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30 January 2019

Company Announcements Office  
 ASX Limited

**QUARTERLY ACTIVITIES REPORT  
 FOR THE PERIOD ENDED 31 DECEMBER 2018**

During the quarter, Santa Fe Minerals Ltd (ASX: **SFM**) (SFM, the **Company**) continued exploration across four priority targets - Watson's Well (Vanadium), Paynesville Central/Fenceline (Gold), Pioneer (Gold/Copper) and Mt Ford (Gold). See Figure 1 below.

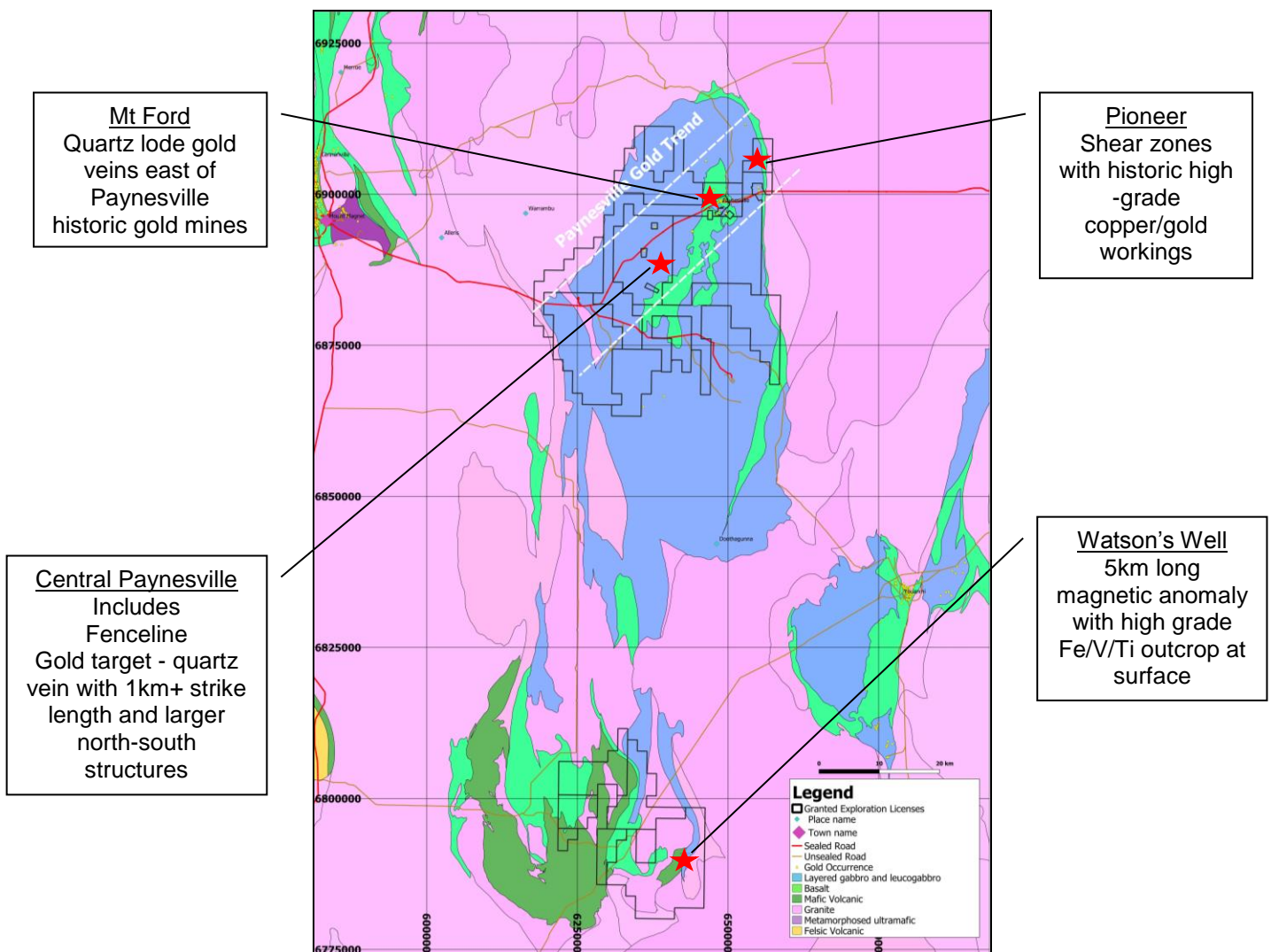


Figure 1 - Challa Project Area and prospects

As announced on 30 April 2018, initial mapping by the Company discovered meta-gabbro outcrop and magnetite banding at Watson's Well. The Company also conducted a preliminary MAGLAG and rock chip sampling program with a peak rock chip assay returning 1.64% Vanadium Pentoxide ( $V_2O_5$ ) - see ASX release dated 15 May 2018.

During the December 2018 quarter, the Company received final assay results from an extensive mapping and surface sampling program across the priority zones of the anomaly (see announcement dated 14 November 2018). Mag Lag sampling on a 250m by 100m grid was undertaken over a 2.4km<sup>2</sup> area. Rock chip samples were also taken from outcropping magnetite. Assay results for the program are shown in Figures 2 and 3 below.

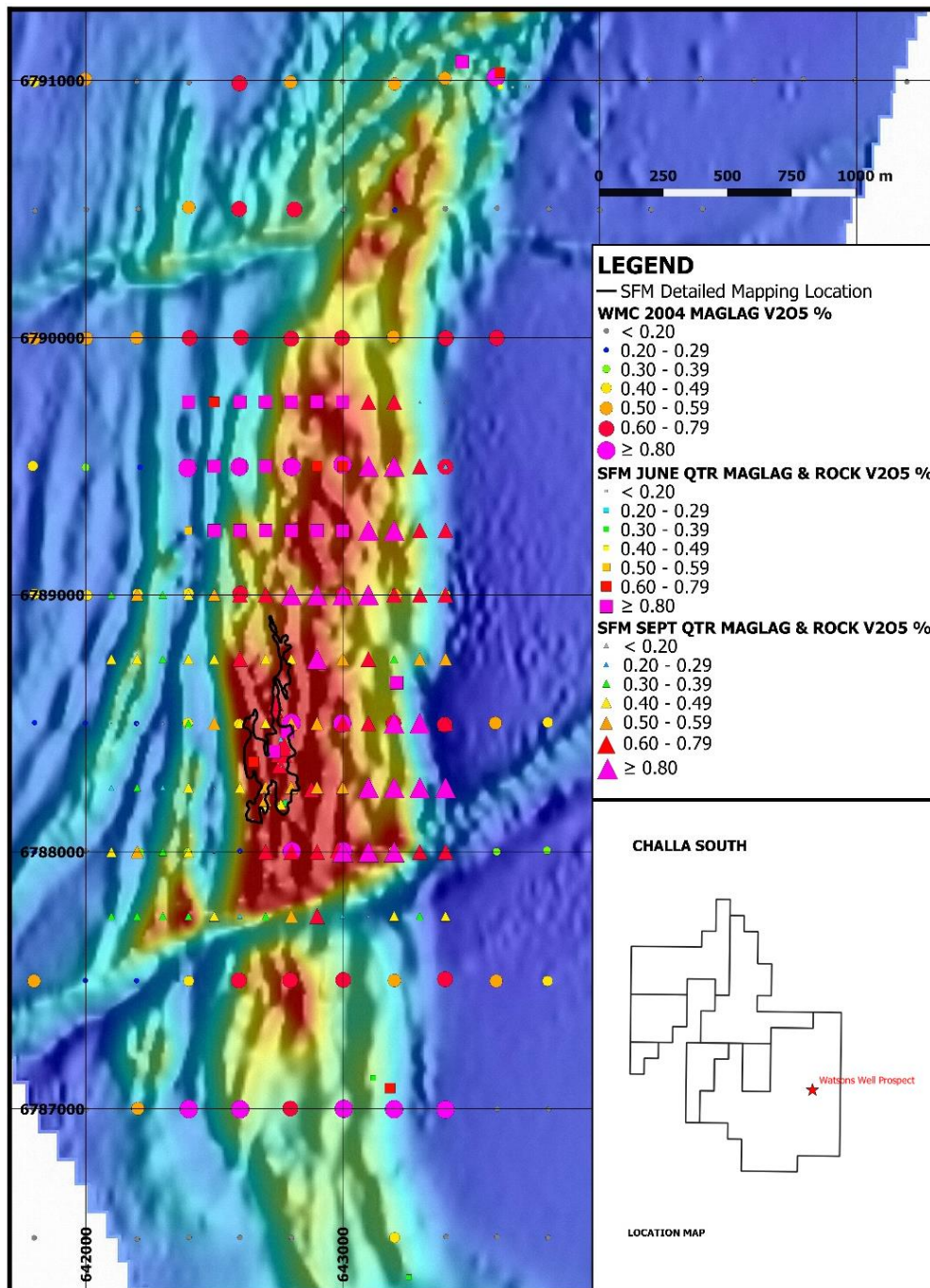


Figure 2 -  $V_2O_5$  MagLag and Rock Chip sampling assay results and location of detailed mapping location at Watson's Well Prospect. Maglag & Rockchip assay results were received during the December 2018 quarter.

Detailed mapping of available outcrop along the south western section of the magnetic surface anomaly confirmed multiple 0.1m to 0.5m true thickness and strike continuous magnetite layers within layered 3m to 10m thick meta-gabbro and several late-stage strike continuous pegmatite sills. The majority of the magnetic anomaly area is covered by transported alluvium and duricrust consisting of transported cover and residual magnetite scree.

Multiple outcrops across the magnetic anomaly of resistant quartz and pegmatites confirm the lateral continuity of the pegmatites. There is no continuous outcrop across the magnetic anomaly to create a complete stratigraphic profile of the magnetite rich layers; only drilling beneath the transported cover will be able to define the geology profile of the package.

The latest surface geochemical data (MAGLAG and Rock Chip  $V_2O_5$  content) does not show a direct correlation with the magnetic intensity image. The strongest magnetic intensity is not associated with the highest  $V_2O_5$  assay grade and is more likely reflecting regolith dispersion of the magnetite scree by weathering and surface transport processes.

The MAGLAG samples recently completed across the magnetic anomaly display a consistent elevated  $>0.60\%$   $V_2O_5$  anomaly. Grade variation from insitu rock chip data collected to date for the cumulate magnetite layers vary between 0.31% and 1.64%  $V_2O_5$  (22 samples); meta-gabbro containing minor magnetite vary between 0.03% and 0.09%  $V_2O_5$  (9 samples) and meta-gabbro containing common magnetite vary between 0.13% and 0.69%  $V_2O_5$  (12 samples).

Based on field mapping, the magnetite layering is dipping at -75 degrees towards the West; if the unit is not structurally overturned, the lower magnetite units are on the eastern side of the magnetic anomaly.

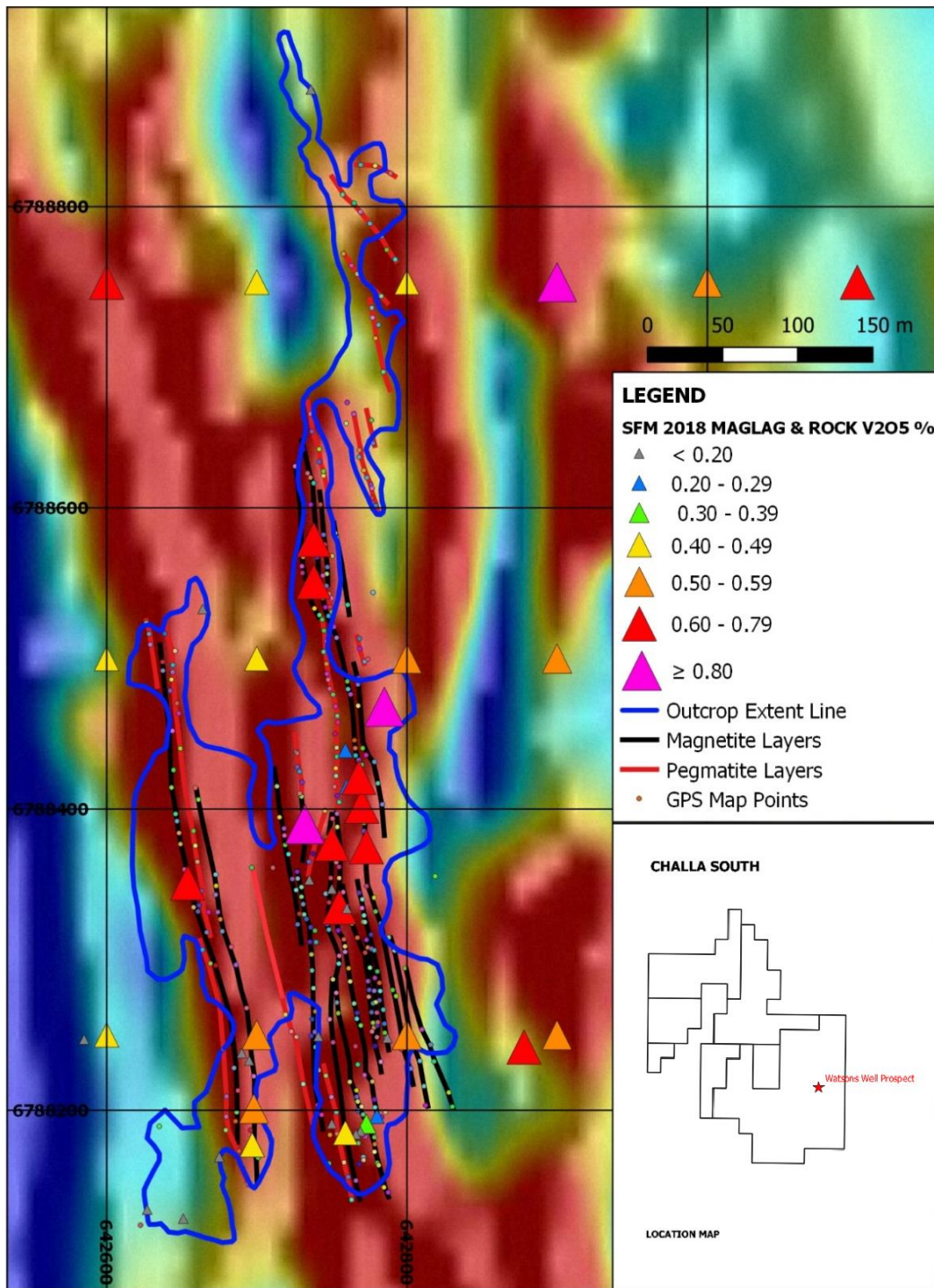


Figure 3 -  $V_2O_5$  MagLag and Rock Chip sampling assay results and detailed outcrop mapping at Watson's Well Prospect.

The eastern side of the magnetic anomaly is proposed to represent the lower section of the Shephards Discordant Zone (SDZ) that contains higher  $V_2O_5$  weight content magnetite relative to  $TiO_2$  weight content. Due to the transported cover and surface dispersion of the residual soils, the magnetic image is not reflecting the true location or intensity of the highest  $V_2O_5\%$  grade magnetite layers. The lower zone of the SDZ on the eastern side of the magnetic anomaly has the potential of being the more prospective side; however only drill testing can confirm the interpretation and provide representative assay data. The exposed western magnetite layers may represent the more evolved upper magnetite units with potentially lower  $V_2O_5$  weight content relative to  $TiO_2$  weight content magnetite units of the SDZ.

## Pioneer/Windsor - Gold

During the quarter, final assay results were received for a 100m by 200m surface LAG sampling grid and a rock chip sampling program. Field mapping also identified another high-grade small mine working to the north of the Pioneer North site (see announcement dated 14 November, 2018). A total of three high grade historic mine workings with best grades: **8.9g/t**, **19.0g/t** and **25.3g/t** (new site) have been mapped within a 2.2km Gold-Copper-Bismuth mineral system. 100m spaced magnetic data highlights at least two north-south structures with the eastern shear forming the contact between the Windimurra Igneous Complex (WIC) from the Yaloginda Formation and Big Bell Granites to the East. The western north-south shear appears to be the same structure that hosts the Windsor Castle mine workings 3.8 km to the south.

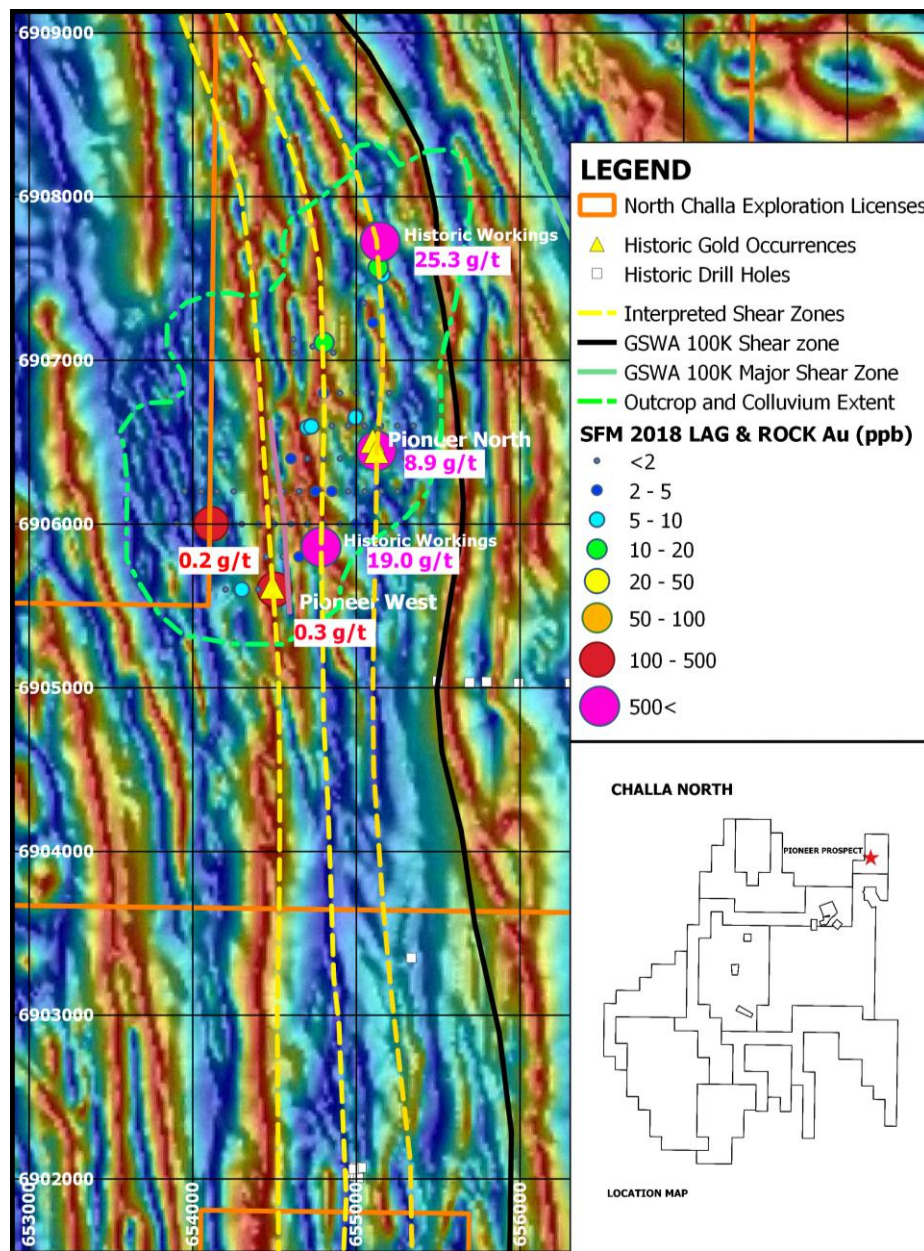


Figure 4 - Recent Lag and Rock Chip results at Pioneer Prospect over UTS 100m multiclient aeromagnetic data showing interpreted shear zones.

The Leucogabbro country rock hosting the shear structures is classified as part of the lower zone of the Windimurra Igneous Complex (WIC). Field observations indicate that the fabric is distinctly massive and coarse grained away from the finite shear zones hosting the quartz veins and mineralisation. The main shear hosting the quartz veining appears to be strike continuous approximately north-south and narrow 2 - 4m wide; gold mineralisation within the system is likely to be focused along these narrow (conduits) shears. The country rock appears to be resistant to deformation and hence any locality where the structure needs to deviate slightly along the main shear corridor may act as a dilation point for gold mineralisation. The mineralisation occurs within a discreet 600m wide zone and is untested 1km to the north and 3.6km to the south of the surface outcrop due to shallow transported cover.

Pending further field work in February 2019, Aircore drilling is anticipated in March or April this year.

### **Central Paynesville - Gold**

As announced on 28 May 2018, the Company completed 1,563 metres of slim-line Reverse Circulation (RC) drilling at its Challa North Gold project area with composite assay results being received during the September Quarter. The Company completed a total of 27 shallow slimline RC drill holes separated by 100 - 200m spacing along two east-west drill lines and 6 shallow slimline RC drill holes targeting the Fenceline quartz vein.

The east-west drill lines were sampled on 3m composites and designed to intercept both the interpreted major north-south striking and the northwest-southeast structures highlighted in the UTS Geophysics Pty Ltd (UTS) 100m multi-client aeromagnetic data.

Six of the east-west shallow slimline RC holes intercepted >20ppb Au values and all of these holes were re-assayed during the December quarter to the 1m primary sample retained in green poly bags. All six holes returned >50ppb assays with the best 1m composite of 389ppb at 22m down hole for PCRC10015 and 348ppb at 44m down hole for PCRC10023; indicating an open gold system (see announcement dated 14 November, 2018).

Table 1 below summarizes all 50ppb and above significant intercepts for the Paynesville drilling program on 1m composite samples. The table also contains three holes (PCRC10028, PCRC10029 and PCRC10033) drilled by the Company and previously reported, targeting the Fenceline quartz vein.

Table 1: 2018 Paynesville and Fenceline RC Drilling Results – Challa North – Paynesville Gold Trend

RC drill hole intersections tabulated below are calculated with a 50ppb Au lower cut for the entire drill program. These represent the intersections from individual 1m sample results and include 1m of internal dilution. The samples are routinely collected as 1m sample intervals from the cyclone or field reject.

Hole ID	Collar N (MGA)	Collar E (MGA)	Collar RL	Dip	Azimuth	Hole Depth (m)	Depth From (m)	Depth To (m)	Downhole Intersection (m)	Au Value (ppb)
PCRC10010	6891803	639403	489	-60	90	72	6	8	2	108
Including							6	7	1	164
PCRC10010	6891803	639403	489	-60	90	72	10	11	1	51
PCRC10011	6891803	638902	480	-60	90	39	19	20	1	76
PCRC10013	6891803	638703	480	-60	90	36	17	18	1	152
PCRC10015	6891795	638527	481	-60	90	48	16	18	2	52
PCRC10015	6891795	638527	481	-60	90	48	20	27	7	153
Including							22	23	1	389
Including							25	26	1	243
PCRC10021	6888800	638830	478	-60	90	45	21	24	3	87
Including							21	22	1	164
PCRC10023	6888798	639398	477	-60	270	66	44	49	5	134
Including							44	45	1	348
PCRC10028	6888483	638848	479	-60	360	72	17	19	2	68
Including							17	18	1	104
PCRC10029	6888506	638850	479	-60	360	48	16	23	7	66
Including							16	17	1	182
PCRC10033	6888525	638450	478	-60	360	48	18	20	2	1890
Including							18	19	1	3740

Of the 33 holes completed during the Paynesville drilling program, 9 drill holes with elevated (>50ppb) gold intercepts occurred within a 1km wide zone running parallel to a major north-south magnetic structural line. Historic surface samples also show a sharp grade transition away from the north-south contact; gold mineralizing fluids may be associated with this structure; no historic drilling has tested this contact between the two recent east-west drill lines. The majority of gold occurrences observed on surface are associated with discrete dilation quartz veins and stacked en-echelon shear veins.

The abundant occurrences of these finite gold hosted bucky quartz veins proximal to the north-south shear structure indicate that a larger gold provenance may occur at depth along the north-south shear structure; preventing simple grade vectoring methods using surface sampling.

Pending further field work in February 2019, Aircore drilling is anticipated in March or April this year.

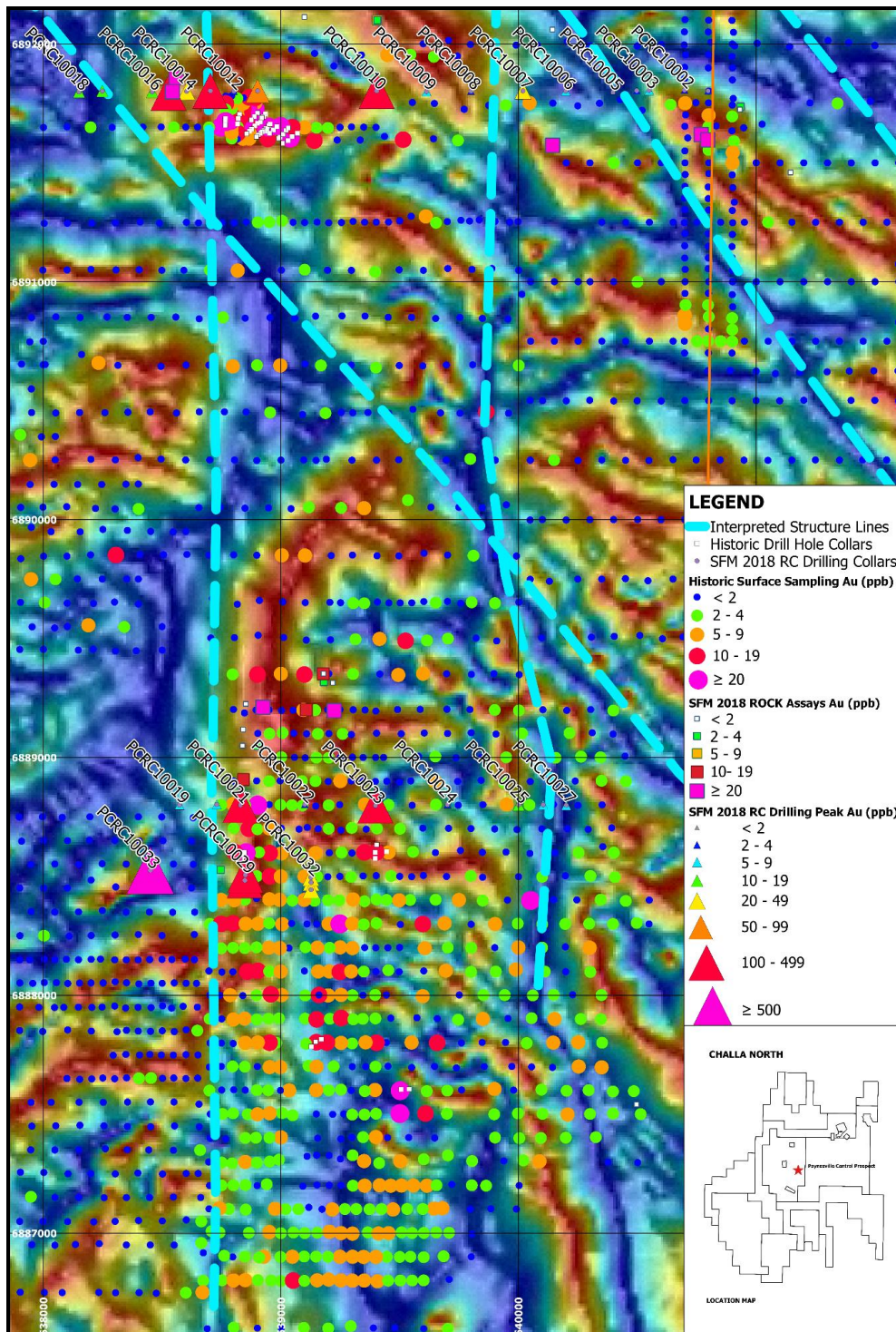


Figure 5 - Drill Hole Location plan over UTS 100m multi-client aeromagnetic data showing recent RC drilling relative to interpreted structures. Historic surface sampling and recent Rock Chip results shown.



## Mt Ford - Gold

The Mt Ford prospect is located adjacent to the historic Paynesville mine workings (excised). During the September quarter, the Company undertook two LAG sampling grids and Rock Chip sampling on two localities across the Mt Ford prospect with Assays received during the December quarter; refer to Figure 6 below. The locality has good exposure of the host rock which consists of equigranular felsic volcanic and sedimentary rocks of the Kantie Murdana Volcanics (KMV) Member that occurs as a local roof pendant to the folded Windimurra Igneous Complex (WIC). The KMV unit displays ubiquitous north south axial planar foliation parallel to the WIC fold hinge. Shear planes parallel to the north-south axial foliation have produced discrete sites of en echelon dilation quartz veins often hosting gold mineralisation.

Of the two surface LAG grids completed at Mt Ford prospect, the eastern grid displayed an open Au anomaly to the north with a best grade anomaly of 72ppb, individual rock chip assays also show above background Au values. A discrete northeast linear trend is also evident on the western grid with a best grade anomaly of 0.34g/t, further mapping and rock chip sampling is required to determine if the trend is significant. Planned work will include infilling and extending the eastern surface LAG grid to the north across the open target zone; refer to Figure 6 below.

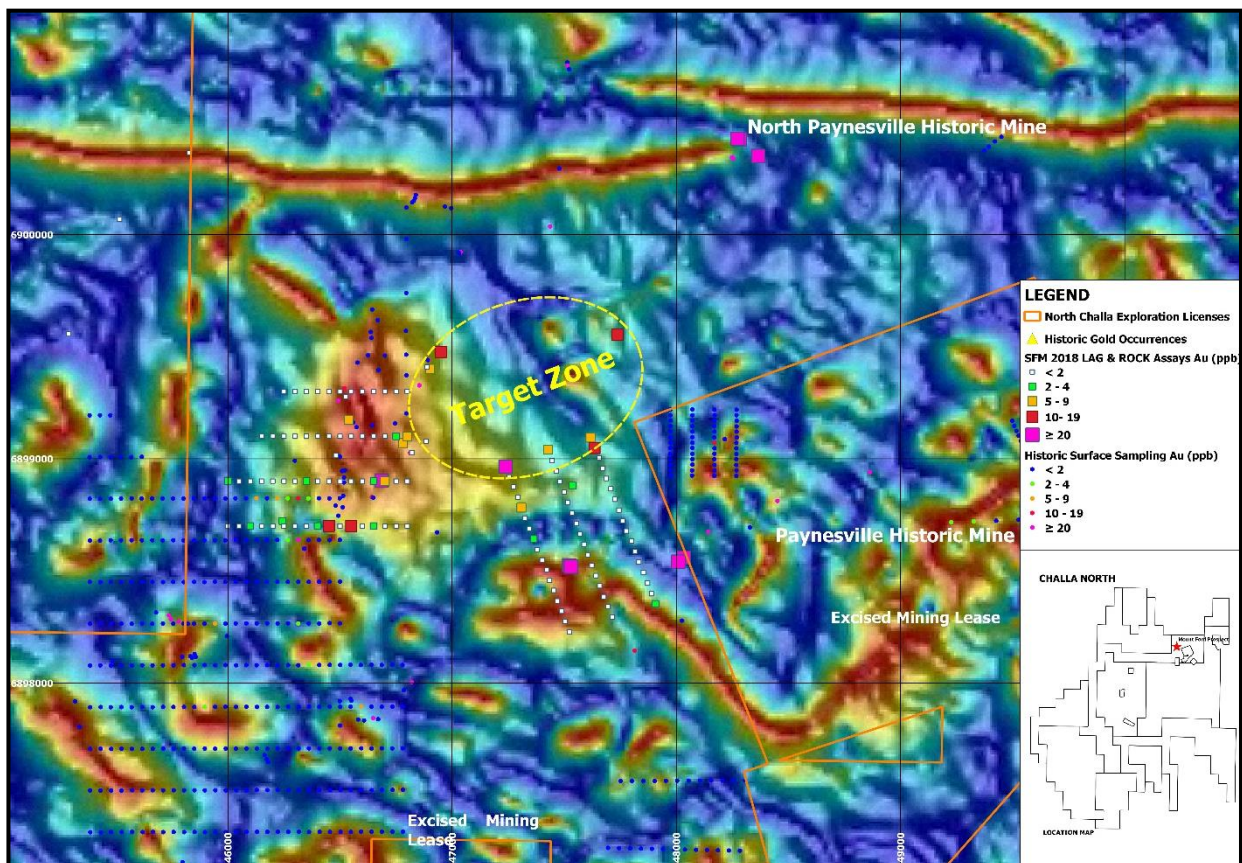


Figure 6 - Lag and Rock Chip results at Mt Ford Prospect over UTS 100m multiclient aeromagnetic data showing open target zone. Historic surface sampling and gold occurrences shown.

### Ground Rationalisation

Following the end of the quarter, SFM reduced its land position at Challa South by a total of 103 graticular blocks. The current leases are shown at Figure 1. Full details can be found at Table 2 below:

Licence Number	Previous number of blocks	Number of blocks relinquished	Current number of blocks
E59/2124	42	30	12
E59/2125	56	18	38
E59/2257	70	4	66
E59/2259	61	38	23
E59/2226	13	13*	*Lease Surrendered

Table 2: Ground reductions at Challa South

### Financial Position/Corporate

As at 31 December 2018, the Company had a balance of \$5,347,000 in liquid assets comprising of \$4,555,000 of cash, 500,000 shares held in Sundance Energy Australia Limited and 900,000 shares held in Aurelia Metals Limited.

As at the date of this release, the Company had a balance of \$5,466,500 in liquid assets comprising of \$4,523,000 in cash and shares held in listed entities with a market value of \$943,500.

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

**Doug Rose**  
Managing Director

### COMPLIANCE STATEMENT

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Van Luyt who is a Member of the Australian Institute of Geoscientists. Mr. Van Luyt is a contractor for 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. Van Luyt 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 announcement dated 14 November 2018: "Exploration Update – Watsons Well and Regional Gold Prospects".*

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

<b>Tenement</b>	<b>Holder<sup>1</sup></b>	<b>Interest</b>	<b>Location</b>	<b>Status</b>
<b>E58/472</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/500</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/501</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/502</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/503</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/504</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/511</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/526</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E59/2124</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E59/2125</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E58/485</b>	Challa Resources Pty Ltd	100%	Western Australia	Granted
<b>E59/2257</b>	Challa Minerals Pty Ltd	100%	Western Australia	Granted
<b>E59/2259</b>	Challa Minerals Pty Ltd	100%	Western Australia	Granted

<sup>1</sup>*Challa Resources Pty Ltd and Challa Minerals Pty Ltd are wholly owned subsidiaries of Santa Fe Minerals Limited.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Santa Fe Minerals Ltd

### ABN

59 151 155 734

### Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(141)	(336)
(b) development	-	-
(c) production	-	-
(d) staff costs	(65)	(138)
(e) administration and corporate costs	(63)	(249)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	54
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST paid to be recouped)	5	3
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(232)</b>	<b>(666)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(23)
(b) tenements (see item 10)	-	-
(c) investments	(346)	(752)
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	437	1,184
	(d) other financial assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>91</b>	<b>409</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,696	4,813
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(232)	(666)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	91	409
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,555</b>	<b>4,555</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	766	220
5.2 Term deposits	3,789	4,476
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,555</b>	<b>4,696</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	60
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees and superannuation.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	3
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

The Company rents office premises from a related entity. Normal commercial terms apply.

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

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	180
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	75
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>315</b>

<b>10.</b>	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E59/2226 (WA)	Relinquished	100%	Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

### **Compliance statement**

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



Print name: Doug Rose  
(Managing Director)

Date: 30 January 2019

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.