,867)	-	(7,047,915)	9,320,080

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
Interim Financial Report – 31 December 2017

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2017

	31 December 2017	31 December 2016
	\$	\$
Cash flows from operating activities		
Interest income	95,475	139,220
Payments to suppliers and employees	(654,506)	(254,407)
Net cash outflow from operating activities	(559,031)	(115,187)
Cash flows from investing activities		
Payments for purchase of prospects	(175,000)	-
Payments for plant and equipment	(69,217)	-
Payments for purchases of available-for-sale investments	(31,237)	(641,238)
Proceeds from disposal of available-for-sale investments	38,571	420,830
Net cash outflow from investing activities	(236,883)	(220,408)
Cash flows from financing activities		
Proceeds from issue of shares	1,000,000	-
Payments for expenses for issue of shares	(99,667)	-
Capital return to shareholders	(2,748,096)	-
Net cash outflow from financing activities	(1,847,763)	-
Net decrease in cash held	(2,643,677)	(335,595)
Cash and cash equivalents at 1 July 2017	8,776,440	9,382,429
Cash and cash equivalents at period end	6,132,763	9,046,834

The accompanying notes form part of these financial statements.

Santa Fe Minerals Limited
Interim Financial Report – 31 December 2017
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 2017 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. 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 27 February 2018.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS 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 has elected to adopt the following accounting policy for the treatment of its exploration and evaluation expenditures:

Exploration and evaluation expenditure

Exploration and evaluation costs, excluding the costs of acquiring tenements and permits, are expensed as incurred. Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised.

These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

- they are expected to be recouped through successful development and exploitation of the area of interest or;
- the activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where a decision has been made to proceed with development in respect of an area of interest the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

All other accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Santa Fe Minerals Limited
Interim Financial Report – 31 December 2017
Notes to the Condensed Consolidated Financial Statements

(d) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2017

In the period ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

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 2017. 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 Company 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 2017.

Santa Fe Minerals Limited
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Notes to the Condensed Consolidated Financial Statements

NOTE 2: SEGMENT REPORTING

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board of Directors) in allocating resources and have concluded that at this time there are no separate identifiable segments.

The Group's principal activity is exploration for gold and copper within the state of Western Australia.

NOTE 3: LOSS PER SHARE

	31 December 2017	31 December 2016
	\$	\$
Basic and diluted loss per share (cents per share)	(0.86)	(0.15)
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	63,912,196	61,068,789
Loss used in the calculation of basic loss per share (\$)	<u>(549,654)</u>	<u>(92,496)</u>

NOTE 4: SHARE CAPITAL

	31 December 2017	30 June 2017
	\$	\$
72,318,789 fully paid ordinary shares (30 June 2016: 61,068,789)	<u>14,682,954</u>	<u>16,405,862</u>

	Six months to 31 December 2017		Year to 30 June 2017	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	61,068,789	16,405,862	61,068,789	16,405,862
Issue of fully paid ordinary shares at \$0.10 each	11,250,000	1,125,000	-	-
Share issue costs	-	(99,812)	-	-
Return of capital to shareholders	-	(2,748,096)	-	-
Balance at end of period	<u>72,318,789</u>	<u>14,682,954</u>	<u>61,068,789</u>	<u>16,405,862</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 2017	30 June 2017
	\$	\$
Balance at beginning of period	-	-
Acquisition costs incurred	<u>345,941</u>	-
Total deferred exploration and evaluation expenditure	<u>345,941</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
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Notes to the Condensed Consolidated Financial Statements

NOTE 6: FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability 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 or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

	<i>Level 1</i>			
	31 December 2017		30 June 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<i>Financial Assets</i>				
Available-for-sale Investments	290,928	290,928	300,000	300,000

NOTE 7: SHARE-BASED PAYMENT

The following share-based payment arrangement was entered into during the period:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Unlisted vendor options	1,250,000	29/09/2017	30/09/2020	\$0.20	\$45,941

The above options were issued in accordance with the agreement for the acquisition of the Challa Projects. Please refer to section 9.1 of the prospectus dated 20 September 2017 for more information.

The fair value of the equity-settled share options granted 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.

	Unlisted vendor options
Dividend yield (%)	-
Expected volatility (%)	80
Risk-free interest rate (%)	2.02
Expected life of option (years)	3
Exercise price	0.20
Grant date share price	0.10

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.

In addition to the unlisted options issued above, 1,250,000 shares were issued to acquire the Challa Projects. The shares were valued at \$0.10 per share.

Santa Fe Minerals Limited
Interim Financial Report – 31 December 2017
Notes to the Condensed Consolidated Financial Statements

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
Interim Financial Report – 31 December 2017
Directors' Declaration

In the opinion of the Directors of Santa Fe Minerals Limited ("the Group"):

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 2017 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Group 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

27 February 2018
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Santa Fe Minerals Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Santa Fe Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, 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 interim 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 2017 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 interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim 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 2017 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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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A review of an interim 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
Chartered Accountants**



**D I Buckley
Partner**

**Perth, Western Australia
27 February 2018**