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Company Announcements Office
ASX Limited

SANTA FE MINERALS LIMITED TO ACQUIRE STRATEGIC LANDHOLDING AT CHALLA SOUTH PROJECT

- *Santa Fe Minerals has entered into an agreement to acquire two granted exploration licences surrounding existing ground at Challa South.*
- *E59/2259 covers the northern strike extensions to the Company's existing Yarrambie Nickel prospect.*
- *E59/2257 covers the Watson's Well prospect.*

Santa Fe Minerals Ltd (ASX: SFM) (**SFM,** the **Company**) is pleased to announce the conditional acquisition of exploration licences E59/2257 and E59/2259 (**Tenements**) from Gunex Pty Ltd (**Acquisition**).

The new ground covers 418km^2 and compliments the Company's existing tenements at Challa South. It also enables the Company to consolidate the Eastern side of the Narndee Intrusive Complex. Please refer to figure 1 below.

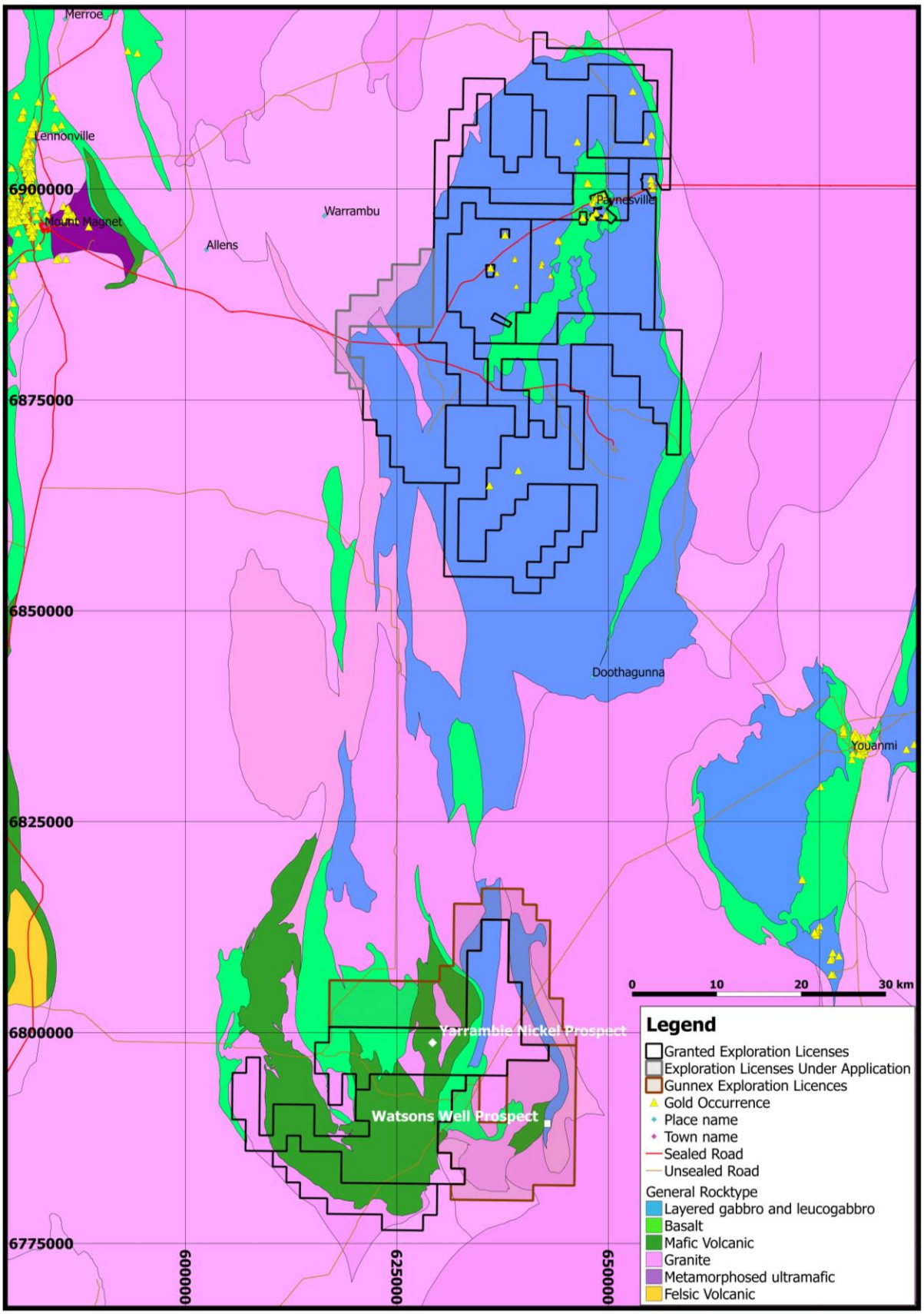

Figure 1: Full Challa Project area including Gunex Pty Ltd tenements.

E59/2259 includes the northern strike extensions to the Company's Yarrambie Nickel prospect. Exploration planning for Yarrambie is ongoing with a large scale field campaign to commence shortly.

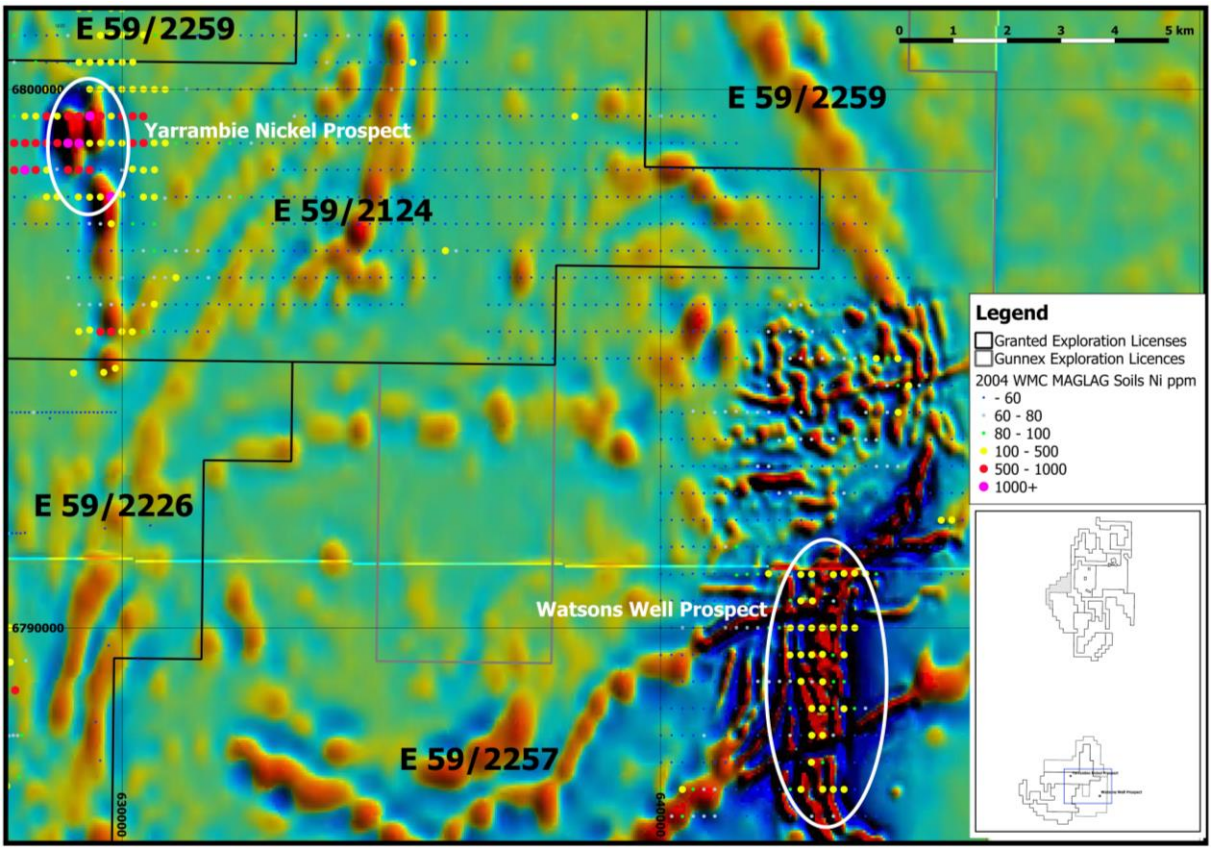

Figure 2: Yarrambie and Watson's Well prospects

E59/2257 includes a magnetic feature (greater than 5km in length) at the Watson's Well Prospect. Lag and MagLag sampling by WMC Resources Limited in 2004 showed anomalous Nickel (up to 467ppm) across the magnetic feature however this was not evaluated further. The Company will commence the first phase of exploration with a regional mapping and sampling program.

Commercial Terms of the Acquisition

The Company and its wholly-owned subsidiary, Challa Minerals Pty Ltd (**Challa Minerals**), has entered into a tenement sale agreement with Gunex Pty Ltd, pursuant to which Challa Minerals will acquire the Tenements on the following terms.

The Company has agreed to pay $20,000 up front as a non-refundable Execution Fee, with the following consideration to be paid upon receipt of Ministerial Consent:

- $50,000 cash;
- 500,000 ordinary shares in the Company;
- 500,000 unquoted options over shares in the Company, exercisable as 20 cents on or before 30 September 2020; and
- 0.8% Net Smelter Royalty payable on future production.

Given that the Tenements were granted within the last 12 months, consent from the Minister for Mines and Petroleum (**Ministerial Consent**) is required before legal title to the Tenements can be transferred to the Company.

Should Ministerial Consent not be obtained within 3 months, the Company may elect to withdraw from the Acquisition, or proceed with exclusive exploration rights to the Tenements, with transfers to be completed after the first anniversary of the grant date of the Tenements.

For investor queries, please call:

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COMPLIANCE STATEMENT
The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Mark Carder, a competent person who is a member of the Australian Institute of Geoscientists (AIG). Mark Carder is an employee of Santa Fe Minerals Limited. Mark has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mark Carder consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Lag sampling and geochemistry conducted by WMC Resources Ltd (**WMC**) in 2004-2005. Open File Report a070457. • -6mm +2mm deflation lag and maglag collected where deflation lag not available. Nominal sample spacing 200m by 500m. Surface grab samples. • Samples collected and assayed by WMC Resources Ltd at Ultratrace Perth using technique 00MXB. No other details recorded in WMC WAMEX open file report.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable. No drilling referred to in this announcement.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable. No drilling referred to in this announcement.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable. No drilling referred to in this announcement.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable. No drilling referred to in this announcement.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Unable to determine from historical WMC reports. • No geophysical tools used. • Repeat samples collected at the rate of 1 in 20 by WMC. No assessment of assay variability reported by WMC Open-file report 2004-2005 a070457.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Repeat samples used to verify assay variability. No assessment for the data reported by WMC Open-file report 2004-2005 a070457. • No adjustment of assay data undertaken.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations determined by hand-held GPS. • AGD-84 Zone 50 and converted to GDA-94 Zone 50. • +/- 10m. No RL data recorded.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Nominal 200m by 500m spacing for lag samples. • Data spacing considered to be appropriate for reconnaissance exploration. • Deflation lag collected and substituted with maglag in areas where insufficient deflation maglag material available.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No orientation sampling conducted. • E-W sample density higher (200m) than N-S density (500m) due to the overall N-S strike of the dominant lithological units and faults.
Sample security	• *The measures taken to ensure sample security.*	• The chain of custody of the samples was not detailed in the WMC Open-file report 2004-2005 a070457.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No QAQC or sample audit information reported in the WMC report.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Gunex Pty Ltd (ACN 612 870) is the registered holder of E59/2259 and E59/2257. • No National Parks. No Native Title. Current Pastoral Leases. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration (lag sampling) conducted at Watsons Well by WMC Resources Pty Ltd, 2005 (WAMEX Open file report a070457).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Cu-Ni-Co sulphide deposits in magma channelways being targeted.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Not applicable. No drilling referred to in this announcement

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade*	• Not applicable for the reporting of rock-chip and lag sample results.

Criteria	JORC Code explanation	Commentary
	results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable. No drilling referred to in this announcement.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams summarizing key data interpretations included in the body of this announcement. • Source data for the preparation of the diagrams is derived from open file geological data.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The exploration data discussed in the announcement has come from a variety of open file sources obtained over a period of time which is considered adequate for balanced reporting. • Documentation of the data collection methods is considered adequate to form a view that the data is reliable and collected to the industry standards operating when the data was collected.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• DMP 1:100k interpreted bedrock geology polygons, 2017 used in Figure 1. • DMP total magnetic intensity RTP colour images (Ninghan_RTP_1VD, 2015; Youanmi_RTP_1VD, 2010 and Kirkalocka_RTP_1VD, 2015 used in Figure 2. • All meaningful and material information of a regional nature that relates to the exploration potential and initial target areas

Criteria	JORC Code explanation	Commentary
		has been summarized and documented in the announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• A range of exploration techniques will be considered to progress exploration including additional surface sampling and drilling.